

CAB 37/118

1913

No 12

[Sydney Buxton ("S.B."), President of the Board of Trade. (Jan. 20, 1914). SECRET British Cabinet meeting on Compulsory Wireless Telegraphy [The English and American Marconi Company] In 1914 Jan 20, 1914, Cat. Ref. CAB 37/118/12. The National Archives.]

SECRET.

COMPULSORY WIRELESS TELEGRAPHY.

CONSIDERABLY more than a year ago I brought before the Cabinet the question of the introduction of a Bill to enforce wireless installation on certain classes of ships, together with the heads of a suggested draft Agreement with the Marconi Company, the object of which was to protect the shipowners against extortionate prices being charged for the installation which they were to be compelled to adopt.

The Bill was drafted by a Departmental Committee, of which I was Chairman, consisting of representatives of the Board of Trade, the Admiralty, and the Post Office. Before the time came, however, for introducing the Bill, I was able to arrange for the meeting of an International Conference on Life Saving at Sea, and it appeared, in the circumstances, better policy not to anticipate nor to prejudge the decisions of the Conference.

I did not therefore proceed with the Bill, nor complete the Agreement.

The International Conference, which represented thirteen nations, together with Canada, Australia, and New Zealand, met last November in London at the invitation of His Majesty's Government, and has just completed its proceedings.

Among the Articles of the Convention are nine dealing with wireless telegraphy on board ship. These Articles provide that the installation of wireless telegraphy should be made compulsory on certain classes of ships.*

**Note.*—All ships engaged in International Trade and having on board fifty persons or more, including both passengers and crew, or either, are brought within the compulsory provisions of the Convention.

Provided always that each of the Signatory States may, if the route and conditions of the voyage are such as to render a wireless installation unreasonable or unnecessary, exempt from this obligation—

(1.) Ships which do not go more than 150 sea miles from land during their voyages.

I should myself have desired to go somewhat further in enforcing compulsion than is provided by the Convention. But it was most essential to obtain, if possible, international agreement on the question, and this has now been accomplished.

The Conference dealt with a very large number of life-saving questions in addition to wireless, and adopted nearly all our proposals in their entirety.

We shall of course ratify the Convention, and this will necessitate a Bill to provide, among other things, for the compulsory installation of wireless on certain classes of ships.

It is clear that if some hundreds of shipowners are to be compelled to install wireless on their ships, they are entitled to demand that they shall be protected against a monopoly or extortionate prices.†

(2.) Ships which do not regularly or usually have fifty or more persons on board, but which take on board for a part of their voyages cargo hands: provided that this exemption shall not be granted to ships trading from one continent to another, or going outside the limits of 80° N. and 30° S.

The following ships are exempted:—

Ships on which the number of persons on board is exceptionally and temporarily increased up to or beyond fifty, as the result of *force majeure*, or special circumstances arising out of the illness of members of the crew and the consequent engagement of substitutes or the obligatory conveyance of distressed or other persons.

A continuous wireless service is required on ships going more than 15 knots and intended to carry twenty-five or more passengers on board; on ships going more than 13 knots, having 200 persons (passengers and/or crew) or more on board and going more than 500 miles between any two consecutive ports; on ships that go more than 500 miles from the shore and intended to carry twenty-five passengers or more on board; and on every ship engaged in the trans-Atlantic trade; and on every ship which goes more than 1,000 miles from the shore in the case of ships engaged in other trades.

In addition, each Government agrees to insist on a Continuous Service if, after experience, they think it would be useful for saving life at sea.

† The representative Merchant Shipping Advisory Committee in their report on the life saving questions referred to them (July 1912), while advising the application of compulsory wireless to certain classes of ships, add the following proviso:—

“It would, in our opinion, be impossible to require by law merchant vessels to be fitted with wireless telegraphic apparatus if thereby shipowners were delivered into the hands

The Marconi Company, as far as ship installation is concerned, have practically a monopoly.

There are now some 2,300 ships of all countries fitted with wireless. Of these about 1,400 have been fitted by the English Marconi Company and the American Marconi Company—a very small proportion, however, of that number being fitted by the American Company—and about 800 by the United Wireless Company, the Debeg, the Lodge-Muirhead, or the Telefunken Companies, which are all controlled, taken over by, or in alliance with the Marconi Company. The balance of installations are divided among twelve other systems. The installations on British ships number 974, of which 969 are those of the Marconi or other associated Companies as before mentioned.

In order, therefore, to protect the shipowners, it is necessary to come to terms with the Marconi Company; and consequently the draft Agreement, to which reference has already been made, has been negotiated with the Marconi Company.

This draft Agreement can fairly be said, I think, to be of a satisfactory and business-like character.

It provides that the Marconi Company shall quote prices for the compulsory requirements both for installation and working, and for operators. The prices quoted are thereupon to be examined by two persons appointed by the President of the Board of Trade to ascertain whether the prices quoted are fair prices including a reasonable profit. In the event of dispute as to the prices, the question is to be referred to a referee for decision.

The shipowner is, however, in no way compelled to avail himself of the Agreement; nor to take a Marconi set if he prefers any other, or can get it elsewhere better or cheaper (if up to the specified requirement).

The shipowner is therefore, on the one hand,

of a monopoly which could impose such terms as it pleased without stay or hindrance.

“ Before Parliament can apply compulsion to any class of ship it must therefore, in our opinion, first establish the conditions of a free market in the installations, or otherwise ensure their supply to merchant vessels at a reasonable commercial cost and under reasonable commercial conditions. This is a point to which we attach great importance, and the recommendations we are about to make are subject to such an arrangement being arrived at.”

completely *protected* against an unfair price, and, on the other, is not *compelled* to go to the Marconi Company.

Throughout the negotiation of the draft Agreement I have been acting in consultation and co-operation with the Post Office.

I have submitted and explained the object of the draft Agreement in confidence to certain leading shipowners, and they express themselves as gratified with the proposal.

In the ordinary course I should not have thought it necessary to bring the matter up again. But as the name "Marconi" is, for the time being, somewhat "suspect," I think it well to notify the present position to the Cabinet, as I now desire to proceed to the completion of the Agreement, which, in view of the International Convention just signed, is urgent.

S. B.

January 20, 1914.

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Printed for the use of the Cabinet. January 1914.

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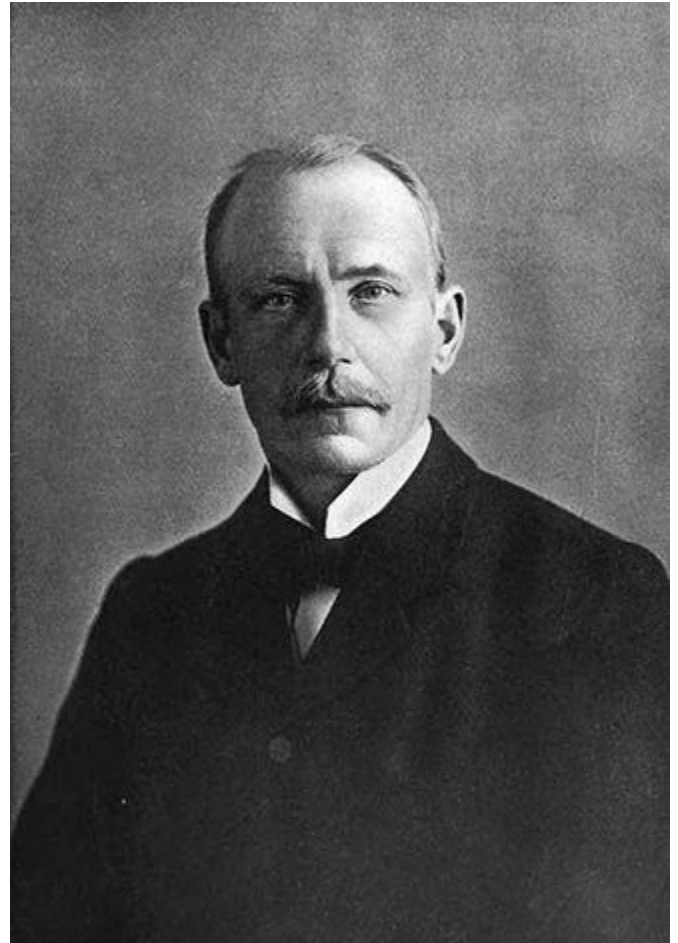


Figure 1: "S.B." [Sydney Charles Buxton, 1st Earl Buxton, GCMG, PC (25 October 1853 – 15 October 1934)] .

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January 20, 1914.

FOOTNOTES:

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"Before Parliament can apply compulsion to any class of ship it must therefore, in our opinion, first establish the conditions of a free market in the installations, or otherwise ensure their supply to merchant vessels at a reasonable commercial cost and under reasonable commercial conditions. This is a point to which we attach great importance, and the recommendations we are about to make are subject to such an arrangement being arrived at."

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[President of the Board of Trade (1900–1963)]




(*Wikipedia*, accessed Jan. 02, 2019)

Name	Portrait	Took office	Left office	Political party	Prime Minister
Gerald Balfour		7 November 1900	12 March 1905	Conservative	The 3rd Marquess of Salisbury
The 4th Marquess of Salisbury		12 March 1905	4 December 1905	Conservative	Arthur Balfour
David Lloyd George		10 December 1905	12 April 1908	Liberal	Sir Henry Campbell-Bannerman
Winston Churchill		12 April 1908	14 February 1910	Liberal	H. H. Asquith

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Sydney Buxton		14 February 1910	11 February 1914	Liberal	
John Burns		11 February 1914	5 August 1914	Liberal	
Walter Runciman		5 August 1914	5 December 1916	Liberal	
Sir Albert Stanley		10 December 1916	26 May 1919	Conservative	David Lloyd George (Coalition)
Sir Auckland Geddes		26 May 1919	19 March 1920	Conservative	

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<p>Sir Robert Horne</p>		<p>19 March 1920</p>	<p>1 April 1921</p>	<p>Conservative</p>	
<p>Stanley Baldwin</p>		<p>1 April 1921</p>	<p>19 October 1922</p>	<p>Conservative</p>	
<p>Sir Philip Lloyd-Greame</p>		<p>24 October 1922</p>	<p>22 January 1924</p>	<p>Conservative</p>	<p>Bonar Law</p> <p>Stanley Baldwin</p>

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