

**CONFIDENTIAL.**

C.S.

1942

No.

C/13/42.

Secretary of State.

SUBJECT.

19 42.

11th September.

POST-WAR DEVELOPMENT OF CIVIL AVIATION.

£

Previous Paper.

239/31.	306/30
88/39.	3/45.
53/41.	13/45.
5/22/42.	
54/44.	

(Withdrawn and filed in 13/45)

1. *Excerpt from Gov's Conf: Despatch of 22/2/42.*  
MINUTES.
2. *S. of S. Conf: Circ. Despatch of 11/9/42.*  
(2)

A.C.S.

*Pl. attach all previous papers on this subject. In particular there are the Policy Despatch & the recent telegrams about air-mails - the P.A.S. was anxious about them. There may also be others.*

*KPB*  
31/12

*M.S. (4) Relative M.P.s attached. Excerpt from S.S.'s Policy despatch filed at red (1) in this M.P.*

*KPB*  
4/1/43.

Y.E.,

In view of the many major factors which are at present uncertain it is impossible to talk in present terms or to submit anything but outline suggestions regarding the post-war development of Civil Aviation in the Colony and Dependencies.

2. The one safe assumption seems to me to be that air-services will have to be provided. Even before the war it had for some years been the settled policy of the British, Dominion and several Colonial Governments to establish air-services not only in economic areas but also throughout vast areas where population and produce could only be expected to produce a minute revenue to set against operation costs (e.g. Africa). Expansion of air-communications was rapid during the 1930's. It will be very much more rapid after the war, more rapid and extensive, indeed, than we can imagine.

Subsequent Paper.



imagine. It is certain that within a very few years the provision of an air-service either by direct operation or subsidy will be regarded even here as just as essential a part of the duty of Government as the provision of a police force. We should therefore be prepared to act without waiting until we are driven to do so by pressure from London or from public opinion. This being so we must ask ourselves not whether air-services should be established, but how. We know they will not pay; all we need concern ourselves with is to find the most convenient form for them to take and that which will be least expensive for the Imperial and Colonial Governments.

3. The question was discussed in Y.E's "policy" despatch (extract at (1) ) but the arrival of the garrison has since altered the situation and you will no doubt agree that its re-examination is justified in preparing an answer to this despatch. Much of what follows is widely conjectural, but so are the possibilities of post-war aviation. No planning will be adequate that is not visionary.

4. Perhaps the most important aspect of the matter is Defence. As far as I am aware, we have at present no information as to whether the strategic value of the Islands will lead the War Office to retain a garrison here after the war. If they do, an aerial reconnaissance unit will be an obvious part of it. This may even be supplied while the war is still on. In these circumstances the financial liability of the Colonial Government might be very much reduced. The R.A.F. unit might be glad to provide a medical and mail service round the islands for the sake of the flying hours and the requisition of local knowledge and experience. The presence of a garrison would also be a powerful inducement to the Imperial Government to help with the heavy cost of a service to and from the mainland.

If no garrison is retained it will be all the more important that we should have in being a civilian service capable of being used for reconnaissance and seaward defence in an emergency. Other factors resulting from the removal of the garrison will be mentioned below. In either event there are good reasons why, on strategic grounds alone, we can expect generous help from the Imperial Government.

5. We must envisage two distinct services (a) inter-insular and (b) overseas, since from my very slight knowledge I should say that entirely different types of aircraft would be needed for each of them.

(If the Argentine dispute is favourably settled, and it looks as though a settlement of some sort is becoming more probable, we could run our overseas service to connect with Aeroposta Argentina at Puerto Gallegos and use our inter-insular aircraft, but this possibility, though mentioned again below, is for the moment disregarded).

For island work we need two sea-planes. For the Montevideo route nothing smaller than trans-oceanic flying boats would be adequate, and they could not, I imagine, be used round the islands because many of the anchorages would be too small. (A Sunderland could not use Port Stanley, though it could use Port William. It could not use Port Howard.)

6. What follows is written on the assumption that no garrison will be maintained here. (a) Inter-insular service. Y.E's figures at (1) were based on the use of two de Havilland Dragon Rapide aircraft. I have had a lot of experience with these machines and they were ideal for our purposes here on pre-war standards. But after the war there will be innumerable service aircraft (and spares) for disposal which can be adapted for civilian purposes. Presumably they will be available to Colonial Governments either very cheaply or even as gifts in recognition of the contributions of the Colonies to the war effort. Similarly we shall have materials available at little or no cost for a hanger and staff houses. For the sake of argument I reduce the figures for these items of capital cost by 50%. This gives us a total capital expenditure of say £9,000. Recurrent costs may as well be left at £7,700. Against these recurrent costs, however, can be set the following :-

- (1) Medical Service. This could be centralised in Stanley from where a doctor could reach any settlement more quickly than by surface transport from Fox Bay, Stanley or Darwin. S.M.O. agrees that we could reduce our establishment of Medical Officers from (a) potential) 4 to 2 and cut out the Fox Bay and Darwin stations altogether. The F.I.C. would still have to pay us their contribution now under discussion. We can put the annual saving at £2,000.
- (2) Mail subsidy to F.I.C. On a normal total of say £6,000 at least £500 must be in respect of the inter-insular mail-service and would be withdrawn. Saving £500.

- (3) Operational revenue. Wool and other bulk cargo would continue to be carried by sea or over the new road. Some of the passengers in the East Falkland would use the road and its feeders too, but those from West Falkland and S.E. Falkland would travel by air. All mails and small packages would go by air. A guess at annual operational revenue from these sources would be £1000.

The above gives a total annual figure of £3,500 or 45% of the estimated operational costs. Admittedly such costs will probably be very much higher by the time the war is ended but the rise is impossible to estimate. On present figures it seems that we could establish and run our own inter-insular service for £9000 capital expenditure and £4,200 (net) recurrent. The Capital Expenditure could be met from the proposed loan and our revenue will be able to stand the recurrent up to £5000 per annum. To subsidise a private Company would give us perhaps more efficient results but would cost us more.

7. The question might be raised as to whether the establishment of a local air-service might not so reduce the value of the proposed road as to kill that project altogether. I do not, however, think it has been found generally desirable to abandon road-construction intended for development purposes merely because of the establishment of parallel air-routes. A road has such wide social potentialities, and the small distances involved in our case do not lessen them. Only, for instance, by means of the road can the amenities of the town be brought to the door of the countryman and the drift to town life (one of our most fundamental problems) be stemmed.

8. (b) Overseas Service. We have no data about this and can only discuss its possibilities in the most general terms. Even the feasibility of setting up a service from Montevideo to South Georgia via Stanley might not be so improbable as it seems at first sight because the whaling companies might be willing to make generous contributions in order to get quick and regular mails and supplies of fresh food. If all the mail and passenger traffic from Stanley were to go by air questions would arise, what effect would this have on the shipping subsidy to the F.I.C. ? Provided that the wool traffic and the supplying of the F.I.C. estates would of itself be sufficient to ensure say six Montevideo voyages a year, we could withdraw the subsidy and contribute the £5,500 to the air-service. The F.I.C. would have to keep a steamer going for their own traffic. I have not considered the import of perishable foods because by that time we should be self-supporting in these. As regards operational revenue we could probably expect 100 passengers each way in the year and a certain amount of package-freight in addition to the mails.

And that is about all we can offer. We could not afford any contribution except the £5,500 mentioned above if this became available, but as I have mentioned, if the service were extended to South Georgia the whaling companies would help. The question, therefore, of a Montevideo service would be one for the Imperial Government, to be decided partly on strategic grounds and partly in the light of the general policy regarding the opening up of isolated areas in the Empire by heavily subsidised air-services. It would be extremely expensive, and London would be better advised to concentrate on a favourable settlement of the Argentine problem which would make possible the establishment of the  
Puerto/

Puerto Gallegos service referred to in para: 5. Victory for the United Nations will put Great Britain and the United States in such a powerful position that recalcitrant neutrals may find co-operation expedient.

9. Finally there are the Antarctic Dependencies. Whatever happens permanent occupation will be most improbable, but if it were necessary air-communications would be invaluable. Whether they would be practicable even for flying boats I do not know, but the establishment of a meteorological station in the South Shetlands in addition to that in the Orkneys might enable the necessary flights to be made with some degree of safety.

K.B.  
C.S.  
12. 1. 43.

(6)

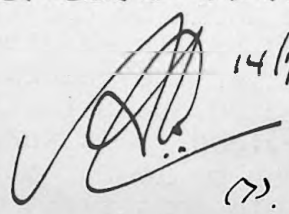
Excerpted  
to  
13/45

The reply to this (2) can await the Beveridge report which will undoubtedly cover the question of air services.

2 We must not forget that here we are in the position of having no public places other than Stanley (at present). Govt. is not under the same obligation as elsewhere in providing communications. One could not justify a public expenditure of public money on private lines of communication - e.g. Dawson - Fox Bay; & it would be difficult to justify (except in hospital cases) from the private estate of W. X to the cinemas or other amenities of Stanley.

3 The Colonists are volunteers here, not indigenes.

4 One differs here also from other colonies in that we are out of touch with any other British possession save by air & it must depend on international agreements.

  
14/1/43  
(7)

Excerpted  
to  
13/45

I have discussed this with H.F. He does not propose to answer the despatch at present. K.B. P.A.  
8/13.

B.L.  
  
1/10/43

8. Memorandum from L. W. H. Young, Esq., of 1. 1. 45.  
 9. Minute by His Excellency the Governor of 3. 1. 45.  
 10. Letter from Manager, F.I.C., of 21. 5. 45. p.a.  
 11. Saving Telegram No. 14 from S. of S. of 20. 2. 45.  
 Your Excellency, (12)

Mr. Roberts sent (10) in before he left. It does not require any urgent action and needs a lot of thought. The following points occur to me :-

2. Any help we give now to the experimental service will, unless we stipulate to the contrary, commit us to the principle of subsidising the F.I.C. to run the permanent service. This will be extremely unpopular with the people of the Colony who will press strongly that the Government should either run the service itself or subsidise an independent company. It is probably better and even inevitable that the F.I.C. should do it, but we must be prepared for a strong political reaction.

3. Apart from these political reasons we must also be extremely careful not to commit ourselves for the future because any permanent service will have to be subject to a much higher degree of safety controls than the Company at present imagines. (The D H 84' plane, for instance, is at least ten years old). e.g.g. regular overhauls and dismantling, independent inspections for periodical certificates of airworthiness, employment of skilled air-mechanics and riggers. These and many other things are embodied in every colony in Air Navigation Ordinances and Regulations. We can no doubt simplify things here, but the F.I.C. must not imagine they can operate just as they please.

4. For the experiment we should limit ourselves. I think we should consider a financial grant of £2,000 towards the cost of plane and pilot and should pay for the making of a landing ground for Stanley. Other landing grounds, all on private land, cannot be a charge to Government. We might lend the labour to be paid at Stanley rates by those concerned.

5. In this way we limit our liability to matters which can legitimately be classed as research into the possibilities of civil aviation, however the latter may be later organised.

6. In order to prepare the Stanley landing strips this Spring careful planning of the public works road and other work will be needed. I will discuss this and the advisability of buying a bulldozer and dumper (also for future road making) with the Executive Engineer as soon as he returns. (Please see also papers on 74/44 attached).

7. I do not think Government should buy a car. They are unobtainable now, in any case.

8. So far as the future is concerned (1) any air service which enables Government to close the Medical stations at Fox Bay and Darwin is worth about £2000 per annum to us.

(2) Any subsidy for mail-carriage should be deducted from the shipping subsidy if the F.I.C. operate the air service.

(3) Any subsidy beyond this should be absolutely conditional on passenger fares being sufficiently cheap to enable farm employes to use it and not merely Managers. The passenger rate for similar aircraft in Africa was 9d. per mile. Frequent and reasonably regular services to all areas should also be insisted upon.



9. The problem for the F.I.C. will be how to comply with normal safety requirements and to supply an adequate service and yet make the service pay without demanding so high a subsidy that future Legislative Councils will refuse to grant it.

10. I suggest that we obtain models of the necessary legislation now.

11. May we discuss.

*KB.*  
31st May, 1945.

(13).

Re:  
I discussed this with H.K. M.A.A. until we hear more from the Company or the P.F.L. I mentioned your suggestion of using the race-course for as a landing ground for the experimental flights and will be born in mind.

KB.  
1/6/45

Excerpt from Crown Colonist of May, 1945.

14.

Excerpt from letter from Man. Dir., I. I. Co. of 2.12.46

15.

16

17.

(15)

X puts out before house? I think in the first place they propose to do — stress heli-ports. I am opposed to landing strips because we need airports everywhere — not in a few favoured places, as far as inter-island communications are concerned.

Yes. I have said so elsewhere  
+ said in  
Munday's Report

MC

KB.  
13.12

(17)

X | There is a model bill for control of Civil Aviation in the Colonies we should send for it.

They are now toying with the thought of an Anson which is an altogether different proposition to the Anson and in my opinion wd. need properly prepared landing grounds. MC. 14/4/45

18. Excerpt from "Notes on Gov. House Meeting of 16/12/46

19

A.C.S.

If there is no trace of x of 17 in the office, pl. ask S/S for it by 3 pm. (But then std. be the Model Bice, wh. I can see some-thing).

Abe  
7.1.46

3 pm. to Under S. of S. of 10.1.47.

Extract from Personal letter of 9.4.47 to Hon. Col. Sec. from Mr. K. G. Bradley, CMG.

22

(20) If no reply by this incoming mail pl. B.S. for reminder.

Abe  
2.7

40a - 13/43 and 20.

21

B.S. 2/16 Abe  
23/17  
B.S. 2/17  
Abe

B.S. 8/17  
(for reminder)  
9/17  
2/17

B.S. 2/17  
2/17

EXCERPT FROM GOVERNOR'S CONFIDENTIAL DESPATCH

TO SECRETARY OF STATE OF THE 22ND OF FEBRUARY,

1942. (Original despatch filed in M.P. 8/42)

AIR SERVICE.

63. The question of an air service for civil purposes was seriously raised in 1938 but the expenditure to be incurred was considered an insuperable barrier to its inauguration.

64. However, in October, 1940, a Mr. Ballantyne of the De Havilland company was in Stanley and advantage was taken of his visit to obtain further information. I enclose a copy of his remarks which were naturally of an ex parte nature and in my opinion ~~was~~ far too conservative in so far as his estimate of expenditure was concerned.

APPENDIX VIII.

65. It will be observed that this estimate is for an inter-island sea-plane service and the cost summarised is :

1. Initial Expense:	1 plane Stanley	£6250
	Building and Buoys	750
	Spares	400
		<hr/>
		£7400
2. Maintenance:	Depreciation @ 20%	1250
	Insurance @ 9%	140
	Depreciation on building and buoys 10%	75
Personnel -	1 pilot	850
	1 mechanic	400
	Various labour	150
Operational Charges -	Petrol and Oil	1078
	Spares, etc.	250.
		<hr/>
		£4192.

66. But it is obvious that one plane is of little value and at least two if not three would be necessary; buoyage would probably be risky in some of the Falkland Islands gales and therefore hangars required; at least two pilots would have to be engaged, possibly three since arrangements/



arrangements must be made for leave or illness; no estimate is included for the initial cost of survey or placing of the buoys and no costs of voyages from and to the United Kingdom were submitted; houses for the pilot and mechanic would also have to be erected. As a truer estimate the following would seem to be nearer accuracy

Initial cost : 2 planes	12,500	
Building & buoys	-1,200	
Spares	800	
Hangar	- 2,000	
Houses for staff	- 1,500	
Fares outward 2 men & wives	410	
1 man & wife	160	
Ex. stay at M.V.	90	
		Total
		£18,660
2. Maintenance : Depreciation @ 20%	2,500	
Insurance @ 9%	280	
Depreciation on		
buildings & buoys 10%	470	
Personnel 2 pilots	1,700	
1 mechanic	400	
various labour	150	
Operational charge - Petrol, etc	1,600	
Spares	375	
Average passages for leave	220	
	=	7,695.

67. It must also be remembered that Mr. Ballantyne's estimate does not include air connection with Montevideo, a distance of 1000 miles and that his operational figures were based on a 350 mile voyage. As matters are today the shorter trans-oceanic route to the continent to Puerto Gallegos is ruled out owing to the intransigent attitude of the Argentine. So, that no benefit on account of mail services, except local, could be obtained.

68. The last point would be of utmost importance as purely local service would cater for a mere all-in population of 426 in the West Falkland and 702 in the East Falklands.

69. It is interesting to record, that the population in terms of aviation mileage from Stanley is as follows :-

miles/

	Miles	Place	Population.
East Falkland :-	14	Port Louis	18
	19	Fitzroy	56
		Bluff Cove	5
	23	Rincon Grande	15
	28	Salvador	35
		Teal Inlet	42
	36	Douglas	44
	50	Darwin	238
		San Carlos	56
		Port S. Carlos	44
	70	North Arm	104
West Falkland	74	Port Howard	54
	80	Pebble Is.	30
	96	Chartres	41
	97	Foxbay	92
	98	Saunders	13
	102	Hill Cove	43
	103	Port Edgar	20
	112	Carcass	5
	120	Roy Cove	34
	123	Passage Is.	4
	132	Port Stephens	70
	134	Weddell Is.	8
	136	West Point	8
150	Beaver Is.	9	
154	New Island	12	

and that an obvious round trip returns the following mileage

Airport	Mileage between ports	Total mileage
Stanley	-	-
Fitzroy	19	19
Darwin	31	50
North Arm	25	75
Port Stephens	65	140
	-	-
Port Stephens	-	140
Foxbay	35	174
Port Howard	32	206
San Carlos	25	231
Douglas	18	249
Teal Inlet	10	259
Stanley	28	287

A weekly service would entail therefore some 15600 flying miles annually leaving on Mr. Ballantyne's estimate some 34,400 for occasional trips. It does not seem likely that with the present proposition this maximum of 48,000 could be reached. Even if the planes were capable of the 1,000 miles flight for mails, totalling 24,000 in the year there would still remain some 8,000 miles of emergency flights/

flights, permitting more than 25 flights to the furthest point from Stanley - a number most unlikely to be required.

71. The above is based solely on the possibilities of passenger traffic. Freight would be almost exclusively inward from wool transport and outward general stores.

72. An analysis of the present available supplies of wool is attached in Appendix "C", and shows that the average total from the West Falkland is 1,257,140 lbs or 561.22 tons. Mr. Ballantyne's estimate of .7 tons per full load would give 800 trips in order to bring the West Falkland wool clip into Stanley in accordance with the following summary :

Port of Shipment	Miles from Stanley	Average wool clip in lbs.	Cost per ton per ten mile	No. of trips required @ .7 ton per trip.
Hill Cove	102	191428	£11. 1. --	122
Port Howard	74	262628	£8. -- 4.	167
Roy Cove	120	112044	£13. -- --	71
Chartres	96	179394	£10. 8. --	114
Fort Stephens	132	151239	£14. 6. --	97
Pebble	80	162408	£8.13. 4.	103
Fox Bay	97	197999	£10.10. 2.	127

73. The clip from the smaller islands and the Falkland Islands Company's shipments are not included in this table.

74. The above calculation is based on the De Havilland's official's estimate of only £4,200 annual operational charges, and even then are to-day prohibitive amounting to charges into Stanley from .86d. to 1.3d. per lb. excluding handling and insurance. If my estimate is taken/



taken these freight charges are almost doubled.

75. This is illustrated in the following comparative table based on the present steamer charges which are :

Port Category "A".

\$4. 10. -. per ton of 1,000 kilos, or) At ship's  
\$1. 10. -. per ton of 40 cu. ft. ) option.

Port Category "B".

\$5. 10. -. per ton of 1,000 kilos, or) At ship's  
\$1. 16. 8. per ton of 40 cu. ft. ) option.

Category "A" ports are ports with "wharf facilities", i.e., jetties where a vessel is assumed to be able to load alongside safely. With the present larger vessels, most of the "A" jetties do not continue to offer the required facilities, but they are nevertheless still allowed to enjoy the reduced rate of freight as if there had been no change from the days when the differentiation was made.

They are :-

Goose Green	Port San Carlos	Port Howard
North Arm	Moro (Douglas St.)	Hill Cove
San Carlos	Port Stephens	Chartres.

Rate "A". \$4. 10. 0.	Kilometre tons.	Cost per s.s.	Tons Avdps.	Cost per Air.	
	Port Stephens	69	\$310.10. -	68	\$972. 8. --
	Port Howard	120	540. -- -	116	929.10. 4.
	Hill Cove	87	391.10. -	86	950. 6. --
	Chartres	82	369. -- -	78	782.12. --

76. There is no need to detail the comparison with the air service of Category "B" ports, as it is obvious that the discrepancy will be even greater.

77. It is a question, however, as to whether road transport can compete with the sea-route, and it must be remembered that there would be one extra handling of the cargo - viz. at the port of discharge on the western end of East Falklands.

CONFIDENTIAL.

Sir,

I have the honour to refer to Lord Cranborne's Confidential despatch dated the 11th September, 1942, and to submit the following observations on the possibilities of the post-war development of civil aviation in this Colony.

4.F  
LdB  
25/6

2. In my Confidential despatch of the 22nd February, 1942, I submitted comprehensive proposals for the future economic development of these islands and what follows should be regarded as supplementary to that despatch and be read in conjunction with it.

3. The financial aspects of an inter-insular air-service were fully discussed in paragraph 63 to 77 and the conclusion reached that, on the basis of pre-war costs, such a service would be far from economic. I gather, however, from your despatch that in the post-war development of air-services the necessity in any particular case for subsidisation by the Colonial or the Imperial Government, or both, would not necessarily preclude the establishment of any service which might otherwise be considered desirable. On this basis it is possible to take a much wider and a more constructive view of the problems involved, and my recommendations in this despatch will be based on the general grounds that this Colony should participate in any scheme of Imperial development and should not, as in the past, be allowed, because of its remote position and its peculiar economic structure, to fall behind in the march of civilisation.

*In that despatch I expressed my opinion that unless costs were low*  
4. ~~I have already shown that no air-service here could pay~~  
*its way,* ~~It is also a fact that our only major industry, wool production, is not of the kind which needs any rapid system of communications. Wool is not a commodity which, either in value for bulk or in urgency of demand, could normally justify air transport. Apart from wool, the mail, general cargo and passenger traffic of a population of some three thousand people is insignificant. In fact the institution of air communications in this Colony must be regarded as the provision of an amenity rather than the filling of an urgent economic need. The value of such an amenity is, however, incalculable as a civilising influence for remote and isolated communities and it may well be that the provision of air-services may soon be regarded as much the duty of a government as the provision of~~  
*and that*  
*including South Georgia,*  
*is*  
*can only*  
*And not the substitution of an.*  
*The amenity obtainable from an air service*  
*includes school + medical services, but the effect of*  
*development of surface transport facilities + their future*  
*effect on population movement must not be overlooked.*  
schools/

schools and other social services. To insist, therefore, that the only grounds for including this Colony in any scheme for post-war aerial development are of a sociological nature, is in neither to belittle the need nor to justify any long delay in their institution.

- 5. The air-services to be considered fall into two groups,
  - (a) the overseas link, and
  - (b) internal service.

A. THE OVERSEAS LINK.

6. <sup>During</sup> The geographical position of the islands <sup>is not easy</sup> ~~raises peculiar~~ difficulties <sup>to suggest how one could</sup> in any attempt to include them in the framework of Imperial communications. <sup>It is not easy</sup> They ~~lie~~ <sup>are</sup> far removed from any existing or probable Imperial airports or air-routes, and any feeder service <sup>There is no way</sup> could ~~only~~ <sup>be</sup> connect with foreign airlines, and would have to be partly dependent on foreign airport facilities.

7. The obvious link with South America is to Puerto Gallegos in Patagonia, ~~whence Aeroposta Argentina maintains a regular feeder-service to connect with the Pan American service at Buenos Aires.~~ Puerto Gallegos is only some four hundred and sixty five miles from Port Stanley and the economic advantages of this route over the alternative thousand mile flight to Montevideo are obvious. Unfortunately, so long as the Argentine persists in its claim to this Colony and its Dependencies and in placing every possible obstruction in the way of amicable political and commercial relations, I do not see how this route could be used. If it could be, it would be possible to use for this overseas service ~~the~~ smaller aircraft suitable for our inter-insular traffic instead of the trans-ocean flying boats which would presumably be necessary for undertaking the long and stormy flights to Montevideo and back. ~~The saving in expense would be~~ enormous and on an outstanding instance is afforded of the necessity for taking the earliest possible opportunity of settling this international dispute.

8. Should the Montevideo route be unavoidable, the fact must be faced that the service will have to be operated at considerable expense to the Imperial Government. In the first place, presumably the tempestuous nature of these latitudes in the South Atlantic and the absence of facilities along the Patagonian coastline would necessitate the use of multi-engined flying-boats. Unfortunately, while aircraft/



aircraft of this size could probably land and take off in Port William and taxi to a sheltered anchorage in Port Stanley, most of the other bays and inlets round the islands are too small and other more handy aircraft would have to be used for the local service. The capital cost of the flying boats and their periodical replacement would be heavy. Operational revenue would be relatively small, since the only traffic would be mails, passengers and light cargo. Mails amount, on pre-war figures, to some 1000 bags inward and some 250 bags outward per year. Passengers by the steamer service averaged 119 inward and 158 outward per annum during the period 1936 to 1938. Undoubtedly, however, the discomfort of the steamship accommodation and the rough passage to the Plate has always deterred many people from travelling and it may be assumed that, once the air-service had proved its safety and reliability, the number of passengers would increase by a considerable percentage. If freight rates were reasonable a fair, though unpredictable, quantity of goods might offer for carriage in view of the fact that the more or less monthly steamship service would no longer need to be even as frequent ~~and~~ <sup>as</sup> as regular as it is at present.

9. One advantage of this service would be the possibility of its extension to South Georgia, distant 800 miles to the east. This Dependency's communications with the Colony, apart from wireless, are at present limited to ~~six monthly~~ <sup>twice a year,</sup> visits by a local steamer. Should a regular and frequent air service be provided, no doubt the Whaling Companies would be ready to make a financial contribution. Whether any type of float-plane suitable for the inter-insular and Puerto Gallegos service could with safety also be used for the South Georgia flight I do not know, but I imagine that larger aircraft would be necessary for this as for the Montevideo route.

10. The financial contribution possible from the revenues of the Colony to a Montevideo-Stanley-South Georgia Service would, as I shall explain later in this despatch, probably have to be limited to a portion of the subsidy hitherto paid to the Falkland Islands Company for maintaining a regular mail and passenger steamship service to Montevideo, with the six monthly visits to South Georgia. ~~On pre-war figures and~~ On the assumption that the aircraft could also carry out the South Georgia trips, the contribution would not amount to more than some £5,500 per annum.

11. Should the strategic importance of these islands and the fact that barrack accommodation is now in existence at Port Stanley, lead the Imperial Government to consider the maintenance of a garrison here in peace-time, the whole picture, would, of course, be entirely altered as regards both the degree of necessity for an overseas air-service and its economy.

12. Further, should defence considerations lead to the establishment of a permanent air-base here for the reconnaissance and control of Cape Horn Passage, a task for which this Colony is ideally situated, the provision of both overseas and local air-services in co-operation with the Air Ministry would be greatly facilitated.

### B. INTERNAL SERVICE.

13. In what follows I shall assume that the general development policy set out in my despatch, referred to in paragraph two above, will, in whole or in part, be carried out. On this assumption the post-war future of the Colony can be divided into three periods:

- (a) before the programme is started and during the construction of the arterial road and the Agricultural Institute;
- (b) when these have been built and while the Co-operative Settlement is growing, but before the social and economic life of the islands has gravitated towards them;
- (c) when the new economy is fully established and the islands have passed into a new stage of progress and prosperity.

14. Conditions during the first period will correspond to those obtaining in 1939. The Falkland Islands comprise, as you know, the township of Stanley, a few areas of Crown Land Reserves, and large sheep ranches all in private ownership. At present there are no roads outside Stanley and communications depend on horses and one steamer operated by the Falkland Islands Company. I attach a Schedule showing the frequency, or rather, the infrequency, of steamer calls at the various farm settlements. I have sufficiently stressed in my despatch the vital importance of improved communications as the first step in the development of the Colony, and, indeed, I have made the construction of a road across the East island the corner-stone of my policy. Such a road, however, even with feeder roads privately constructed, would not touch many <sup>of</sup> the more remote settlements. It may be argued that since all the land is privately owned the establishment of means of communication to individual farms, as distinct from an arterial road, is not a matter for Government. Weighty arguments can, however/

*The correct form  
Educational Survey.*

however, be advanced to the contrary. In normal times most of the revenue of the Colony is derived from the farms in the form of Income, wool and other taxes, and in return relatively little is done for farmer and his employees. It is, in fact, a source of constant and to some extent justified complaint by the farmers that they pay for the upkeep of Stanley, and get no comparable return for their money. In these peculiar local circumstances it might well be regarded as very much the responsibility of Government to provide the farms with the most efficient available means of overcoming their chief disability, isolation.

15. During the first period mentioned above a local air-service will provide the only regular or rapid means of communication between all parts of the islands. The most important, though intangible, result of such a service will be that the people living on the farms will for the first time be brought into the corporate life of the Colony. They will "belong" and will feel that for the first time their interests are being properly cared for. This will entirely alter their outlook and pre-dispose them to welcome the development scheme as a whole. Needless to say that scheme cannot succeed without the support of the farming community, both Managers and workers, and any step calculated to enlist their sympathy with the efforts of Government will be of great importance.

16. A more tangible service would be a great improvement and economy in the Medical Service. If aircraft were available it would be possible to abolish the Government medical stations at Darwin and Fox Bay and to reduce the number of Medical Officers in the service from four to two. Every settlement could be reached by float-plane from Stanley in a shorter time than it takes at present for any of the doctors, travelling on horseback, to reach the nearest outlying settlement to their stations. If the aircraft were capable of being adapted for ambulance work all serious cases could be brought into Stanley at far less cost and less risk than by sea transport as at present. Lives can often be saved by the prompt arrival of a doctor and the immediate hospitalization of the patient. In present circumstances several days often elapse before the process can be completed. Only last month the ship taking out a doctor became weatherbound and was unable to reach her destination.

17. During the later stages of this first period air transport will



will be of great assistance to the actual construction of the road and Institute.

18. The second period will be one of transition and is likely to last for many years since the opening up of private feeder roads and the gravitation of population and economic interests towards the arterial road and the Government Centre at Port Stephens will inevitably be gradual. Throughout this period the air-service will steadily assume a more supplementary character in the transport system of the Colony, but since there will be a simultaneous advance in social and economic progress there is no reason to anticipate any decline in its usefulness.

19. The final period lies so far ahead that prophecy becomes guesswork, but on general grounds it is reasonable to suppose that aircraft will by then have become such a commonplace necessity even in the Falkland Islands, that there could be no possible question of reverting entirely to surface transport.

20. The type of aircraft most suitable for use on the inter-insular service and its possible extension to Puerto Gallegos is a matter for experts. In 1938 Mr. Ballantyne of the De Havilland Company made certain suggestions which are discussed in my previous despatch, but more suitable types of machine~~s~~ may be available after the war. I would merely mention in passing that for the Puerto Gallegos route a flying range of considerably more than the direct distance of some four hundred and sixty five miles would be required owing to the strong westerly winds which would normally be encountered on the outward flight.

21. It now remains to consider the financial aspects of all the above proposals. This, unfortunately, I cannot hope to do with any accuracy in the absence of expert advice and in inevitable ignorance of post-war economic conditions, either in regard to the wool trade, on which the prosperity of the Colony depends, or in regard to the cost of aircraft and their maintenance.

22. In paragraph 66 of my previous despatch I estimated the capital cost of a local air-service at £18,660 and the recurrent gross cost at £7,695, on pre-war figures. And though these will bear little relation to post war costs I will use them now, in the hope that your expert advisers will be able to make the necessary adjustments.

23. Any air-service would have to be a Government concern. The small scale of the undertaking would hardly attract a large firm for a reasonable subsidy, and, while climatic conditions here are perhaps no worse than those in the north of Scotland, considerations of safety would preclude the grant of a contract to any small and relatively inefficient concern.

24. The only more recent factor which might affect my estimate of £18,660 for capital cost, is the possible acquisition at low prices after the war of hutments in Stanley no longer required by the War Department. This might reduce the cost of buildings, given as £4,700, very considerably.

25. In estimating recurrent costs I did not go into the questions of operational revenue or savings under other Heads of Expenditure which might reasonably be devoted to meet the cost of the air service. It would require expert knowledge, which is not available here, to make any estimate of operational revenue in local circumstances. A glance, however, at the Schedule in paragraph 69 of my despatch is sufficient to show that it would be very small with traffic limited, as it would be, to mail, passengers and light-weight general cargo. For the sake of argument we might put revenue from passengers and freight at £1000 per annum.

26. Revenue from the carriage of mails would be represented by a suitable proportion of the Subsidy now paid to the Falkland Islands Company and referred to in paragraph 10 above. This subsidy is paid under an Agreement made in 1937. It stood then at £5,200 but has been increased very considerably since the war. To what figure it will revert after the war I cannot say, but for the present purpose we may put it at £6,000. There is no need for me to describe in detail the terms of the Agreement with the Company. It will suffice to say that of a total subsidy of £6,000, £5,500 would represent voyages to Montevideo and South Georgia and £500 inter-insular voyages. The transfer of all or part of this subsidy to the air-services would not deprive the Colony of sea-communications, since the Company would have, in any case, to continue to provide shipping facilities for the export of wool, and the import of supplies. For the local air-service, then, £500 per annum could be allocated from this source, leaving a conjectural annual deficit on pre-war figures of £6,195.  
calculated/

calculated as follows :-

Total Recurrent cost		£7,695
Less Operational Revenue	£1000	
" Mail Subsidy	<u>500</u>	1,500
		<u>£6,195</u>

27. In addition, however, some £2000 per annum would be saved on the Medical Service as explained in paragraph 16 above, and the final net annual cost to Government becomes only £4,195. Provided that the wool industry remains reasonably prosperous I consider that the Revenues of the Colony could bear the whole maintenance of a local air-service up to a maximum net loss of £5000 per annum. The Capital cost would, however, have to be met by a grant from Imperial Funds.

28. Should it prove possible to extend the local service to Puerto Gallegos a further £2,500 would become available from the shipping subsidy, leaving only £1,300 payable in respect of voyages to South Georgia. This would be a charge against the Dependencies Revenues, which normally carry half the total subsidy.

<u>Colony.</u>		<u>Dependencies.</u>	
Half total subsidy		Half total Subsidy	£3,000
@ £6,000	£3,000	Required for South	
Transferred to		Georgia voyages	1,300
local service	500		<u>          </u>
Transferred to		Saving to Dependencies	£1,700
Puerto Gallegos	<u>2,500</u>		<u>          </u>
<i>Service</i>	<u>3,000</u>		

The operational revenue would of course be the same as that discussed in paragraph 8 above in connection with the Montevideo route.

29. Should the Montevideo service be necessary, flights to South Georgia would, as I mentioned earlier, present no difficulty, and a total annual contribution of £5,500 would be available from the Colony and Dependencies. The Whaling Companies might also be prepared to assist.

30. To sum up :-

- (1) All the figures given in this despatch are either based on pre-war conditions or are conjectural. They can only serve for a very rough indication of the economic factors involved.
- (2) I recommend that preliminary consideration be given to
  - (a) the establishment of a local air-service of float-planes;
  - (b) its extension to Puerto Gallegos, an essential preliminary being a settlement of the political dispute with the Argentine, and, failing such a settlement
  - (c) the provision of a flying boat service to Montevideo with an extension to South Georgia.

(3) my tentative financial proposals are as follows :

For any of the above services the capital cost should be met by a grant under the Colonial Development and Welfare Act. If services (a) or (a) & (b) are instituted recurrent costs can be borne by local revenues up to a maximum net loss of £5,000 a year. If services (a) and (c) are decided upon, the Imperial Government would also have to bear the cost of aircraft replacements and any recurrent loss over and above operational revenue, a contribution of some £5,500 a year from the Colony and Dependencies and such additional contribution as the Whaling Companies might be willing to make.

31. ~~Finally~~. I think it will be obvious in view of the lack of expert advice here and the climatic and other conditions involved that final consideration of any aerial development ~~here~~ should be preceded by the visit of a technical adviser.

I have the honour , etc.



APPENDIX "H".

ANALYSIS OF APPROXIMATE COSTS FOR OPERATING ONE D.H.  
"DRAGON-RAPIDE" SEAPLANE (2 - D.H. "GISSY - SIX ENGINES  
OF 200 H.P. EACH) IN THE BALKLAND ISLANDS.

1. This type of aircraft should prove very suitable for the duties of a medium-load carrying machine. It is operating in many parts of the world, and has been developed in Canada under hard winter conditions, and is used there for Passenger Traffic, Forestry fire Patrol, Seal spotting, Ambulance duties, and Aerial Survey.

2. The structure is effectively protected against salt-water corrosion and requires the minimum of maintenance; also skis may be fixed if necessary for duties further South. By the adoption of simple "in-line" air-cooled engines with simple maintenance and easy accessibility local mechanics may be trained without "Aircraft" experience being essential. Furthermore as the "Gipsy" range of engines have a low compression-ratio, the use of expensive or special fuels are unnecessary and spares and replacement parts are readily and cheaply obtained from the de Havilland Service organization (or in cases of emergency they may be obtained from the Company's Agents in Montevideo, etc.)

3. The Aircraft has an adequate reserve power and will definitely maintain height on one engine, in the event of one failing and is therefore very safe.

4. The normal fuel tankage (76 gallons) gives a range of 550 miles but it is considered that this could be reduced to carry more useful load. If we assume say 50 gallons of fuel for a range of approximately 375 miles (in still air) the weights would be approximately as follows :-

Tare weight of machine (seaplane)			
with cabin bare	...	...	3,500 lbs.
Disposable load.	...	...	2,250 "
<hr/>			
Total All-up weight	...	...	5,750 "
<hr/>			
<u>Disposable load</u> = Pilot	...	...	170 lbs.
Petrol (50 galls)			375 "
Oil (7 galls)			65 "
Pay Load..	...	...	1,640 "
<hr/>			
			2,250 "
<hr/>			

The above Pay-load could represent say 7 passengers (7 x 170 = 1190 lbs) leaving a further 450 lbs. for luggage, equipment, cabin installation (about 145 lbs), Radio, etc.

Capital and Operating Costs.

1. The selling price of the "Dragon-Rapide" Seaplane, placed c.i.f. Port Stanley, complete but less radio equipment would be approximately £6,250. (Any initial adaptation for aerial survey camera or Ambulance would be slightly extra).

2. In order to assess the annual operating costs we will assume that the machine operates 400 flying hours per year, or cruising at an economical speed of 120 m.p.h., a total distance of 48,000 miles. Adding on a margin for warming-up, taxiing,

and/

and take-off we can assume 450 hours as being the annual working hours of the engines.

FIXED ANNUAL CHARGES -

Per Annum.

Depreciation of aircraft at 20% p.a.  
(i.e. spread over 5 years at which period it would be replaced by a more modern machine. This is really an "obsolescence fund", and it should be noted that the aircraft if properly maintained would still have a good second-hand value).

20% of £6,250 = £1,250.

Insurance. Full cover, including flying and ground risks could be obtained from the British Aviation Insurance Group for approximately 9% p.a. (Any minor damage up to about £400 would have to be shouldered by the operator). Approx.

140.

Buildings. A convenient shed of approximately 50 x 70 ft. with work bench and small stores should be erected at Port Stanley (although aircraft would normally be moored on the water) with slipway. Also buoys or Floating Rafts would be required in other ports.

Initial cost, approx. £750  
Depreciation at 10% p.a. =

75.

Spares. It would be advisable to stock a nucleus of spares for routine overhauls of engines and airframe. This would involve a capital outlay of some £400. This charge will however be taken into account under annual running costs since the absorption is dependant on the annual mileage or hours flown.

PERSONNEL.

Pilot. Prior to the war it has usually been found possible for work of this class to obtain a good all-round Pilot of the ex-N.C.O. class for £600/£700 p.a. plus a Bonus on flying time. We can assume therefore a figure of £600 to cover this, plus £250 p.a. for the Pilot's Personal Insurance making a total of £850.

Mechanic. The full-time employment of a first-class mechanic is hardly necessary for one Aircraft particularly as the estimated annual flying hours are low. Routine maintenance schedules and daily inspection before flight occupy little time, and the complete overhaul period of the engines is 750 hours, or practically 2 years work. (It is possible therefore that his

Carried forward ... £850. £1,465.

FIXED ANNUAL CHARGES (Contd.)

Brought forward ... £850. \$1,465.

PERSONNEL (Contd.)

services could be utilised for other local duties and a portion of this charge relieved.)

The salary would be approx. 400.

Various. For the services of a local Boy or Improver for washing-down with Fresh Water, cleaning, etc. Also service of Boatmen at other ports.

Assume a charge of 150. 1,400.

OPERATIONAL CHARGES.

Petrol. For 450 running hours per year at a cruising consumption of 16 galls per hour (9 gall. per engine) the total consumption will be 8,100 galls. A good grade commercial fuel will be necessary, with a minimum Octane value of 79. Assuming a certain proportion of Aviation petrol or Benzol (from Montevideo Gas Works Co.) would be imported specially we could assume a cost of 2/6d. per gallon, or a total charge of

1,012.

Oil. The oil consumption at cruising revs., including changing at prescribed periods will be 0.7 gall. per hour, or a total of 315 galls. per year. Assuming a commercial Brand of good Mineral Oil at 4/0d. per gallon, this total charge is approx.

65. 1,077

Spares. From experience on existing Air lines with Aircraft of this type the consumption of routine replacement parts during overhauls is as follows:-

Engine - 2/0d. per engine hour or a total of 450 x 2/0d. x 2. 90.

Airframe. 2/6d. per hour or a total of approx. 60.

For the Annual Revision for Certificate of Airworthiness we should assume a further 100 250.

Total charges per annum £4,192.  
say £4,200

Therefore Operating Cost, including all charges, will be -

$$\text{Per hour, } \frac{\$4,200}{450} = \$9.3 \text{ (\$9. 6. 0)}$$

$$\text{Per mile, } \frac{\$4,200 \times 20/- \times 120}{48,000} = 21d = 1/9d.$$

Assuming Aircraft is carrying an average load of 5 passengers (instead of 7 or 8) the cost

$$\text{per passenger/mile will be} = 4.2d.$$

or if carrying Freight, and assuming a pay load of 1,600 lbs. (or 0.7 tons) the cost =

$$\begin{aligned} \text{Load carried in ton/miles} \\ \text{per hour} = 120 \times .7 = 84 \text{ Ton/miles.} \end{aligned}$$

$$\text{Cost per Ton/mile} = \frac{9.3 \text{ \& } 20/-}{84} = 2/2d.$$

GENERAL.

1. The total flying hours per annum considered are small. It should be appreciated that as these Aircraft are often operated at 1,000 hours p.a., this would reduce the cost per hour - or per mile - since fixed charges such as obsolescence and insurance are constant.

2. Since the total operational cost is \$9.6 per hour during which time a cruising distance of 120 miles is covered, if we consider a case whereby a trip to New Island is made, a distance of 140 miles, this will take approx. 1.2 hours and cost \$11.2. (\$11. 4. 0).

3. It is understood that the cost of the passage by ship is approx. \$4 (plus meals and expenses). If therefore passengers were willing to pay only \$3 to do the trip comfortably in one hour, if 4 passengers were carried the costs would be covered, and any additional passengers would result in profit.

4. Other utility to which the Aircraft could be adapted are Ambulance and Aerial Survey. For the former the chairs may be readily removed and up to 4 stretchers may be adapted, together with seats for a Doctor and Nurse, medicine chest, etc. This duty would probably be of assistance to local medical officers. Also for Aerial Survey an "Eagle" Automatic Camera may be installed, either electrically or mechanically operated (by windmill); this may be used for both vertical and oblique photography.



## AIR LANDING FIELDS.

### Resume of replies from Farmers.

- DARWIN . A drained pond 800 yards by 600 perfectly level, requires adequate draining only.
- NORTH ARM. Cannot find a piece of level ground, but has a paddock known as the "Hill" immediately west of track from woolshed to settlement. Is a little undulating and slopes slightly to North and West. Not usable in present state. Holes to be filled and turfted, a few banks to be levelled and number of grass bogs to be cut off. Two runways could be made with comparatively little trouble, approximately N.N.E.-S.S.W. and E.S.E. of sufficient length, but N.N.W.- S.S.E. more difficult. Unable say if runways could be ready by end of October. Would depend on weather and supply of labour. More satisfactory if expert visited site before work commenced in case it could not be made suitable.
- PORT STEPHENS. "Flat Paddock." Cannot obtain a 500 yards square. Measured strips 33 yards wide and can get following N.N.E.-S.S.W. 350 yards W.N.W.- E.S.E. 500 yards. N.N.W.- S.S.E. 380 yards; if long enough let me know. Find ground very bumpy and could not guarantee to have it levelled off by October owing shortage labour. Does not think another site available of necessary dimensions.
- HILLCOVE. The field we looked at here is about 500 yards square except in a Westerly direction where it is about 400 yards. Do not profess to know much about it, but cannot help thinking a sea-plane would be more successful out here at the moment owing scarcity proper landing fields. Taking West alone, do not know any farm that could provide a 500 yard fairly level square without a lot of work except here, but may be wrong. Seaplane could land at most ports in reasonable weather and usually little wind early morning and late evening. Presume all have wheels which can be let down for running up beach when necessary. If grant could be obtained from Colonial Development Fund for making airfields landplane would sound the better proposition.
- CARCASS ISLAND. Have at least two suitable spots. Can have them ready very easily when I know definitely that they will be required. Natural marking will denote both sites.
- PEBBLE ISLAND. C.Betts all in favour, but cannot do anything about it this year owing shortage labour.
- CHARTRES. Appears impossible find piece flat level ground anything like 500 yards square. Only piece is some recently ploughed now down to grass; if that were considered hard enough could make two level runways but could not get one S.S.E.- N.N.W. Could not afford time at present to do anything to it; would prefer expert to see same before taking in hand work which after having been done might not be considered of any use. Only real flat level ground is white grass land; if bogs were trimmed off that it would be too soft.
- SAN CARLOS. Unless present cultivated, e.g., grass fields can be utilised, with present labour shortage, can offer little prospect of further improvements levelling of ground, etc., before October next. Considers advisable pilot himself should examine all possible or proposed landing grounds and if adequate, explain to Managers improvements and alterations required to make them suitable. Owing lack of labour, suggests that tractor and grader with competent driver mechanic be made available for hire to farms where landings are possible.

Adds that with so much sheltered water available in the Islands for landing sites seems a pity that a land plane instead of a seaplane or amphibian is contemplated if service to be of general use to whole Islands.

PORT LOUIS. Cannot find the necessary labour.

TEAL INLET. Can make runways, but not on same piece of ground. Would not be in same field, but fairly close to each other and near the settlement. Some fences and telephone lines would require to be shifted. Does not wish to undertake this part of the work until ground viewed by expert in case might require alteration.

SALVADOR. Unable find ground 500 yards square, but can obtain two runways and a third of shorter length. Have asked for sketch shewing lengths and directions.

PORT HOWARD. No reply yet received, but consider landing place certain from verbal conversation.

FOX BAY E. AND W. No reply yet received.

*plus original filed as Rec 1 in 3/45 Proposal by Gen. Manager D.S. Co. Ltd.*

FLYING.

It was realised some time back that an air service between the Islands would be of great benefit to the life of the Colony by providing quicker transit for passengers and mails. It would also simplify the medical problem by quick transit of hospital cases and might lead to a reorganisation of the Camp Medical Service.

The matter was under consideration in 1938/9 but the war necessitated it being shelved. In September last it was taken up again with the De Havilland Co. who arranged for the writer to visit Scottish Airways Ltd. which Company maintain regular services between Inverness, Orkney, Shetland, Stornoway and between Glasgow and the Western Isles. The operations of this Company have been continued throughout the War and have proved of great benefit to these Islands and have convinced us <sup>more</sup> of the possibility of providing services in the Colony ~~are~~ well worth investigation.

It is therefore proposed to ship out a D.H.84 6-seater during 1945 with the intention of running trial flights between November/February '45/'46. A certificate of airworthiness from the Air Ministry will be obtained before the plane is shipped out. We can secure the plane and hope to secure the services of a competent pilot who has experience of flying in the Scottish Airways services.

Landing grounds - the area required is about 500 X 500 yards. A site near Stanley which might be suitable is being examined and it is hoped that Government will prepare it for the purpose and permit us to erect a hangar near to. Farmers are being informed of the proposal and those who wish to be called at will be expected to select and prepare landing grounds. The pilot would then come out about November 1945. He would examine the selected landing grounds in Stanley and the Camp and then carry out flights to those he

8/10

approved of. He would also report on the ground facilities required, wireless, maintenance of aircraft, etc. etc.

The expenses are estimated at £4,500 to £5,000 and in view of the benefits the community would receive from this means of transport, we request that Government will consider making a grant of £2,000 towards this. We also request support of our application for an exit permit and priority for the pilot and for an export license for the plane.

An early decision on this matter is requested as a decision regarding the plane under offer has to be made by the end of March.

As regards connections with South America and Europe, a service from the Colony to <sup>Rio</sup> Gallegos where it would connect with the Argentine Service appears to be the only solution and until the political situation vis a vis the Argentine is improved, we see no possibility of development.

*done* 1.1.45



MINUTES BY HIS EXCELLENCY THE GOVERNOR 3. 1. 45.

Orig. in 3/45.

(14)9

C/13/42.

Suggested sites round Canopus. Drainage necessary.

F.I.C. would lend ditcher.

Question of Co's rates to be discussed later. I will  
+ fix up the exit permit etc., for the ditcher.

I am very much in favour of this experimental scheme  
and should recommend to the S. of S. in all likeli-  
hood as soon as further details are available.

(10)

# The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

AGENTS FOR LLOYDS.

*Stanley.*

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

21st May, 1945.

Sir,

Confirming various conversations with His Excellency the Governor on the subject of the proposed local Air Service, I have the honour to submit the following brief history of the proposals together with such details as have been so far considered.

It was realised some time back that an air service between the Islands would be of great benefit to the life of the Colony by providing quicker transit for passengers and mails. It would also simplify the medical problem by quick transit of hospital cases and might lead to a reorganisation of the Camp Medical Service.

The matter was under consideration in 1938/9 but the war necessitated it being shelved. In September last it was taken up again with the De Havilland Company who arranged for the Managing Director to visit Scottish Airways Ltd., which Company maintain regular services between Inverness, Orkney, Shetland, Stornoway and between Glasgow and the Western Isles. The operations of this Company have been continued throughout the war and have proved of great benefit to these Islands and have convinced us that the possibility of providing services in the Colony is well worth investigation.

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Landing grounds- the area required is about 500 x 500 yards. A site near Stanley which might be suitable has been examined and it is hoped that Government will prepare it for the purpose and permit us to erect a hangar near to. Farmers have been informed of the proposal and those who wish to be called at will be expected to select and prepare landing grounds. The pilot would then come out about November 1945. He would examine the selected landing grounds in Stanley and the Camp and then carry out flights to those he approved of. He would also report on the ground facilities required, wireless, maintenance of aircraft, etc./...

etc., etc.

The expenses are estimated at £5,000 and in view of the benefits the community would receive from this means of transport, it is requested that Government will consider making a grant of £2,000 towards it. We also request support of our application for an exit permit and priority for the pilot and for an export license for the plane.

As regards connections with South America and Europe, a service from the Colony to Gallegos where it would connect with the Argentine Service appears to be the only solution and until the political situation vis a vis the Argentine is improved, we can see no possibility of development.

Landing Grounds. Two sites near Stanley have been examined. The East site is in the sandy Cape Pembroke Peninsula. It appears ample in extent to provide clear runs North and South, East and West, of 500 yards by 100 feet. The North and South run has a slight ridge and will have to be referred to Captain Fresson. A light Bulldozer drawn by a Fordson Tractor would probably be all that would be necessary to prepare this site. The West site is North West of Canopus *Battery*. This requires draining. There appears to be a convenient outlet on the Northside to Yorke Bay. Two other outlets could be made into Whalebone Bay, Stanley Harbour. The Company's Priestman Cub Excavator could be used to dig these draining ditches. The Murhill Dumper, illustration enclosed, might be required to carry the spoil away expeditiously and assist in levelling any depressions if necessary. This site appears quite practicable and requires little preparation beyond draining. A track to taxi between the two sites will be necessary.

The minimum requirements on each Station are 3 landing strips 400 to 500 yards long by 100 feet wide in the following directions:- N.N.E., S.S.W., / N.N.W., S.S.E., / W.N.W., and E.S.E.

A resume of replies from farmers is enclosed from which it will be seen that labour shortage presents a difficulty on many farms. But for this, all farmers would no doubt be prepared to carry out the necessary work. But if, as appears likely, special gangs have to be sent out from Stanley to prepare sites, farmers could not be expected to bear the cost and it is suggested that this work should be carried out under Government direction and at public expense. The Company would be prepared to provide sea transport for men and machinery free of cost.

As one site near Darwin and two on the West Falklands could be easily prepared at little cost, it is considered that the project could be proceeded with without delay.

Other requirements are a Hangar, 60ft. x 70ft. x 13½ft.

an/...

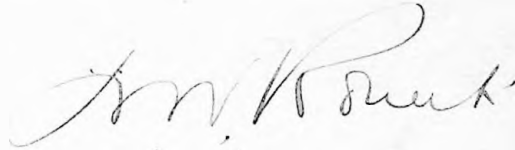
3.

F.I.C. to The Hon.  
The Colonial Sec.  
21/5/45.

an office, Waiting Room, lavatory and telephone. Existing buildings near the site might be adapted for this purpose. A motor road to Stanley will be necessary and transport. A station bus type of vehicle is suggested.

I am, Sir,

Your obedient servant,



Manager.

The Honourable,  
The Colonial Secretary,  
STANLEY.



Extract from report on a visit by Mr. B. G. H. Cross to the De Havilland Aircraft Company Limited on 30th January, 1945.

.....

I learnt that the Falkland Islands Company Limited had been making enquiries for the purchase of one de Havilland Rapide. Their Managing Director, L. W. H. Young, Esq., had been over here recently and had visited de Havillands. His address was Southern Hay, Cavendish Road, Weybridge, Surrey. It was understood that the conditions in the Falkland Islands resembled Scotland, so it was arranged that Mr. Young should go to Inverness, where he had interviews with Captain E. E. Tresson of Scottish Airways, Limited., Struthers Lane, Academy Street, Inverness.

Mr. Young

Mr. Young was apparently in the market for one Rapide to travel from island to island and also a small, single engined aircraft to work between the sheep ranches.

SAVING.

*Orig. filed in 74/44.*

11

From the Secretary of State for the Colonies,  
To the Officer Administering the Government of the  
FALKLAND ISLANDS.

Date 20th February, 1945.

No. 4 SAVING.

*Red 2 in 74/44.*

Your despatch, No. 32 of the 31st May, 1944.

Development of Civil Aviation.

It may be of interest to you to learn that Mr. L. W. H. Young, Managing Director of the Falkland Islands Company has been making enquiries of the De Havilland Aircraft Company with a view to the purchase of aircraft for use in the Falkland Islands.

The relevant extract from a recent report on a visit to De Havilland's by my Air Transport Adviser is enclosed.

SECEP.

BRIGHTER CIVIL AVIATION PICTURE.

copy sent  
to H.C.

14

The difficulties confronting a company which would like to start an air-line service seem concentrated on the lack of knowledge of the financial commitment involved. In the long run, perhaps the hard school of experience will be the only true criterion, whether the Government or private interests pay for that.

However, even such trial-and-error methods could be unsatisfactory. without going into technical details it can be stated categorically that British constructors have sharply realised the value of good maintenance (which is another way of saying that, for commercial work, the more an aircraft is in the air the more it is doing the job it was built for - all time on the ground is unproductive of revenue and the negation of air transport). With this aspect firmly in view, the new British airliners which will follow the makeshift transitional war-to-peace designs will present an entirely different economic picture.

It would not be too sweeping a generalization to say that, in five years from the end of the war in Europe, the present air transporters would be so comparatively expensive to operate that they would not be accepted as a gift. In other words, it would be cheaper for an air-line operator to buy one of the new British models than to have an old one free, since the day-to-day ratio of overheads against revenue will be so far bettered on the coming designs.

This aspect of the British civil aviation picture should do much to banish the present bleak outlook. If we are now in the doldrums, that must be seen as a prelude to catching a fair wind. Indeed, already the topsails are starting to fill out with the soft dawn wind of the breezy Air Age.

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EXCERPT FROM LETTER FROM MANAGING DIRECTOR OF F. IS. CO., LTD  
OF 2. 12. 46 (original filed in 3/45 "Proposals by General  
Manager, F. I. Co., Ltd.")

4

AVIATION

An inter-island service would be of great benefit to the Colony,  
it would simplify the Medical Service and enable Camp people to  
come into Stanley for short holidays.

9 X When regulations have been framed which will meet local  
conditions, we are prepared to put forward a scheme if Government  
desires us to.



S/13/42.

AVIATION. His Excellency remarked that since the Company <sup>(18)</sup> now favoured an Anson, instead of the Auster, he would await reports on it, with particular regard to the type and size of airfield necessary for this larger plane.

Mr. Cobb said that the only obviously suitable airfields were at Stanley and Port Howard.

His Excellency said he was convinced that helicopters provided the only practical answer and it was agreed that this would ultimately be the solution to the problem.

Mr. Cobb undertook to see the Consul-General, New York, with a letter from His Excellency introducing him in order to make enquiries about such aircraft.

*Excerpt from "Notes  
on a Meeting held at  
Govt. House on 16/12/46"*

FALKLAND ISLANDS.

The Colonial Secretary of the Falkland Islands presents his Compliments to the Under Secretary of State for the Colonies and is directed by the Governor to request that a copy of the Model Bill for the Control of Civil Aviation in the Colonies should be transmitted to him.

COLONIAL SECRETARY'S OFFICE,  
STANLEY.  
10th January, 1947.

5 I was most interested to see the Governor's remarks about helicopters. A very good idea. You might turn up the long memorandum I wrote about air development which, like everything else, proved to be abortive.

Extract from Personal letter of 9th April, 1947 to Mr. Mathews. O.B.E. (Colonial Secretary) from Mr. K.G. Bradley, C.M.G., Accra.