

Section 9—Division of tolls

(i) In the case of direct radiotelegraph circuits, the portion of the tolls remaining after deduction of terminal and transit charges shall be divided equally between the transmitting and receiving organisations. This provision does not apply when the collection rates are not equal in the two directions; in such cases there will be special arrangements between the countries concerned.

(ii) Changes in payments for services over indirect routes resulting from the introduction of revised rates shall be the subject of special arrangements.

(iii) The application of paragraphs (i) and (ii) of this Section to existing contracts and the specific arrangements to give effect to them shall be considered by the parties concerned.

Section 10—Currency

Since the gold franc system of telegraph charges and accounting may be unsatisfactory in certain circumstances, the fixing of tariffs and the settlement of accounts between the United States and the countries of the British Commonwealth shall be governed by the following general principles:—

(i) The tariffs shall be drawn up in dollars and in sterling, and the tariffs so expressed shall be approximately equivalent at \$4.03 to £1.

(ii) In the event of an alteration in the average of the buying and selling rates for telegraphic transfer of dollars and sterling by more than 2 per cent from \$4.03 to £1, arrangements shall be made promptly, at the request of any country, for consultation on the adjustment of tariffs, which shall be drawn up in dollars and sterling and which shall be approximately equivalent at an agreed rate of exchange.

(iii) In any country other than the United States and the United Kingdom, the schedule of charges in local currency for messages shall at all times be the approximate equivalent of the tariffs drawn up in dollars and in sterling at the average of the buying and selling rates for telegraphic transfers of the currency in terms of dollars or sterling. Minor fluctuations in the exchange rates shall not of themselves require a modification of the schedule of charges in local currency. In fixing collection charges in its local currency, a country shall be entitled to vary the precise equivalent of the dollar-sterling tariff to the nearest convenient unit.

(iv) The balance due as between the parties concerned shall be calculated in accordance with the tariffs drawn up in dollars and sterling. However, in the event of different collection rates in the two directions, the amounts to be entered in the accounts shall be subject to special arrangements. Settlement shall be made in the currency of the country of the creditor party on the basis of \$4.03 to £1. In the case of a request for consultation in accordance with paragraph (ii) of this Section, obligations incurred prior to the date of such request shall be settled on the basis of \$4.03 to £1. The basis of settlement of balances arising in respect of the period between the date of such request and the date when new tariffs as provided in paragraph (ii) of this Section become effective shall be a matter for agreement between the parties concerned. On and after the date when new tariffs become effective settlement shall be made on the basis of the new agreed dollar-sterling rate of exchange.