

~~CONFIDENTIAL~~

CONFIDENTIAL

C. S. O.

0327

7#1

MAI/GEN/7#1

(Formerly)

SUBJECT:

1947

MAIL CONTRACT

154

CONNECTED FILES.

NUMBER AND YEAR.

- 0577 New Zealand Shipping Co. - negotiations re calling at F. I.
- 0327/A Mail Contract - surcharge on local freights.
- 1943 Charter of s.s. Fitzroy.
- 0327/B. Mail Contract - Intercoastal Trading Company.

N. C. P.

DESPATCHES AND TELEGRAMS.

To S. of S.			From S. of S.		
No.	Date.	Page.	No.	Date.	Page.
A/T No. 48	18.3.49	68.	Savignam No. 124	29.12.47	85
			S/T. 92	8.7.49	83
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S/T 79	17.5.50	109			

EX. CO. MINUTES.

Date.	Page.	

The Honorable,
The Colonial Secretary.

STRICTLY CONFIDENTIAL

MAIL CONTRACT.

I have read His Excellency's dispatch & such other of the relevant papers as time allowed, & submit the following comments.

2. With the present & most recent developments I am more than ever convinced that whichever way the matter is considered, Government should run their own mail boat, but I feel the big difficulty is the amount of financial aid that will be needed from Imp. Gov. in order to operate a vessel like the *Allardye* & this will kill the scheme.
3. I submit with every deference that such a vessel is much much more than we need & the idea that she could carry passengers is going to cause complications. My reasons for so saying are
 - (a) The last Government owned ship was given up because of her tremendous running costs accounted for chiefly by her being so often commissioned for "official" trips round the islands. With all respect I would say that while I realize His Excellency would not so use a boat, his successor might & he as a Government should again be compelled to abandon a Government ship on the score of expense.
 - (b) The draft at both Government Letters would make lying alongside problematical & the cost of ferrying to & from the vessel lying off

would prove intrusive & costly.

(c) The dreadful headache for someone promoting storing the ship & the Control of Stores & prevention of petty larceny would not be worth while for the few passengers that were carried. At the moment there are large numbers of Government Officials going on leave but in two years time when the accumulation has worked off these or few per annum will be all that will be travelling.

But she would have to carry in stores for her crew anyway?

Men then?

(d) If Government run their own ship, the F.I.C. will not be amused & might even be angry enough to undercut Government fares, if only to prove to the Colony how silly it was for Government to run their own vessel.

I doubt if F.I.C. could undercut H.M.S.

(e) The additional staffing of the vessel would still further reduce the Colony's man power for essential work in the Colony

This is a problem we have to face anyway.

4. I submit that the new vessel should not carry passengers save as an emergency shipment for ^{a single} ~~an odd~~ Officer who was needed to come or go in a hurry.

5. As an alternative I would respectfully suggest the following scheme, the cost of which would be within reasonable limits. Basically our problems concern the carriage of

- a. Mails
- b. Government Cargo
- c. Passengers for U.K. or N.S.
- d. Sick people in the Camp.
- e. South Georgia & the Dependencies

(a) (b) (c) & in emergency (e) could be done

Quite reasonably & economically by a vessel of the size of the Trepassey, costs for which would have already been computed. Private cargo could be carried from time if space was available, but with the large imports of materials in connection with reconstruction for the next, at least, five years space would be fully occupied by Government stores, freight on which should be debited against the stores as now & credited to the vessel.

(c) Could be covered by F.I.C. ships, who will still, I assume run boats, & even though it was only four trips a year, it would not really matter or be much more in Government than now. In addition I feel N.Z. boats could "possibly help," & as above we shall have "Trepassey type" for emergency or such passages.

(d) If Government ran their own mail boat the question of the M.F.V. would need serious reconsideration as I doubt if the cost of maintaining this boat purely for sick people a local trip could be justified, but here I feel the helicopter solves our problem & in fact I submit that the ~~early~~ introduction of this could well have priority over the M.F.V.; as the problem still remains as to how a seriously sick person can be brought from an isolated Shepherd's house down to the nearest port that the M.F.V. could enter.
 I believe is the essence of the contract in medical cases, & also in the present days of rust could apply to His Excellency & Government Officers visiting the Camp.

16 + 17
= 0007

As with the loss of the British Antarctic this would at once bring up fares & freight?

I have heard this one and would be glad to see it but they will not put in less than £3000

There are one on the lines of a submarine - we could get one on ship, very suitable by which time they would be out of the way. It would be a ship of that order. It would be a very good one.

Helicopters would have priority over the M.F.V. as to how a seriously sick person can be brought from an isolated Shepherd's house down to the nearest port that the M.F.V. could enter. I believe is the essence of the contract in medical cases, & also in the present days of rust could apply to His Excellency & Government Officers visiting the Camp.

A

6. I have scribbled these notes in the hope they may be of use to you. They are possibly more incoherent & badly put than even my normal minutes, for this I apologise & also if for any reason I have gone beyond my, shall we say, terms of reference.

AW

3. VII. 47



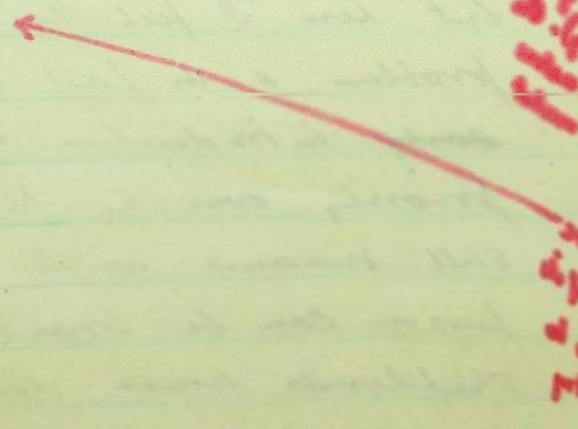
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[Faint red scribbles]

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HE.

50 in 70/43 below

1-4 are the lines on which C.O. is I
was thinking this morning. But there is
not only the purely commercial & economic
side of it to consider. What is in-

order is a matter of the highest policy -
whether the Colony is to be run by the
^{Government} S/S or by the F.I.C.

Precisely.

2. Thus tactically (whether a ship
materialises or not) this is a good opportu-
nity for a ^{forceful} ~~clear~~ show-down which will
inform the S/S with a ~~clear~~ ^{clear} appreci-
ation of the set-up here. That this is
only half realised in the C.O. (though
lip-service is paid to the idea that the
F.I.C. must be tactfully ^{fairly} dealt
with) is shown by the exasperating
references made to Leybridge on matters
affecting the F.I. generally; in reply
to which only ^{ex parte} views can be
helped for. But the C.O. has learned
more local background in the past
6 months or so than in the previous

Qoo.

We hope!

6 years.

There are
marquis alia and
show Col. W.

3. There is substance in (b) § 3 of p 1:
(c) of p. 2 (though what with the M.F.V. and
the F.I.D.S. ship we shall need a virtualizing
organisation in any case): (e) of § 3 n 2.

Paragon v.
with a secondary
indication on that
and be able to
any at need.

4. I know J.E. wishes to go for a
passenger-carrying ship. But — except as
a counter for argument — it is a big
proposition: I don't see how the F.I.D.S.
ship (if we get one) and the M.F.V. and the
new 'Allardye' are to be employed in
winter.

Dubious — the
at all times in my
suggestion.
to be by its own
which could be
limited to F.I.C.
the writer subject
flat rate £5000 p.a.
to be to 100 and
to be to 50.
to be to 25 in 70/43.

5. I understand that what with the
cost of the rather intricate association of the
F.I.C. with the Comprova Lines there is little
hope of the P.S.M.C. being widened to
cover. But I shd. like this up on
sheet as a second line of attack if the
'Allardye' is home run by S/S.

I have revised
urgently

6. J.E. will I know acquit Cr. ap
to a matter of any wish to do the
has the construction suggestions. I
has principles in a few minor sug.



1000 1000

questions on the Draft D. with the general
 know of wh. bsh Col. W. I am in
 respectful agreement. It can be typed
 by Lt. Hittle.

G. Bly
 3.7.47

C.

B

Please see marginalia further discuss with
 Col. Wardgate to whom, as to yourself, I am obliged.

I incline to point my pen even more sharply;
 if you can supply more reasonable ammunition please
 do so. ~~I have detached draft of Fulton lettering.~~

W.C. 3/vii

C

H.E.

I have discussed with Col. W. after speaking
 to J.E. - saying that I thought the D.
 might be dated for the angle of §1 of 5 with
 the Main Contract as the occasion may. But
 if J.E. is going to write up to print this,
 to ensure that the matter is dealt with at
 the highest level (i.e. S. J. who will take
 a dim view of monopolies) we are quite happy.

2. Now that the issue has widened, J.E.
 may wish to deal with 46 §2 in 70/43 -
 delays - uncertainty of cargo sailings:
 she is brought me by the latest news

Not attached
 MC

that Pesce are going to see 'Fitzroy' with
40 men from M.V. - S.G. at end of
August; wh. mean no passengers for
Stanley for 2 months and only a hope
of getting Mr. J. there to S.G. tucked
away in a corner.

3. I agree with J.E. magazine figures.
Time was there in § 2 of 21 in 70/43
including the 2 S.G. trips. But as to
§ 7 of the draft, there is strictly no present
rate. My £13000 was roughly twice the
gross like at (A3A) - 2 x £6498.

4. If G.E. adds the sentence at the
end of § 6 I think in the say that Capt.
R. said it jocularly: that even so the
F.I.C. got their tax back all right by
passing it on to consumers - paying a
15% (?) dividend.

5. In J.E. do let it might be
remarked that Mr. A.G. Barker is at
the U.K.

6. As to gross pl. see § in 0037/PUR.

7. I shd. like 70/43 back pl. to get
on with typing envelopes.

8. Cdr W. A. wd. welcome an even

12-15%
behavi.

11/10/43

sharper point on JE's pen: I personally
feel .. strongly S1 of 5. But we are
fully aware that JE is able to link the
pen with the hypodermic syringe, & are sure
that there will be enough in it to achieve
the object in x of S1 above - to get
under the S/S's skin.

ARL
4.7.47

I think the draft despatch may now be 'final'
leaving the "stock-therapy" for d/o cover.

70/43 did not accompany this.

MC 5/VII

Inside Minute Paper.

Sheet No.....

CO

What is an average yearly
bill for freight passages
(to sum MV under. unalar) ?

MC 27/6

A.T.

For report, pc.

A.B.L.
28.6

Heret.

I have gone into the figures for 1946
1946 consider a fair average £1459. 10
Passages £633. 16 + freight £825. 14. p.

A.T.
29/6.

HE

It certainly will not be less, for
there will be more passages - more
freight: - work will not be reduced.
Say £1500 p. a. minimum.

A.B.L.
30/6

Thankyou - this does not
include South Africa? by

Way

Johnes

Project does not include resurvey
pt.

John
30/10/47.

AT.

Can you estimate it?

Johnes.

A.B.E.
1.7

a fair estimate would be £20/30 per trip, this
will vary if relief officials were onboard, as freight
on their belongings. I have an impression there
is an allowance of about 10 tons freight free under
the main contract. However I think it safe to
quote me above figure.

John
31/10/47.

HE.

I kept this for 'Main Contract', to check
x/1. There is no mention of it. Indeed, we
have no 'contract' for S.G. at all under
the 'Fitzroy' contract. It only occurs under
the §26 - £5200 for 12 voyages to M.V. +
2 to I.G. p.a.

A.B.E.
4.7

Thank you Paid by M.C. 7/11

S.C. (Main Contract) file
A.B.E. 7/11

GOVERNMENT HOUSE,

FALKLAND ISLANDS.

STANLEY.

No. 24 CONFIDENTIAL.

5th July, 1947.

Sir,

I have the honour to refer to the first and second paragraphs of my Confidential Despatch of the 30th of December, 1946, and to advise you that the concern I there expressed has been amply justified in the event.

2. On the 23rd of June, 1947, the Colonial Manager of the Falkland Islands Company (Captain Roberts) sought an interview with me on the subject of the mail contract and by way of introduction handed me a pro forma account in respect of the period December, 1946, to May, 1947, amounting to £5,464 (copy enclosed) which he seemed to think I would be willing to accept without demur. A cursory examination revealed an increase on present gross charges in the neighbourhood of £5,000 per annum, which, as I remarked to Captain Roberts, appeared to arise wholly from insurance and depreciation; he replied that "this was merely a basis for calculation" but I was not prepared to pursue the matter further without fuller information which I asked him to furnish in writing and turned the conversation into other channels.

3. On the 25th of June he addressed a letter to Government (copy enclosed) in amplification of the pro forma account and from this it was immediately evident that the Company sought to transfer to this Administration the entire additional "overheads" arising from insurance and depreciation consequent upon their purchase of the new "Lafonia"; an attempt which I can only describe as the most bare-faced effrontery. The intention was admitted by Captain Roberts in a further official interview the 27th of June in the presence of my Colonial Secretary in the course of which I invited his attention, also, to other peculiar features of the claim; these were again admitted and I concluded the interview by saying that I could not accept the account as presented, that Government would pay on the basis of Clause 26 of the 1937 Agreement (the draft of which was forwarded to Mr. J. H. Thomas by Mr. - now Sir Herbert - Henniker-Heaton under cover of Despatch No. 61 of the 22nd of May, 1936, and amended in accordance with your predecessor's telegram No. 58 of the 11th of July, 1936) plus 60% and that the balance of claim must be a matter for negotiation. This decision I caused to be confirmed to him in writing on the 30th June (copy enclosed).

4. Clause 26 of the 1937 Agreement reads as follows:

"SHOULD the Company substitute a larger vessel (of less than 1,400 g.r.t. with cabin accommodation for 36 passengers) for s.s. "Lafonia", during the currency of this Agreement the Government agreed to increase the total mail subsidy to a maximum of £5,200 (Five thousand two hundred pounds) per annum."

24 in 70/43

43a in 70/43

Enclosure "A" 14

43 in 70/43

Enclosure "B" 15

24 in 76/36

33 in 76/36

41 in 76/36

48 in 70/43

Enclosure "C" 16

24 in 76/36

THE RIGHT HONOURABLE ARTHUR ORRICH JONES, F.C., M.P., SECRETARY OF STATE FOR THE COLONIES.

Reply at 35

on condition that the vessel makes twelve round voyages to Montevideo and two round voyages to South Georgia per annum."

It was concluded at a time when the former "Lafonia" (now "Fitzroy") was about to be replaced by a new vessel (the "Southern Coast") of over 1,400 g.r.t. to which the name of "Lafonia" was subsequently transferred. The s.s. "Lafonia" mentioned in the relevant Clause of the Agreement is, in fact, the present "Fitzroy".

5. When agreeing with Mr. Young and his co-Director Mr. Cobb in December last that in the present conditions of uncertainty the mail contract should be subject to review at intervals of six months, I naturally supposed that such negotiations would precede any formal claim for variation.

6. While I am fully aware that shipping costs have materially increased since the last agreement was concluded and would not have cavilled at an over-all addition of 60% (which is, I believe, the figure generally accepted), it would appear only reasonable that the Company's shareholders, who are commonly believed to have enjoyed an annual dividend of the order of 10% for some years past, should themselves carry a due proportion of the higher overheads resulting from their Directors' infelicitous investment in the new "Lafonia" and I certainly do not intend that this Government should pull the chestnuts for them. Were it to do so there would be a public outcry for the standard of service, or rather lack of it, on this vessel has been little short of scandalous.

7. Whatever should be the outcome of the negotiations over the present claim it is a matter for serious consideration as to whether this small Colony with its limited resources can afford to pay at the rate of about \$10,000 per annum as a mail subsidy, this amounting to no less than 14% of its present total revenue. The alternatives would be to substitute a six-weekly or two-monthly mail service which must greatly aggravate the already considerable sense of isolation under which the people of the Falklands suffer, or for the Government to build (or buy) and run its own vessel.

8. I have gone very closely into the latter alternative only to find, as I had of course anticipated, that the loss on running is likely to be greater than the present subsidy; should other industries establish here however the position might be very different. As to this it will be clear to you that we are caught up in a vicious circle, for while the Colony remains at the mercy of one carrier (the Falkland Islands Company monopoly which is only too well aware of the strength of its position) it will be most difficult, and in many cases impossible, for new industries to develop at all; either they must be able to make their own arrangements for shipping or must look to Government for assistance. This is very much in point where an export commodity (for example vegetables to South America) must reach a market at a specified time; if that time happened to conflict with the Falkland Islands Company's wool programme the other interest would inevitably go to the wall. It is not, thus, a question of subsidy alone but of the Colony's proper development, and the rapacity of the Falkland Islands Company in regard to recent charters on behalf of the Falkland Islands Dependencies Survey is some measure of the threat to development which this monopoly represents; it is by no means an isolated instance, for the Company's own interests always come first.

In fact 12%

9. A further possible alternative would be to persuade e.g. the New Zealand Shipping Company or the Federal Steam Navigation Company (they are, I think, associated) to call here on their way to and from the Plate and I have recently raised this possibility in demi-official correspondence with Sir Frank Stockdale. It must depend, obviously, upon the inducement the Colony can offer which does not amount to much; an annual subsidy of from \$4,000 to \$5,000 which is the most we can afford plus freight and passages which in an average year might amount to as much again. It might be of interest to New Zealand to supply us with dairy produce, jams, fruits, groceries, fodder etc., now purchased with foreign currency in South America, to an equivalent of about \$50,000 per annum. But judging from enquiries during recent months neither Company has as yet anything approaching a regular service to the Plate.

10. The Pacific Steam Navigation Company used to put in here before the war and might also be approached - I understand that they are "interested" but are fellow members with the Falkland Islands Company of the River Plate Conference Lines and would thus, presumably, be precluded from competing with them.

11. I have given careful consideration to the establishment of an air service between Port Stanley and Montevideo but apart from the cost and difficulty (shortage of labour and lack of machinery) of constructing an adequate air-field here it seems scarcely possible that such a venture could be run at a profit even with a Government subsidy. Nevertheless, I would be grateful if the suggestion might be explored with either the South American Airways or the Airwork Company since such an outlet would do more than anything else to reduce the present feeling of isolation, while the saving in time and general speeding-up of communications would be of considerable administrative advantage.

12. There is, finally, the suggestion conveyed in paragraph 4 of my Confidential Despatch of the 30th of December, 1946, but this is only a partial solution - indeed little more than a bargaining counter - and would offer no additional security to other undertakings, actual or potential.

13. Should all these lines of enquiry fail, I would ask you, Sir, at least to consider the possibility of some measure of assistance from the Imperial Government such as will enable the Colony to run a vessel on a regular monthly schedule between Port Stanley and Montevideo with two trips annually to South Georgia. In a note enclosed herewith I have endeavoured, without any reliable data to work upon, to arrive at some approximation of cost, maintenance and probable revenue in present circumstances; this would alter immediately if the British American Kelp Company decide to establish here and once they got into production we might be able to count on a full cargo upwards every month, a possibility which you might be good enough to have discussed in confidence with their Directors.

14. I am aware that such a venture is not without hazard,

part/

70/43

enclosure
"D" 17

part of which I should be asking His Majesty's Government to bear, but I am sincerely concerned for the future of this small Colony, and all that I have read and heard since my arrival, together with my own recent experience, convinces me that this future must be greatly embarrassed so long as there is no competing interest in transport.

I have the honour to be,
Sir,
Your most obedient,
humble servant,

(SGD.) MILES CLIFFORD.

ENCLOSURE "A" TO GOVERNOR'S CONFIDENTIAL DESPATCH No. 24 OF
THE 5TH OF JULY, 1947.

Copy.
The Colonial Government,
STANLEY.

To the Falkland Islands Company, Limited.

Mail Subsidy - s.s. "Lafonia".

1st December, 1946, to 31st May, 1947.

	£.	s.	d.
To 6 months subsidy at 1937 rate of £5200 per annum	2600.	-.	-.
War increase 60%	1560.	-.	-.
Additional cost of Insurance on higher value	1088.	12.	8.
Additional depreciation @ 5% -do-	1250.	-.	-.
	<u>6498.</u>	<u>12.</u>	<u>8.</u>
Less 1 months subsidy for December, 1946, paid to s.s. "Fitzroy"	335.	6.	8.
	<u>6165.</u>	<u>6.</u>	<u>-.</u>
Less allowance for 1 South Georgia voyage not made	701.	6.	10.
	<u>5463.</u>	<u>19.</u>	<u>2.</u>

The Falkland Islands Company, Limited.
Stanley.

25th June, 1947.

Sir,

Confirming my conversation with His Excellency the Governor on the Mail subsidy, I have the following points to make clear regarding the bill enclosed for the period 1st December 1946 to 31st May, 1947.

The figure of £5,200 which is taken as a basis is the figure agreed upon in Clause 26 of the 1937 Agreement. An increase of 60% was agreed to in April 1941 but applicable to "Fitzroy" as s.s. "Lafonia", ex "Southern Coast", had by then been requisitioned by the Ministry of War Transport. Present daily running costs are about 150% above 1937. Coal is up more than 200%, oil by 71%.

The items dealing with additional cost of insurance and depreciation are arrived at as follows -

Cost of Marine insurance on s.s. "Lafonia", ex "Perth" for 1947, on a value of £80,000	£ 3,467.	5.	-
Cost of Marine insurance on s.s. "Lafonia", ex "Southern Coast", on a value of £30,000	1,289.	19.	8.
	Difference	£ 2,177.	5.	4.
	6 months =	£ 1,088.	12.	8.
Depreciation @ 5% p.a. on £30,000	£ 1,500			
" " " " " £80,000	£ 4,000			
	Difference	£ 2,500.	-	-

The deduction for the South Georgia voyage is arrived at as follows -

Number of voyages -	12 to Montevideo			
	2 to South Georgia			
	equivalent to 13.6 voyages, on a mileage basis, to Montevideo.			
	One South Georgia voyage = .8 of a Montevideo voyage.			
Subsidy for 1 year =	$\frac{£12,997 - 5 - 4}{13.6} \times .8$	= £ 764.	10.	-
Less average Port dues paid per voyage to Montevideo		65.	3.	2.
		£ 701.	6.	10.

It will be much appreciated if this sum could be paid in London by telegram.

I am,
Sir,
your obedient servant,

The Honourable
The Colonial Secretary,
Stanley.

(sgd) D. W. ROBERTS

Manager.

ENCLOSURE "C" TO GOVERNOR'S CONFIDENTIAL DESPATCH No. 24 OF
THE 5TH OF JULY, 1947.

COPY.

70/43.

Colonial Secretary's Office,
Stanley, Falkland Islands.

30th June, 1947.

Sir,

I am directed by the Governor to refer to your letter of the 25th of June, 1947, and to the interview which you had with His Excellency on the 26th of June, 1947, at which you agreed that your account of the 25th of June, 1947, in fact transferred to Government the full liability for increased insurance premium and depreciation consequent upon the purchase by your Company of the "Lafonia" (ex "Perth"), and to confirm the view then expressed to you - that Government was not concerned in this transaction and cannot accept the liability.

2. His Excellency further remarked that Government was being charged in your account for one trip of the "Titroy" at "Lafonia" rates. This £300 was admitted by you, as was the fact that, during the six-month period December, 1946, to May, 1947, inclusive, only 5½ round voyages to Montevideo were made, leaving the remaining uncompleted round voyage to be credited to Government. It is further noted that no voyage to South Georgia was made during the period.

3. I am to confirm that Government is prepared to accept a debit at the rate of £5,200 in accordance with the spirit of Clause 26 of the 1957 Agreement plus 60% without prejudice to a final adjustment (as to which it is understood you will be consulting your principals and His Excellency will be addressing the Secretary of State for the Colonies) i.e. $\frac{£5,200 + 3,120}{2} =$

£4,160 for the 6 month period less £333. 6. 8. being one month's subsidy for December, 1946, paid for the "Titroy": or £3,826. 13. 4. nett. This sum is being paid to you by the Treasury.

I am,
Sir,
Your obedient servant,

(sgd.) A. B. MATHEWS,
Colonial Secretary.

The Manager,
The Falkland Islands Company, Limited,
STANLEY.

Estimated cost of operating own vessel.

(a) Capital cost:

This figure might be as low as £8,000 (plus delivery charges) if a ship of the Port of Beaumont type, see my telegram No. 381 of the 9th of July, 1947, and previous correspondence, were available; or as high as £60,000 if we had to buy or build. See Note I below for requirements.

(b) Overheads:-

i. Interest on loan @ 3%	-
ii. Depreciation @ 5% (i.e. 20 years' life)	-
iii. Insurance @ 3½% (diminishing in inverse ratio to ii above)	-

(c) Operating costs:-

£ This figure may well be an under-estimate (Dutch) M.C.

i. Fuel and oil, based on annual maximum mileage of 30,000, estimated	2,500
ii. Wages, see Note II below for complement, maximum	6,000
iii. Provident Fund liability	300
iv. Victualling @ 2/- per day (including occasional passengers)	1,500
v. Maintenance, port dues and charges at Montevideo @, say, 10% overall	-

Note I.

Ship should be between 350 - 400^{tons} gross with accommodation for normal six, maximum twelve passengers and storage in two steel-covered holds for 200 tons, with derricks fore and aft for handling. Hull should be oak, stiffened for use in ice at need. Engines should be slow-revving Diesel (Doxford or similar) to give economic speed of 10 and emergency of 12 knots, with range of 6,000 miles. Should be fitted with sails for use under suitable conditions and to hold ship into wind in emergency and with following navigational aids: gyro-compass, echo-sounding and R.D.F. Should carry motor-boat and lifeboat. Galley should be electrically equipped, and there should be radiators in all cabins.

Note II.

Complement: Master (RNR)	722
2 Deck Officers	480 & 470
Chief Engineer	480
Assistant Engineer	400
Wireless Operator	360
	Quartermaster

Quartermaster		£	
✓ Bosun		[270]	240
✓ 2 Engine Room hands @ £240		300	
5 Deck Hands @ £200	225	480	
Cook		1,000	
Steward	} locally recruited	240	3/2
Pantry Boy)		200	300
		120	
		<u>Total</u>	<u>£5,450</u>

Carpenter

The intention would be to recruit so far as possible from time-expired R.N. personal on 3 year agreement renewable at option. Rates, while based on those prescribed by National Maritime Board need not, it is assumed, adhere strictly to them as personnel will be recruited to a Government service. All ranks would be required to contribute to Provident Fund; free uniform would be provided to those of non-commissioned status and is included in the estimate for wages. No deductions for food. Free medical attention. It would be necessary to add a Shipping Clerk at, say, £300.

Note III.

It will be appreciated that these figures are necessarily tentative since the only local source of authentic information is denied to me but it is thought they are not very far off the mark. On this basis the maximum overall cost of operation would vary from £12,000 to £18,000 per annum, according to the initial purchase price of the vessel. Against this may be set the following potential revenue.

i. Existing mail subsidy (i.e. without addition claimed by FIC.)	8,400
ii. Government freight and passages	1,500
iii. Local stores (other than F.I.C.)	1,000
iv. Wool freights (other than F.I.C.)	1,000
	<u>£11,900</u>

If B.A.K.C. should establish the above figure might be substantially exceeded.

(Intld). M. C.

MEDICAL DEPARTMENT,

STANLEY, FALKLAND ISLANDS.

.....12.vii.47.19.....

SHIPPING FACILITIES.

May I point out that no shipping schedule has been published beyond the middle of August, and that it is consequently impossible for me to make any arrangements for the relief of Dr. Arthur in Fox Bay by Dr. Gilmore.

2. I have approached Capt. Roberts verbally on the subject, and got lots of charm and promises of co-operation, but no information.

3. While well aware that the wartime difficulties have not entirely ceased, I would like to point out that the war is over, and that shipping movements are now published in England, and to suggest that at least a six months schedule is a part of the public service for which Govt. pays a mail subsidy.

4. Can I ask for your help in obtaining the information which I need to make these arrangements?

HON. COL. SEC.,
Stanley.

J.H.C.
H.M.O.

DECODE.

No. S51.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 15. 8. 47 Time: 10.49 Received: 16. 8. 47 Time: 09.00.

No. 287. Confidential. Your Despatch No. 24 Confidential.
Mail contract.

10. Paragraph 4. Is there any other agreement or exchange of letters
constituting an agreement with Falkland Islands Company concerning
shipping.

0037/PUR
~~0225~~ No. 19 2. Generally see my telegram No. 285.

Miss Sedgwick

SECRETARY OF STATE.

J.A. IN 53710.

See 23

LJH.

EXTRACT FROM MINUTE FROM HIS EXCELLENCY THE GOVERNOR OF THE
18th of August, 1947.)

~~20~~
20a.

.....

(I assume that the coming trip to S.G. will not be regarded by
P.I.C. as a scheduled trip in terms of the contract).

HE

20 with 10

The Agreement is at (75) in 76/36. I have looked up subsequent letters (there is no subsequent 'agreement' as such). They are: -

- (a) (79) (87) (84) (91) passenger fares to S.G.
- (b) (84) (95) (98) free conveyance of Govt. cargo to S.G. up to 10 tons on any one voyage
- (c) (102) (104) (105) reduction in mail subsidy during absence of 'Lynx' from Colony (see §26 of (68)).
- (d) Reference is 21 of 70/43 to per-odical adjustments of mail contract payments due to war conditions, which however are based on the principles of the contract (or agreement) at (75) in 76/36.

2. I have just heard that 'Fitzroy' is not to go home to U.K. till May 1948 for alteration to oil-fuel, because of lack of dry-dock. Thus the project in § 4 of (24a) will 70/43 is unlikely to be immediately attention to F.I.C. who will have cleared all work by then - unless

Handwritten notes in red ink, partially obscured and illegible.

22
of course, they send it home in 'Laponie'
and 'Fitzroy'.

ABH
19.9

Para 2 of 20 conveys nothing to me, and what
reply do we send to para 1?

M.C. 19/viii

ME

1. Submit a Draft telegram in reply to
§ 1 of 20.

2. § 2 of 20 I respectfully agree, and
checked the reference before submitting the
Dp. I could only assume that
S/S had in mind (i) 18 in 0037 Pw
linked up with (ii) § 12 of 12 beam and
(iii) § 4 of (24a) in 70/43 i.e. that as
the ship had been purchased for
F.I.D.S. it might be bargaining
counter with F.I.C. for mail contract be-
cause we could use it during the winter
for our trips.

ABH
19.9

He may mean that although "see general"
is curiously inapplicable if he does, a lot has
since then.

M.C. 19/viii

DECODE.

23

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched : 20. 8. 47 Time : 14.00 Received : Time :

20

No. 457. Confidential. Your confidential telegram No. 287. Mail Contract.

No record exists of any other agreement. Exchanges of letters refer to

- (i) minor modifications of 1937 agreement and
- (ii) periodical adjustments of rates to meet increased costs during war years when larger vessel contemplated in clause 26 of agreement was not available and rates were based on clauses 17-20 with additional payments for voyages to Montevideo over five per annum, and separately in respect of voyages to South Georgia.

68 in 76/36
(Agreement with
F.I. Co. for carriage
of mails etc)

2. With arrival of new "Lafonia" Company wish to invoke clause 26 and to transfer to this Administration all consequential overheads (see paragraph 3 of my confidential Despatch No. 24 of 5th July).

10

GOVERNOR.

G.T.C.

LJH.

B. 29/9 ABL
29.8

2300

12 88 9+10 subtracted to 0577

24, 25, 26, 27, 28, 29, 30 + 33 revised to 0577

DECODE.

TELEGRAM SENT.

Spam

31

From GOVERNOR to SECRETARY OF STATE.

Despatched : 20. 6. 47 Time : 14.00 Received : Time :

20

No. 457. Confidential. Your confidential telegram No. 287. Mail contract.

No record exists of any other agreement. Exchanges of letters refer to

- (1) minor modifications of 1937 agreement and
- (ii) periodical adjustments of rates to meet increased costs during war years when larger rate of contemplated in clause 26 of agreement was not available and rates were based on clauses 17-20 with additional payments for voyages to Montevideo over five per annum, and separately in respect of voyages to South Georgia.

10

2. with arrival of new "Infonia" company wish to invoke clause 26 and to transfer to this administration all consequential overheads (see paragraph 3 of my confidential despatch No. 24 of 9th July).

G. VERRILL.

G. T. S.

L. J. H.

32 sent to CoPC
for information reg'd. by H.E.

Wood Statistics.

ACS.

CoPC informs that he is waiting for
entries from this trip.

VP
24/12/47.

By
15/1
24/12

1946.

0327

32

<u>Station.</u>	<u>Actual amount of Wool exported.</u>
	(lbs.)
North Arm.	633416
Darwin.	760474
Fitzroy.	244974
Port Stephens.	181426
Fox Bay, West.	173443
Spring Point.	- (exptd Jan. 1947)
Speedwell Island.	107268
Lively Island.	31764
Bleaker Island.	18058

35,075

Total F.I.C. 2150823 lbs.

+ Other Farms 2835350 "

TOTAL AMT. EXPORTED - 4986173 "

+ Spring Point (Jan:47) 35075
5021,248

TE. asked for this

ABL
17.x

Pl. see 320, also

Should be filed in Mail Enclad
in case N.Y. returns to aback and
with it we shd. have if C/C can
produce - gross value goods imported
during year (a) by FIC (b) by all others
NCC ?

C/c

32

Can you satisfy the info required

by H.E.?

ABC
11/2'

H.C.S.

I am not quite clear as to whether by "(b) by all others" His Excellency means "other traders" or "other farms" pl?

At the present time the F.I.C. handle practically all imports for other farms along with their own and it would be impossible for this department to present an accurate picture of each farms imports.

We could however furnish without difficulty the total imports for F.I.Co. and the total amount for other traders. If this will be sufficient I will forward the information after the arrival of the "Fitzroy" and "Lafonia" later this month.

To, Mr. ABC

ABC
Ag. C. of C.
2.12.47.

REPORTS 1947.

	<u>F.I.C.</u>	<u>OTHER IMPORTERS.</u>	<u>TOTAL.</u>
U.K.	76,893	45,431	122,324
Canada	170	479	649
India	-	1,486	1,486
New Zealand	22	996	1,018
South Africa	136	348	484
Argentine	15,116	7,184	22,300
Brazil	5,152	-	5,152
Chile	15,392	-	15,392
France	500	40	540
Holland	183	35	218
Portugal	-	171	171
Sweden	4,831	10,000	14,831
Uruguay	44,522	12,189	56,711
U.S.A.	2,956	1,064	4,020
	<hr/>	<hr/>	<hr/>
	£165,873	£79,423	£245,296
	=====	=====	=====

And see 51

0327

COPY.

DECODE.

Original filed at 202 in 86/42 "Correspondence relating to Mails"

TELEGRAM.

From Westers, Fox Bay.

To The Colonial Secretary.

Despatched : December 19th 19 47 Time : 08.30.

Received : 19 .. Time :

As such craft as Porvenir are entirely dependent on weather conditions therefore date of arrival Port Howard is problematical. With the exception of Port Howard and Pebble we prefer our mails to await Fitzroy especially as Xmas mail referred to in our telegram December 14th included incoming mail. We still protest strongly with regard to a mail contract presumably for the whole islands that allows a West paper and parcel mail to remain in Stanley for a month and we do not expect Government to renew it on those conditions.

196
86/42

WESTERS.

P/L.

LJH.

34

0033

A.

Mr.

Re. note his file about payment for
passages N.Y. - U.K. in sterling, - any other
matters wh. are due for discussion with
Mr. L. G. H. Young.

ABH
3.1

B.

ABH

Note made accy. pl

ABH
3.1.

Re. note with Mr. H.
for Mr. Young
ABH
3.1.
6.1.48

0327

35

Saving.

From the Secretary of State for the Colonies.

To the Officer Administering the Government of FALKLAND ISLANDS

Date 29 December 1947

No. 124 Saving.

CONFIDENTIAL



10

Reference your Confidential Despatch No. 24 of 5th July.

Mail Contract.

I enclose copies of letters to the General Post Office, from the General Post Office, to the Ministry of Transport and from the Ministry of Transport, dated 11th September, 13th November, 25th November, 18th December, respectively.

3637
41

2. If after further negotiations with the Falkland Islands Company you are still dissatisfied with their attitude, you will no doubt, say whether you would like a reference to the Imperial Shipping Committee to be considered.

SE CER

See 68

THE CHURCH HOUSE, 36
GREAT SMITH STREET,
S.W.1.

88346/47

11 JAN 1948
FALKLAND ISLANDS
11th September 1947.

Dear Ford,

10 We spoke about the Falkland Islands Colony Mail Contract, and I enclose a copy of the Governor's Confidential despatch of the 5th July together with its enclosures. I also enclose a copy of the 1936 Agreement with the Falkland Islands Company (which please return, as it is our only copy).

There seem to be three points:-

- (a) The legal aspect, whether the Company are justified under the contract in asking for a larger payment.
- (b) The equitable aspect, whether it is reasonable for the Company to seek to swing the extra cost of running their new vessel on to the mail contract,
- (c) The practical aspect, whether there is any other shipping company whom we could interest in calling at the Falklands.

We should be very grateful for any advice and assistance which you can give to us.

Yours sincerely,

Reply at 37
(JUXON BARTON).

F.J.FORD ESQ.

COPY.

POSTAL SERVICES DEPARTMENT,

Your ref. 88346/47
P.O. Ref. 74222/47.

GENERAL POST OFFICE,

LONDON, E.C.1.

13th November 1947.

Dear Juxon Barton,

36 You wrote to Ford on the 11th of September about the Falkland Islands Colony Mail Contract. He is on leave; and I am replying in his stead.

2. From the purely legal aspect of the matter, it seems very doubtful whether the Company can claim a higher payment than that laid down in clause 26 of the 1937 Agreement, plus any agreed increase to cover the higher costs due to the war, now apparently fixed at 60%; but I assume that you are consulting the Colonial Office Solicitor about this. It occurs to me, however, that if you decide to hold the Company strictly to the reading of Clause 26 their possible reaction would be to terminate the Agreement. In this connection, you might like to know that, in consequence of increased shipping costs, we are now generally paying shipping companies from 75% to 100% more than before the war for the carriage of our mails according to destination. For the Brazil and River Plate service the increase is actually about 80% above pre-war.

x 3. Of the equity of the Company's action I am afraid that the British Post Office cannot speak, since the agreement does not seem to be confined to the carriage of mails but covers other matters such as passenger and freight rates; and the Falkland Islands Government is presumably the only body which can assess whether or not the advantages gained by the contract are more than offset by the increased payment demanded. It does seem to me however, that if, as appears to be the case, the Company is at liberty to run certain voyages to suit itself, it should not expect the Government to meet the whole of the increased level of overhead

JUXON BARTON ESQ.

See 62 charges.

32

charges.

4. So far as the British Post Office is concerned, the modern tendency has been to get away from formal mail contracts and to substitute agreements, based on correspondence, arranging for the payment for the carriage of letter mails at rates, per shipping ton of 40 cubic feet, approximating to those fixed by the companies for the carriage on the routes concerned of commercial cargo of comparable bulk and intrinsic value, such as cotton, woollen and silk piece goods, known sometimes under the general term of "fine goods".

5. We attempt to obtain a somewhat lower rate than the rate for commercial cargo but are not always successful in this respect. The rate for parcel mails is usually fixed at two thirds of the amount agreed for letter mails. The number of bags to the shipping ton is calculated by measuring a representative mail to see how many bags of mail fill a space of forty cubic feet. It might be mentioned that in British service it is found that from 14½ to 17½ letter bags and 6 to 8 parcel bags represent one cubic (or shipping) ton.

6. The British Post Office is, however, differently placed from the Falkland Islands Government in that, generally speaking, all it has to do is to employ services already in existence and has no need to pay any sums over and above the commercial value of the mails to ensure a regular number of sailings.

This

39

This has been brought about by the fact that Companies run good or satisfactory shipping services on their own account and look upon the carriage of mails as being merely an addition to their other traffic. The Falkland Islands Government on the other hand, seems to have to depend on the services of one company; and, so long as this position obtains, its powers of bargaining would seem to be weakened. That Government could presumably decide to pay for the mails on a purely commercial basis; and in this event the Ministry of Transport might be able to offer some advice; but the present contract apparently is of value to the Colony in fixing conditions other than those relating to the carriage of mails.

X 7. As regards the question of inducing other Companies to call at the Islands, this seems to be a matter for decision by the Colonial Office, possibly in consultation with the Ministry of Transport. As the Governor says, ships of the P.S.N. Company used to call at the Falkland Islands up to just before the war; but from the semi-official enquiries we have made of the Company as the result of your letter, we gather that there is no prospect at present of its resuming these calls. We have also had enquiry made of the principal shipping companies serving South America and New Zealand, but none seems to have regular sailings round Cape Horn. I am given to understand that the only ships which might make this trip are those diverted from the River Plate owing to lack of cargo. I also gather from our airmail people that the British South American Airways Corporation do not at present contemplate the establishment of an air service to the Falkland Islands.

8. In conclusion I should perhaps mention that the

credits

40

credits which we allow to the Falkland Islands, Post Office, in respect of parcels sent to the Colony namely 3d, 6d, 9d and 1s/-d for parcels not exceeding 3lb, 7lb, 11 lb, and 22lb respectively, includes the cost of sea transit from Montevideo to Port Stanley and we are prepared to increase these credits if the Governor or the Colonial Postmaster think that such a course is justified.

Please accept my apologies for not replying to your letter earlier.

Yours sincerely,

(Signed) S.H.EATON.

per 56157

In conclusion I should like to mention that the

GREAT SMITH STREET,

S.W.1.

88346/47

25th November 1947.

Dear Pockett,

I am writing to ask your advice on the Falkland Islands Colony mail contract.

2. In order to give as complete a picture as possible, I enclose a copy of the 1936 Agreement with the Falkland Islands Company, which I would ask you to return as it is our only copy. The story continues in the enclosed copy of the Governor's confidential despatch of the 5th July, together with its enclosures.

2. There seem to be three points:-

- (a) The legal aspect, whether the Company are justified under the contract in asking for a larger payment.
- (b) The equitable aspect, whether it is reasonable for the Company to seek to swing the extra cost of manning their new vessel on to the mail contract.
- (c) The practical aspect, whether there is any other shipping company whom we could interest in calling at the Falklands.

3. In the first instance, we referred this matter to the G.P.O. authorities, who replied in the terms of the attached letter.

4. We should be grateful for your advice also particularly on paragraph 6 about finding a commercial

A.G. POCKETT ESQ., O.B.E.

Reply at 43

basis

basis on which to bargain with the Company. You will appreciate the very strong position of the Company from the fact that it is the sole carrier between South America and the Colony and is consequently the largest employer and landowner. It is not at present practicable for the British South American Airways to consider operating an air service.

5. We would be most grateful for any help you can give that would enable the Colony to procure better terms from the Company.

Yours sincerely,

(JUXON BARTON).

BERKELEY SQUARE HOUSE,

LONDON, W.1.

Ref. C.S.
38346.

18th December 1947.

Dear Juxon Barton,

Pockett has now left the Commercial Services Division of this Ministry and he has passed on to me your letter dated 25th November regarding the Falkland Islands Mail Contract.

We have not obtained the Treasury Solicitor's advice on the legal aspect of the matter, but we would imagine that there can be no doubt that the Falkland Islands Company cannot legally vary the existing charges without terminating the Contract in accordance with Clause 25. On the other hand, we feel that it would probably be better not to invoke this Clause as the Governor would thus retain a short-term option to break the Agreement should this appear to be convenient at a later date.

On the point of equity, we feel that there can be no justification for making such increased demands without prior consultation with the Governor. Nevertheless, we assume that the sums paid under this Contract must constitute a considerable part of the total revenue accruing to the Company from the service so that some increase in charges is probably justified (apart from the 60 per cent. "War increase" which the Governor himself accepts as reasonable) in view of the greatly increased costs of maintenance and operation.

As regards possible alternatives, we must agree with the Governor's view that in present circumstances any attempt to operate a Government vessel in competition with the Falkland Islands Company would involve a loss which would probably be greater than the present

Juxon Barton Esq.

subsidy.

XX

subsidy. I regret that we can hold out no hope that any of the ocean-going Liner Companies (i.e. Pacific Steam Navigation Company, the Lines in the U.K./River Plate Conference, or the New Zealand Lines) could be induced to make regular calls at the Falkland Islands at the present time and, indeed, until there is a considerable improvement in our general tonnage position I doubt whether we could agree to the considerable deviations which would be involved.

A general point which you will of course bear in mind is the desirability of maintaining some British shipping service between the Falkland Islands and the outside world, in order to avoid any possibility of an attempt by Argentine shipping interests to secure this trade.

In the light of these considerations, we feel that for the present the only thing for the Governor to do is to negotiate the best possible terms with the Falkland Islands Company as a temporary measure, pending an improvement in the general shipping situation, when we could consider again whether one of the Liner Companies might be persuaded to make regular calls. In negotiating, the Governor will no doubt bear in mind that since 1936 maintenance and operating costs have risen by 100/150 per cent. for ships of similar size and type employed in this country, and that liner freight rates throughout the world have reflected these increased costs over the same period.

A further point is, of course, that the Mail subsidy is concerned not only to cover the

freight

4
freight payment on mails, plus other miscellaneous services, but also as part consideration for maintaining freight rates and passenger fares at agreed levels and also for maintaining frequent and regular services between the Islands themselves and between the Islands and the mainland. It is impossible for us to advise you in detail whether or not the increased charges proposed by the Company are excessive, without full information regarding the trends in the trade during the period since the Contract was first negotiated. If you wish us to go into the matter in detail we would need information about the trade movements before and since the war, the levels of freights and fares now being charged, the effect on trade of increasing these levels and the annual quantities of mails shipped, as well as the cost of miscellaneous services provided under the Contract.

37 X | I notice that in their letter dated 13th November, the G.P.O. have offered to increase the credits allowed to the Falkland Islands Post Office in respect of parcels sent to the Colony, and I assume that this offer will be accepted.

If, after further negotiations between the Governor and the Falkland Islands Company, you still feel that the attitude adopted by the Company is unreasonable, you may like to consider whether it would be worth while to bring the matter before the Imperial Shipping Committee.

I am returning herewith your copy of the 1936 Agreement with the Company.

Yours sincerely,

(Signed) ?

Original filed in 0577 - N.Z. Shipping Co - Negotiations
for calling at Stanley.

47

DECODE.

TELEGRAM.

No. 34.

From H.M. Trade Commissioner, Wellington

To The Colonial Secretary

Despatched : 21st January, 19 48 Time : 16.15
Received : 22nd January, 19 48 Time : 09.40

11 m 0577

Z

Your telegram 14th December. Overseas Shipowners' Allotment Committee Wellington advise as follows begins;- Relative to service to Falkland Islands - are prepared where possible to make periodical calls Port Stanley for vessels routed homewards via Cape Horn subject to minimum 200 tons cargo but no long term commitment on part of shipping line can be made as oil bunker position may be rule out this route. Also for essential appointment New Zealand agent to co-ordinate shipping arrangements and assemble cargo at final Port. Passenger accommodation limited to occasional berths for males. Particulars next vessel to call Port Stanley and of passenger and freight tariff will be telegraphed as soon as obtainable.

TRADE COMMISSIONERS

G.T.C.

VP.

Extract from Notes on an Interview between The Hon. The Colonial
Secretary & Mr. L.W.H. Young, Managing Director, Falkland Islands Company,
Limited, on the 22nd. Jan. 1947.

In the course of an interview with Mr. L.W.H. Young, Managing Director of the Falkland Islands Company, Limited, today, the following matters were discussed:-

1. Mail Subsidy. I said that Government was not interested in the purchase of the "Lafonia" and was not disposed to undertake responsibility for the consequent increase in operating and overhead costs due to the purchase of a vessel which was primarily for the Falkland Island Company's interests.

sec 73/36
Mr Young said that the 1937 Mail Contract contemplated the purchase of a larger vessel (i.e. the old "Lafonia") than the "Fitzroy": and that it was in the spirit of that agreement that the new "Lafonia" was bought. I said that Government was not consulted in any way about the purchase, and if it had been, and had been notified of the consequential costs, it would have had nothing to do with it.

Mr. Young said that a larger vessel than the "Fitzroy" was necessary for local work, especially passenger traffic. I agreed but said that the "Lafonia" was a much more elaborate affair than was necessary. I added that Government was quite prepared to face any protests from the public if they were made as Mr. Young suggested because it became necessary to dispose of her. I added that a mail subsidy in the region of £10,000 a year was much more than the Colony could afford: and that whatever might have been contemplated in 1937 the situation had obviously been affected by the increase in initial and operating costs during and since the war, of which Government was being asked to undertake what it considered to be a disproportionate share.

JE

like I intend to seeing Mr. Young about basic contract. 48 is a record of my preliminary talk with him.

2. JE. last seen at 22.

i | Since then 32 - 32 G has been completed. F.T.C. imports are about

ii | twice the others combined, in value.

3. 35-45 This doesn't keep much. 38 §§ 4.5 are no use to

the F.T.C. unless look at it

1947 figures are:-

<u>Despatches</u>	37	bags	air mail
	201	-	parcels
	129	ordinary	mail
<u>Received</u>	518	-	-
	408	bag	parcels

This is about 100 tons p. in case.

4. he shd. accept the 40 without ~~the~~ now do! (cf. x n

5. The contract is is at in 7/36. Inspection of the

(i) This is a point wh. has been missed in the memo. Despatches, noted correspondence.

(ii) What about exports? (see 51)

Extracted to

A useful figure to be in mind; what is the charge per ton?

40/- + 20% = 48/-

ABC

Yes.

When being taken by Mr. [unclear]

proportionate share' (part of 48) x ~ 37
is obvious: for even 75% a £5,200
is £9,100, though the analogy is not
complete. For the G.P.O. pay by the
ton (38 § 4) is an act connected with
a subsidy etc. to some extent con-
trols the movements of the ship & etc.
cannot be dissociated from the matter
such as the Govt. 25% rebate.

A. B. L.
17.2
BU. again when Mr. Young returns from the Camp.

Spans of the despatch at cover shd. be removed and

all → locked in safe or destroyed.

MC. 19 ii

A.C.S.

49 § 2

Re. ask C.C. for similar

51 figures for exports.

2 49 § 2

For extract & action as

indicated through P.M. file.

3. This file is not to leave A. B. L.
the C.S.O. 19.2

FALKLAND ISLANDS.EXPORTS 1947

To.		<u>F. I. C.</u>	<u>OTHERS.</u>	<u>TOTAL.</u>
U.K.		£ 252,366	£ 1,615	£ 253,981.
Uruguay		2,798	2,542	5,340.
Holland		5,775	Nil	5,775 (Falkland)
		<hr/>	<hr/>	<hr/>
		£ 260,939	£4,157	£265,096
		=====	=====	=====

And see 32 b

Y.E.

Re. submitted for citation with
 hi: Jones. 1 bill 49 § 4 as
 in these circumstances to address
 S/S i.o.c.

Wol
 1943

49 § 2?
 WJL
 26.2

52

Extract from Record of an Interview between

H.E. the Governor & Mr. Young, Managing Director,

F.I.C. on 14/3/48.

(Original filed in 0643 - Talks with M. Director F.I.C.)

0327

A. Mail Contract. Mr. Young pointed out that shipping costs had considerably increased, and were now out of proportion to prewar costs on which the original mail subsidy had been based. It was agreed that the Company's accountants should prepare statements showing costs before and after the war for the information of Government and in the meanwhile Government would pay the account of £5,200 plus 60 percent due under the terms of the Agreement, when it was presented.

PA
A. B. S.
19.3

A

EXTRACTED FROM 49 in 0527 (Mail Contract)

Y. E.

3. 35 - 45. This doesn't help much. 38 paras. 4 & 5 are no use to us - the F.I.C. wouldn't look at it. 1947 figures are:-

<u>Despatched</u>	37	bags	air mail
			201	"	parcels
			129	"	ordinary mail

<u>Received.</u>	518	"	"
			408	"	parcels

This is about 100 tons p.a. in all.

A useful figure to bear in mind: what is the charge per ton?

40/- + 20% = 48/-

(Intld) A. B. M.

17.2.48

B.

L.S.

(68) in 76/38 : see then pp. Can we insist on the S.G. royalties being included in the £5200 + 60% if they are not, demanding compensation?

W.S. 30.3

p. 68 in 76/36

Under para 26 payment of the increased rate is conditional on the following three requirements:
1. Substitution of a larger vessel than the Argo
2. 12 round trips to Montevideo for the
3. 2 - - - South Georgia for the

If they are not fulfilled we shall pay the increased rate but several provisions for in para 26 and enter into special arrangement in respect of the dependants as provided in para

p. 68 in 76/36

70 in 76/36

The question of recovery of the difference between the subsidies over the last six years

if and when the above conditions were not fulfilled, has been considered. It has however been decided that when money is paid with full knowledge of the facts and there is no mala fides, the same cannot be recovered.

C. 3. ^{may be} It is considered that the suggestion in para 1 is premature in which case we should pay quantum meruit for ~~that work~~ ^{that part} of the contract performed by the Company and deduct any damage or loss we have sustained consequent on their non-performance.

K.W.
3/4.

Y.E.

52-54

Then strictly speaking the F.I.C. owe us compensation for one voyage to S.G. in 1949, when they made one only instead of the 2 in the contract.

2. This point, para § 2 supra, can be kept up one claim then we hear from the F.I.C. in acc. with 52? We have paid them at the contract rate up to 31.3.48.

see 55.

Meanwhile we do not appear to have done anything about the offer in 40 wh. shd. be pursued.

(Intld) M. C.

ZE

Already seen.

Re. see 49 § 4. P.M. is taking his up direct with G.P.O. referring to 37. He has held up action because he understood that U.K. parcel rates were to be increased & intended to wait till they were over (like O. Twist) ask for more.

ABE
13.4

Thankyou. K.I.V.

MC 13.4

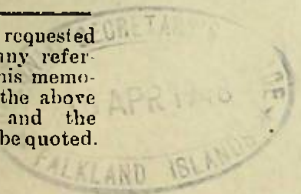
Bo.
13.4
ABE
13.4

No.

MEMORANDUM.

56

It is requested
that in any refer-
ence to this memo-
randum the above
number and the
date may be quoted.



13th April, 1946.

To The Honourable,
The Colonial Secretary,
Stanley.

From Colonial Postmaster,
Stanley, Falkland Islands.

57

Herewith copy of telegram despatched to Postmaster General,
London, re increase parcel post credits.

B. G. Brown
Col. Postmaster.

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

57

SENT.

Num

of Origin

Words

Handed In at

Date

13/4/48.

POSTGEN. LONDON

37-
40

Reference Eaton's letter No. 74222/47 of 13/11/47 to Barton Colonial Office para 6. This Administration would welcome increase credits parcel post in view of sea transit Montevideo to Stanley with effect from 1st January, 1948 if possible.

2. In event increase United Kingdom overseas parcel post charges trust proportionate increase would be made in same credits.

POSTGEN.

30/6/48
12/1/55
B.M. (Qu) / 13/4/48
B.M. 800

Time

28
Bld. 11/16/48

Postmaster

57 pt?

Have you yet received a reply to

[Signature]
30/6/48

Hon. Col. Sec.

Herewith a copy of a letter received by this mail from the G. I. O. London

[Signature]
1/7/48

POSTAL SERVICES DEPARTMENT

GENERAL POST OFFICE,

LONDON E.C.1.

P.O.Ref. V4222/47.

24th May, 1948.

Sir,

With reference to your telegram of the 13th April, concerning a suggestion to increase the credits allowed by the British service to your Administration on parcels addressed to the Falkland Islands, to meet the additional cost of sea conveyance between Montevideo and Port Stanley, I am directed by the Postmaster General to say that he is prepared to offer the following revised scales of credits, which would be applied as from the 1st January, 1948, :-

Parcels weighing up to:	<u>3lb.</u>	<u>7 lb.</u>	<u>11 lb.</u>	<u>22 lb.</u>
Combined sea and land credit.	6d.	1.0d.	1.6d.	2.0d.

The Postmaster General will be glad to learn as soon as possible whether these rates are acceptable to your Administration.

I am, Sir,
Your obedient servant,

(Sgd) S.H. Eaton.

The Colonial Postmaster,
Port Stanley,
Falkland Islands.

Sir
Will you please submit your recommendations on above, pl

S.H.E.

5: 7 48

Hon. Col. Sec.

The revised scale of credits which the G. P. O. London are offering are exactly double to what we have been receiving. I think this a good offer. Shall I write by this mail and accept their offer?

[Signature]
5/7/48

P.M.

l. d. so. with thanks.

[Signature]
6.7

Hon. Col. Sec.

I have written the G. P. O. London and accepted.

[Signature]
6/7/48

PAL
7.7

TOWN COUNCIL OFFICE
STANLEY

61



29th July. 1948.

The Honourable,
The Colonial Secretary,
Stanley.
Sir,

I am directed by the Town Council
to enquire if the Mail Contract is to
be renewed for 1949. The Council
would suggest that tenders be invited
in Britain as well as locally.

I am,
Sir,
Your obedient servant,

A handwritten signature in dark ink, appearing to be "K. V. ...", written over a horizontal line.

Town Clerk.

Reply at 62.

ack. 3. 8. 48

ppc
4.8

5th August, 1948.

Sir,

61

I am directed by the Governor to refer to your letter of the 29th of July, 1948, and to say that the mail contract is at present the subject of negotiations with the Falkland Islands Company. Your suggestion that tenders should be invited in Britain as well as locally will be borne in mind.

I am,

Sir,

Your obedient servant,

(Sgd.) A. B. MATHEWS

Colonial Secretary.

PAL
6.5

7/5
18/9/48
23x

Town Clerk,
Stanley Town Council,
VP. STANLEY.

0327



Ag. C. S.

H.E. requested the following information, pl.

MAILS, 1948.

	<u>In.</u>	<u>Out.</u>
"Lafonia"	7	8
"Fitzroy"	3	4
	<hr/>	<hr/>
	10	12
	=====	=====

[Signature]
A.C.S.
1/1/49.

P. make attention of F.I.C. Memo.

*Office please attach
ppt's removal of contract
[Signature]*

*me 4/1.49. PP
7/1/49 [Signature]*

46.

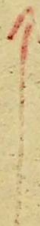
Handwritten text, possibly a name or title, written in black ink.

K.H.

7/2.

Self-manual vol.

inc. 7/2



0327.

8th February

49.

Sir,

75 in 76/36

68 in 76/36

I am directed by the Governor to refer to the Mail Contract and to observe that as twelve round voyages to Montevideo and two round voyages to South Georgia were not made during 1948 in accordance with Clause 26 of the Contract the increased mail subsidy provided for under that Clause does not apply.

I should therefore appreciate your views as to the amount payable to your Company under the Contract at your early convenience.

2. I am also to inform you that henceforth this Government will assume responsibility for internal collection and distribution of mail. I should be glad of an expression of your views on the consequent appropriate rebate in the mail subsidy.

3. I am further to request that you will outline the proposals of your Company as to the mail service between Stanley and Montevideo subsequent to the sale of s.s. "Lafonia". In this connection I am to request that a schedule obviating the unduly long periods between mails which occurred during 1948, should be adhered to.

The following are instances of the delays to which I refer:

Outward

Inward.

16th March, 1948) 1 month
28th April, 1948) 12 days

12th May, 1948) 1 month
29th June, 1948) 17 days.

6th July, 1948) 1 month
21st August, 1948) 15 days

19th July, 1948) 1 month
9th September, '48) 21 days

30 October, 1948) 1 month
24 December, 1948) 24 days

12th November, '48) 1 month
9th January, '49) 28 days

Reply at 67

I am,
Sir,
Your obedient servant,

K. W. Miller

Acting Colonial Secretary.

The Manager,
Falkland Islands Coy. Ltd.,
STANLEY.

60
1/4-75-117
117

66

Extracted from 8 in 0643 Records of conversations with Manager, F.I.C.

Mail Contract.

65 Mt. Young agreed there had been default under the Contract in 1948 as stated in the letter to the Falkland Islands Company and some rebate would be made. At the moment he preferred that reconsideration of the contract remained in abeyance.

On my informing him the intention to take over collection and delivery of internal mail it was agreed that the Company continuing to perform this part of the contract the Company would give cargoes for the "Philamel" to and from inland ports.

BU 1/4/49
1/1/49

18-1/4-49

18-1/4-49

STANDARD

REGISTER

STANDARD

REGISTER

03 27/II

67

File suitably vPA to me.

Mail Subsidy: ✓

Clause 26 - 30 passengers - £5,200 + 60%. Not as known.

<u>Exports</u>	FIC £	Others. £	Cert.?	Mail Dep. 367 Par. 926.
Exports	260,000	4,000.	1500	
Ward.	2,151,000 lbs	2,900,000.		
Imports	£ 166,000	80,000.		

Do not know how figure £12,997.5.4 is arrived at.

Why transfer to Cert. unless difference in insurance, deposits

i.e. £1289.19.8 & £25000

F. I. Ref: 0327.

Your Ref: 88346.

SAVING TELEGRAM.

From: The Officer Administering the Government of the Falkland Islands.

To: The Secretary of State for the Colonies.

Date: 18th March, 1949.

No. 48. SAVING COLONY. CONFIDENTIAL.

35 Your Confidential Saving Telegram No. 124 of 29th December, 1947. Mail Contract.

37 Grateful for information on present shipping costs and in particular whether there has been any decrease in the costs given in paragraph 2 of the letter from Mr. S. H. Eaton to Mr. Juxon Barton dated 13th November 1947 referred to in your saving telegram.

GOVERNOR'S DEPUTY.

See 83

69

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)
REGISTERED 1902.

Stanley

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

The Honourable,
The Colonial Secretary,
STANLEY.

9th April, 1949.

Sir,

With reference to your letter No. 0327 dated 8th February, 1949, I have the honour to reply as follows:

2. Twelve voyages were made from Stanley to Montevideo, and ten voyages from Montevideo to Stanley by either "Lafonia" or "Fitzroy". We are prepared to waive two of these twelve voyages to Montevideo and agree that Clause 26 cannot very well apply under the circumstances. We submit that Clause 20 should apply subject to the additions as agreed upon in your letter No. 76/36 dated 14th August, 1941.

The payment should therefore be as follows:

5 voyages to Montevideo and return as per Contract	£2500 - -
War Increase Allowance	1500 - -
5 additional voyages to Montevideo and return at £654 12 6	<u>3273 - -</u>
	£ 7273 - -
	=====

Payments actually made were as follows:

"Lafonia",	£ 5904 10 4
"Fitzroy",	<u>1161 6 -</u>
	£ 7065 16 4
	=====

We suggest the difference be waived.

3. With reference to Paragraph 2 of your letter, if the Government should assume responsibility for all internal collection and distribution of Mail we consider £ 300 would be an appropriate rebate in the Subsidy. In this case we should require to be remunerated for any mail the vessel or vessels did carry at the appropriate rate per letter or postal package, and parcel post at freight rates.

Taking everything into account it is considered that the present arrangement might well stand.

4. It is proposed to revert to the pre-War schedules, making five voyages per year plus 5 to 7 additional voyages at approximately monthly intervals. The schedule already in your hands has provided for a monthly sailing serving outward and homeward vessels of the Royal Mail Lines Ltd.

Referring to the delays mentioned, some were beyond our control. e.g. from the 16th March to 28th April s/s "Fitzroy" was unexpectedly required to make a voyage to the Antarctic vice "John Biscoe". Others were due to irregular connections with overseas vessels, both for passengers and mails.

Regular schedules to and from the United Kingdom and Montevideo have only recommenced in 1949; and we hope to maintain a service accordingly. An itinerary will be submitted to you every six months as formerly, for your approval.

It is desirable to know whether twelve overseas voyages are really required. For the Company's part we should be glad not to be required to make more than 5 additional voyages except of course in emergency.

I am, Sir,
Your obedient servant,

M. R. ...

Manager

And what is this peculiar figure calculated as?

Eruc.

158 on 76/36

65

70

A.T.

A.

Will you please check calculations

[Signature]
11/4/49

B.

How is:

No. 1200 - The figures quoted by the F.I.C. are correct in accordance with our letter 158 in 76/36, but this was only approved up to 1943 (175 in 76/36).

The amount due based on £2500 as per contract + £200 for each round voyage to Mauritius over the first five + 60% and
-- be £5000, as against the F.I.C. figure of
-- £7272.

The correspondence showing the maxima of £654. - 12. 6 is at Ref. 153 & the agreed £2500 is at Ref. 132. Both in m.p. 76/36 pt.

[Signature]
12/4/49.

[Red stamp]

[Red stamp]

Y. E.

The charges for each extra voyage upon which the Company now submits its account are based on that shewn in 153 in 76/36 (attached). These charges obtained only until 1943 - 175 in 76/43.

2. It is considered these charges are ^{unreasonable} ~~unreasonable~~ - even during the War. They have overlooked the cost of drinks to assuage the Manager's thirst caused by his anxiety for the safety of the ship.

3. It cannot be conceived how Government agreed to these charges particularly as regards increase in coal and wages: it does not bear any relation to carrying mail. A fair ratio would have been the weight the mails bore to the remainder of the cargo.

4. The inclusion in the present cost of war risks and marine risks increase is an insult to our intelligence.

5. At 132 paragraph 7 the Company suggested £200 for each additional round voyage over the first five. This is reasonable + 60% increase.

Instead, therefore, of £3,273 for 5 additional voyages the charge should be £1,000 + £600 = £1,600. That gives a total of £5,600 and the difference to be refunded to Government of £1,465. 16. 4.

6. Paragraph 3. Y.E. agreed with Mr. Young that the contract should stand in consideration of reciprocity in giving cargoes for Philomel.

7. I would agree 6 additional voyages, giving lee-way for collection of wool etc. the main source of the Colony's revenue.

Y.E. is seeing me at 4.30.

*K.K.
14/4.*

They are certainly of unreasonable nature & have no intention of accepting them.

Kind of it the P.C.'s are.

Agree

Agree

Agree

X

0327.

19th April, 49.

Sir,

69

I am directed to refer to your letter of the 9th of April, 1949, relative to the mail contract and to inform you Government cannot agree to the basis of your charges for additional voyages.

175 in 76/36

The basis given by you remained in force only until 1943 as indicated in my predecessor's letter of the 26th of October, 1942: applicability of the charges to-day cannot be conceded.

132 L 76/36

2. It is considered that a fair and logical basis is \$200 for every round voyage as given in paragraph 7 of your letter of the 4th of November, 1939, plus 60% surcharge.

The net result would therefore be that your Company has been overpaid £1,465. 16s. 4d. for the year 1948 and your agreement in this being deducted from the next payment to your Company under the Contract would be appreciated.

69

65

3. The circumstances referred to in paragraph 3 of your letter do not now arise as His Excellency agreed with Mr. Young subsequent to my letter of the 8th of February, 1949, that your Company should retain the internal collection and distribution of mail in consideration of reciprocity by your Company in giving cargoes for the "Philomel".

4. I am also to state it is considered that the minimum number of additional voyages should be six.

I am,
Sir,
Your obedient servant,

Chunter

Acting Colonial Secretary.

Reply at 74

The Manager,
Falkland Islands Co., Ltd.,
STANLEY.

WIL.

50 1/6
1/6
2/6

73 removed to 1043

Character of ss "diproy"

1881-1882

1881-1882

ps

ss

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)
REGISTERED 1902.

74

Stanley

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" RADIO.

4th. May, 1949

Sir,

72

I have the honour to acknowledge your letter No. 0327, dated 19th, April, 1949.

2. The charges indicated have actually been paid year by year without question, until s.s. "Lafonia" arrived in November, 1946.

3. The basis of £200 for every round voyage plus 60% surcharge cannot be considered either fair or logical when the minimum costs of these voyages is £1634, provided the round voyages are made in 12 days, which is seldom the case. For a 14 day voyage the actual cost would be around £1848.

4. The increased charge however was based on increased over 1938/39; our letter of 22nd. May, 1941 refers. Comparative details of increased costs 1941 - 1949 are as follows:-

153
on 7/6/36

	1941.	1949
Coal	£302. 5. -.	-
Oil. (92 tons at £7 1/4 ton) ^x		£377. 10. -.
Wages, Increases & War Risks money consolidated	86. 5. -	86. 5. -.
War Risks Insurance	63. 15. -.	
Marine Risks "	<u>2. 7. 6.</u>	<u>2. 7. 6.</u>
	£ 454. 12. 6.	£ 466. 2. 6.
	=====	=====

Marine Risks Insurance is actually higher today owing to increased value. The Comparative Fuel increase is based on 130 tons of coal at 4/- per ton in 1939.

It is therefore considered reasonable that the payment for additional voyages should remain the same at £654. 12. 6.

I am,

Sir,

Your Obedient Servant,

John Rankin

Manager.

Reply at 78

x
the figures may have been omitted. R/S. 6/5

The Honourable,
The Acting Colonial Secretary,
Stanley.

Not as
correct

seconds.

— Inevitably with the Roberts who said the figures given represented the whole of the increased cost of fuel etc which he considered should be borne by host as the additional voyages were now solely for the mail.

He made the suggestion that if Gov accepted these figures the Gov would make one of the additional voyages free of cost to Govt.

K.H.
4/5.

4/5.

74. The reply submitted p1.

K.H.
7/5.

CP

It seems to be an article of faith with the F.I.C. that the Govt. should bear the Govt's share (if not all) of increased running costs; they must be disallowed.

2. Fuel costs have increased in of course obvious and reasonable that we should bear some proportion of such increase.

3. I would however, prefer, a flat rate subsidy of £500 per trip with a maximum of 10 trips per annum and profit of £600 per trip below this number, i.e. a penalty clause. There should also be 2 trips annually to S. Georgia 1 at the commencement of the whaling season and the other at the beginning of winter, but there might be

difficult to fit in with only one ship.

4. In the pre-F.I.C. (i.e. PSNC) days the average cost to Government over 15 years was less than £1000 p.c. and any question of equity apart from the Administration cannot afford to carry the F.I.C.'s shipping venture to the extent that they desire. And I must confess that I cannot get the taste of last year's imprudent attempt (10 heem) out of my mouth.

5. I do not see the point of 61 - no shipping firm is coming here (we have already enquired) to fight the F.I.C. on their own doorstep. There was material for reply to this and the temerariousness of 62 was possible - I have seen neither before.

6. I have put an alternative draft of course for you to consider (after confirmation of facts cited) and after that we ought have a discussion with Capt. Rebuló.

7. If agreement cannot be reached I shall put the matter to the Special Shipping Committee.

M.C. 11/
V.49.

X on 39
Y on 44
Z on 47

Shown in a/c's
as P.S.N.C
Subsidy

Year	EST.	
1916	2500	2500
1917	2500	2344
1918	2500	-
1919	2500	-
1920	2500	-
1921	2500	186

Shown in a/c's
as balance of
mails.

1922	1500	485
1923	1500	350
1924	500	340
1925	500	404
1926	450	104
1927	450	169
1928	2500	4556
1929	3000	2514
1930	3000	862
1931	1250	1169
1932	1350	1375
1933	1350	1514
1934	1350	1553
1935	1425	1376
1936	1350	1271

654.12.6
2
4582.7.6

2500
4582
7082

File herein
Mar. 19/1

5200
3120
8320

9970
4844
14814

0327

13th May, 49.

Sir,

74

I am directed to refer to your letter of the 4th of May, 1949, and to observe with particular reference to the argument put forward in its second paragraph that His Excellency does not regard himself as bound in any way by an argument which he would not have accepted at the time it was conceded - much less is he prepared to do so now.

2. I am to remind you that in 1947 your Company sought to transfer to the shoulders of Government the entire liability for additional insurance and depreciation consequent upon their purchase of the "Lafonia" (ex "Perth") and he must energetically dispel any impression which may remain that the Administration ought to bear the lion's share of additional running costs of the Company's ships.

3. The s.s. "Fitzroy" on which your Company is making a considerable annual profit (nearly £17,000 in 1945 and 1946) is run primarily in the Company's own interests e.g. of a total export of 5,051,000 lbs. of wool in 1947 close on half was the product of the Company's farms; of imports in the same year, totalling £246,000, no less than £136,000 was on account of your Company. Yet the charge to the Administration for carrying on an average less than 1 1/2 tons of mail represents on your own figures 34% of the total cost of each voyage. The average cost to Government for this service during the fifteen years prior to its agreement with your Company was less than £1,000 per annum.

4. The s.s. "Fitzroy" has recently been re-adapted and converted to oil-burning with a view, presumably, to greater economy in operation and His Excellency understands from you that seven trips to Montevideo are necessary to clear the wool clip so that on the basis of one a month (maximum) there would be only five trips in which the interests of Government would be anything but a negligible consideration.

5. The Governor is of the opinion that there are two equitable solutions

- (a) either a flat rate subsidy of \$500 per round trip with a minimum of ten voyages per annum and a penalty for non-fulfilment, or

/respect of

(b) that the Administration should pay ordinary commercial tonnage rates for the transport of each consignment of mail.

must 6. His Excellency, whose first concern/ be the Colony's budget, will be glad to discuss these proposals with you at your convenience and should it not be possible to reach agreement will take an early opportunity of referring the question to the Imperial Shipping Committee.

I am,
Sir,
Your obedient servant,

K. Winter

Acting Colonial Secretary.

CS

S.

A copy of this was to have gone to S/S ;
did it?

Capt. R. is going to cable the gist of my offer for discussion while I am at home — he had very little to say on the merits and was I hope in agreement himself as to their reasonableness.

MC
27/11

CV 2/15
KA
18/15

80

4E³

79 B. 1 request. Dr. this has been made.

2. The Republic submitted.

Part 3. We cannot ask Co. to approach I.P.

Committee in the event of the question being

referred to it on subscription but can have

in order to Co. to do so.

No -
not yet.

K.H.

28/5

Fair

Mc. 28%

20

A copy of this was to have been sent to you

is this

Capt. R. is going to write the part of the

of the discussion which I am at present

he has not time to say on the matter and will

have in department tomorrow so to that extent

Mc
28/5

1st June, 1949.

FALKLAND ISLANDS.

No. 61. COLONY.

CONFIDENTIAL.

Sir,

10 I have the honour to refer to my Confidential Despatch No. 24 of 5th July, 1947, and to inform you I am still considerably exercised by the unconscionable charges for carriage of mail by the Falkland Islands Company.

74
78

2. I have recently raised the question of charges for additional voyages over the standard five voyages provided for in the Mail Contract and enclose copies of the final letters exchanged between this Government and the Manager of the Company which set out comprehensively the respective views.

3. I intend to pursue the matter with the Company during my forthcoming leave and should be grateful for any assistance that can be afforded to me in this connection.

I have the honour to be,

Sir,

Your most obedient, humble servant,

(Sgd.) MILES CLIFFORD.

GOVERNOR.

THE RIGHT HONOURABLE
ARTHUR CREECH JONES, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

Copies of 74+78 made for H.E.'s discussions at the Colonial Office

89
46

WSH.
2/6/49

HE

0327

? Feb. 1936

82

Wairi Contact

§ 26 of Agreement refers to
 'Laponie'. This was (then) the
 'Fitzroy' which changed her
 name from 'Laponie' to 'Fitz-
 roy' on arrival of the Cape
 vessel (over 1400 tons)
 vessel / at end of 1936. The
 Agreement was drafted prior
 to the (old) 'Laponie's' arrival
 in the Colony but the phrase
^{after} the arrival, then Agreement was signed.
 copy was left. This,
 think, answers HE's question.
 It is noted at first that we
 then had been no change of
 name during the validity of
 the Agreement.

W. B. G. Pa.
 26.6.1936
 1936. 14/6.

Saving.

From the Secretary of State for the Colonies.

To the Officer Administering the Government of FALKLAND ISLANDS (COLONY)

Date 8 July 1949

No. 92 Saving.

CONFIDENTIAL



68

Your confidential savingram No. 48 of the 18th March.

Mail contract.

I am informed that the G.P.C. are now paying 100% increase on pre-war shipping costs for the River Plate service and it is understood that the shippers are still trying to claim higher rates.

2. The delay in replying is regretted.

*P. 48.
C.S. H.H.*

SECEP.

C.S. Assist outline of H.E.'s discussion in UK. info. at present.

P. 6/8/49.

H.H.

*Bo...
8/8*

16th August, 49.

Sir,

I am directed to refer to the conversation of the officer administering the Government with you on the 14th of August, 1949, relative to the accommodation of s.s. "Fitzroy" being completely booked on her return voyage from Montevideo in September 1949 on account of reservations made by your Company for twenty labourers and to inform you that consequently Government expects to have to pay hotel expenses, approximately £300, for employees and their families who will be detained in Montevideo awaiting the next voyage.

2. I am to express surprise at the action of your Company in reserving practically all the accommodation available on one voyage without regard to Government commitments and convenience of the inhabitants of the Colony and other persons desiring to enter the Colony.

It is felt that had consideration been given to these requirements your Company would have reserved not more than half the accommodation on successive voyages.

3. I am to enquire whether, in the light of these circumstances, your company will arrange that only ten of your labourers travel on the September voyage and the remainder on the October voyage.

4. I am further to add that it is proposed to send a copy of this letter to the Secretary of State and am therefore to ask you for your observations in order that they may also be transmitted.

I am,
Sir,
Your obedient servant,

R. Winter

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

BM. 20/8/49
17/1/49
Repts 85

85

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

18th August, 19 49.

The Honourable,
The Colonial Secretary,
STANLEY.



464
Sir,

I have the honour to acknowledge receipt of your letter No. 0327 dated 16th instant.

2. With reference to s/s "Fitzroy" being completely booked on her return voyage from Montevideo in September 1949, because of reservations made for 20 labourers; advice of this was given to you at the end of June, when no objection was made. In fact, none has been made until this letter now under reply. Had the Government gone into the matter of their commitments at the time, there would have been ample opportunity for my Company to make later passage reservations for part of this number, as you at this late date suggest.

3. You are well aware of the almost desperate shortage of Camp labour. These men are all Farm labourers and are required urgently for the commencement of the Season, which begins late September with the advent of Spring weather.

4. It is considered that consideration was given to Government requirements by advising you well in advance.

5. With reference to paragraph 3. of your letter. My Company is being advised by telegram of your request.

I am,
Sir,
Your obedient servant,

Mr. Rank

Manager.

YH.
85.

he Robert's ~~as~~ mentioned the content of this before sending the letter. I doubted that he was informed at the end of June and that my recollection was that shortly after the middle of July that Mr Young telephoned me. He was relying on the time they informed Macostaki - it may have been their intention then to inform us.

2. I told him that at the time we were informed we had no knowledge of the number of officers etc whom we knew would be involved in September and could not reasonably ask his firm to give up passages.

We telegraphed C.A. on 4th August (20 in L/180 att.A).

3. In view of para 5 in H's and Mark's saying to me that Govt could not expect his company to bear all the expense - implying that there is the possibility that some passages will be given up to Govt officials, *infra.* at present?

Rib.
22/8.

C.S.
I agree. *infra.* at present.

20/8.

BW 31/8/49.
23/8.

22nd August,

49.

Sir,

I am directed to refer to your conversation of this morning when you informed me that your Company had allocated twelve passages to Government in the September voyage of s.s. "Fitzroy" from Montevideo and to place on record Government's deep appreciation of your Company's action.

2. At the moment ten passages are required including 4 children but I have no news of the air mechanic for whom you previously were good enough to agree you would arrange a passage. I will inform you on this as soon as possible.

I am,

Sir,

Your obedient servant,

R. Hunter

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,

30/9/49

87

MACLEAN & STAPLEDON S.A.

CODES USED
A.I.A.B.C. 5TH EDITION
SCOTT'S 10TH EDITION
BENTLEY

CASILLA DE CORREO 193

TELEGRAPHIC ADDRESS
MACSTAPLE MONTEVIDEO

TELEPHONES: 86382
85042

MONTEVIDEO

(URUGUAY)

COLONIAL SECRETARY'S OFFICE
28 AUG 1949
FALKLAND ISLANDS

P.

22nd. August 1949

Sir:-

Further to our letter of 15th. inst. regarding ten passengers who left United Kingdom for Montevideo on 13th. inst. kindly note that according to a letter dated 12th. July from the Falkland Islands Company Ltd. at Port Stanley we are not to accept any more passengers from this port to Stanley per "FITZROY" in September as that sailing is fully booked.

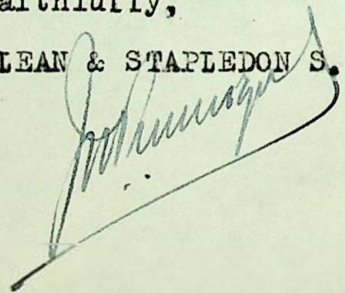
The ten passengers in question will therefore have to remain in Montevideo until the October sailing.

Yours faithfully,

MACLEAN & STAPLEDON S.A.

Colonial Secretary
PORT STANLEY

C.C. Falkland Islands Company Ltd.
AEB/ATW.



See 88

Recd. 1/11/49
Kin
3/1/48

Relevant
L & P files.

GOVERNMENT TELEGRAPH SERVICE.

58

FALKLAND ISLANDS AND DEPENDENCIES.

SENT.

Number	Office of Origin	Words	Handed in at	Date
				3.9.49.
To	MACSTABLE MONTEVIDEO.			H.O.A.C.

87

Your letter 22nd August stop Falkland Islands Company have now allocated up to twelve passages for Government passengers this Fitzroy stop Grateful you ensure that those now in Montevideo sail on her

COLONIAL SECRETARY.

See 89.

122 [Signature] 3/9/49

Time HL

MACLEAN & STAPLEDON S.A.

89

CODES USED
A.I.A.B.C. 5TH EDITION
SCOTT'S 10TH EDITION
BENTLEY'S

CASILLA DE CORREO 193

TELEGRAPHIC ADDRESS
MACSTAPLE MONTEVIDEO

TELEPHONES 86382
85042

MONTEVIDEO

(URUGUAY)



September 7th. 1949

Sir:

88

We are in receipt of your wireless message of the 3rd instant, reading as follows:

"YOUR LETTER 22ND AUGUST STOP FALKLAND ISLANDS COMPANY HAVE NOW ALLOCATED UP TO TWELVE PASSAGES FOR GOVERNMENT PASSENGERS THIS FITZROY STOP GRATEFUL YOU ENSURE THAT THOSE NOW IN MONTEVIDEO SAIL ON HER"

contents of which have merited our careful attention, and shall accordingly allocate twelve berths per this "Fitzroy" to Government passengers.

Yours faithfully,
MACLEAN & STAPLEDON S. A.

A handwritten signature in dark ink, appearing to read "John Maclean". The signature is written over a diagonal line that extends from the bottom right towards the center.

Colonial Secretary
PORT STANLEY

AEB/vD.

Rto
1949

PA
24/9/49

90

MACLEAN & STAPLETON & A.
EXTRACT FROM "DISCUSSIONS AT THE COLONIAL OFFICE".

Original filed in 0762.

XIX. Mail Contract

0327

Conf. Sgn. 124. 29.12.47

Discussion of letters - attached "D".

B.V. 27/11/49
UN

B.V. 7/12/49

91

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

29th November, 1949.



The Honourable,
The Colonial Secretary,
STANLEY.

Sir,

MAIL CONTRACT.

78 We beg to refer to your letter No. 0327 dated 13th May last.

We do not think that any useful purpose would be served in replying to your paragraphs 1 and 2 at this juncture, and will therefore proceed to paragraph 3.

29/11
Hf. 2.a. With regard to the profit which s/s "Fitzroy" is said to have earned in certain years, we do not think that any allowance can have been made for depreciation and surveys.

b. We cannot agree that the Mail service is run primarily in the Company's interests. Before the opening of the Panama Canal, the Kosmos Line and then the Pacific Steam Navigation Company Ltd., gave the Colony an excellent service, but thereafter it steadily declined and in the later 1920s' was reduced to P.S.N.C. vessels which usually made four calls Homewards (January-March-May-July) and six calls outwards at approximately two monthly intervals in each year. The May Homewards and October outwards calls were made by a Passenger ship which was certainly convenient but was withdrawn in 1931 when the vessel employed (s/s "Orita") was broken up. The Cargo vessels had indifferent accommodation for 8/12 passengers, the Homeward voyage took 4/5 weeks; the outward 5/6 weeks and both occasionally longer. Passengers wishing to leave the Colony after July had to proceed to Punta Arenas and take a chance of getting a vessel there for Buenos Aires, or proceed to Valparaiso and rail to Buenos Aires; or make the voyage to the United Kingdom via the Panama Canal.

The withdrawal of s/s "Orita" and the changes in whaling, which affected the Colony insofar as whaling factories and catchers ceased calling here, made it apparent that the isolation of the Colony was likely to become more acute and this factor was one of the principle reasons for the Mail Contract negotiated with the Colonial Government in 1931. Had we then only considered our own immediate interests we should have had no difficulty in providing for our own requirements, in a manner which would not have involved us in building at a time of acute depression.

We therefore submit that the service which s/s "Fitzroy" and our other vessels have provided from 1932 onwards have been of very material benefit to the Colony as a whole.

Frequent, regular and quick communications were provided and continued until the outbreak of war. Despite wartime difficulties a regular service was maintained throughout, a fact which was appreciated by the Falkland Islands Government and responsible departments in the Home Government.

Since then we have been endeavouring to get back to our pre-war standard of service, but this has been made practically impossible by the irregular sailings of connecting vessels, due to slow port work, strikes and the Argentine meat situation. We have hopes that 1950 will show some improvement in that respect about which we are addressing you separately.

3. We submit that the amount of subsidy paid should not be regarded from so narrow a view as the weight of mails handled. It is surely paid to ensure a service. With regard to the average annual cost to the Colonial Government prior to the agreement with this Company, we are of opinion that no service was provided; mails were shipped and arrived by such opportunities as occurred and over which Government had no control. S/s "Fleurus" was certainly employed to a limited extent, but the service she rendered was extremely limited.

4. The alterations to and survey of s/s "Fitzroy" have cost approximately £ 60,000; it is anticipated that conversion to oil firing will show some economy. Since devaluation the price of oil fuel has increased by 50%. The economy remains as compared with coal; but this does not alter the fact that the cost is considerably higher; it would of course be greater if the vessel still burned coal.

5. We are of opinion that the amount of subsidy paid should bear some relation to the increased cost of running, which is well over 100% on pre-war, and submit that £ 700 per voyage for a minimum of 10 round voyages per annum, Falkland Islands/Montevideo would be equitable.

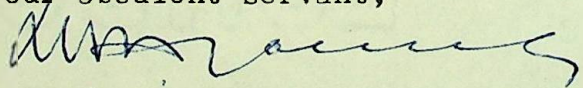
The 25% Government rebate, which amounts to approximately £ 1,100 per annum, to remain. This saving does in fact reduce the amount of subsidy paid.

6. We trust that His Excellency will consider this proposal as a basis for agreement; while we have no objection to the matter being referred to the Imperial Shipping Committee, we feel that it should be capable of solution directly between the Government and the Company.

7. We take this opportunity of advising you that consequent on devaluation it has become necessary to increase the rate of freight on produce by 15%, for the ensuing season. We would add that fates on wool and skins have recently been increased from Chile, Australia and New Zealand to the United Kingdom.

7.1.41

I have the honour to be,
Sir,
Your obedient servant,



Managing Director.

J.E.

I submit now because Y.E. is seeing Mr. Young to-morrow, and the subject may come up. I have not yet had opportunity to consider this letter in detail, with the anterior correspondence, but my first impression is that it is a poor effort, largely devoted to historical detail which, however interesting, is not relevant to the present issue. Few concrete facts or figures are quoted to support the suggested £700 per voyage.

Should the subject not come up in discussion with Mr. Young to-morrow, perhaps Y.E. will return the file to me - I will prepare a draft reply. I have a meeting myself with Mr. Young for 2.20 p.m. on Tuesday next, for the discussion of a number of other outstanding matters between Govt. F.I.C., i.e. Lot 57, Infant School site, land in front of Corp office etc.

2/2/41

93

Y. E.

I mentioned to you yesterday evening that Mr. Young in discussion indicated his willingness to agree on a figure of £6,000 for the mail contract, and you agreed that we might go to this figure, provided that the Government rebate continued and the Company made full use of the "Philomel". As this is a matter of some importance, I think Y. E. would wish to see and approve the draft at cover before issue.

13.12.49.

Drawn and supp^d.

M.C. 13/XII

*Res. J. H.
Date*

LONDON

13
11th December,

49.

Sir,

I am directed to refer to our discussion of yesterday's date on this subject and to state that this Government is agreeable to a continuance of the present mail contract on the basis of a subsidy to your Company of £6,000 per annum for a minimum of ten round voyages per annum between Montevideo and Stanley, with a reduction of £600 for each voyage less than the minimum of ten.

The present 25% Government rebate to continue, and your Company to undertake to give as much cargo as possible to the m.v. "Philomel" which employed in the general interest of the Colony is nevertheless running at a loss.

2. It was understood in conversation yesterday that these terms would be acceptable to your Company, and I should be grateful if you could confirm this.

I am,

Sir,

Your obedient servant,

See 179.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

(Sgd) Michael R. Raymer
Colonial Secretary.

95

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

28th December, 1949.

The Honourable,
The Colonial Secretary,
STANLEY.

94
Sir,

XI
We have to acknowledge receipt of your letter No. 0327 dated the 13th instant, and accept the terms and conditions proposed for the continuation of the present mail contract, i.e. a Subsidy of £ 6,000 per annum for a minimum of ten round voyages per annum between Montevideo and Port Stanley, with a reduction of £ 600 for each voyage less than the Minimum. The present 25% Government rebate to continue. The Company to support m.v. "Philomel" by giving her cargo and passengers when circumstances permit. We suggest that the best means of giving effect to this should be the subject of discussion between us.

2. We presume that this arrangement will come into effect from the 1st January, 1950, and beg to enquire if Government would be agreeable to enter into an Agreement with us for a term of years.

3. There has been some difference of opinion regarding the amount of subsidy payable for the mail services rendered in 1948, and we have only received token payments for 1949. To close this matter we suggest that we be paid at the rate of £ 600 per round voyage between the Falkland Islands and Montevideo during these years.

1948.

Departures for M/V. 10. Arrivals from M/V. 12.

1949.

Departures for M/V. 13. Arrivals from M/V. 12.

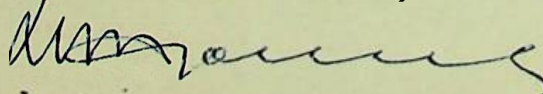
The subsidy for 1948 would therefore be £ 6,600 against which we have received £ 7,065.16.4 leaving £ 465.16.4 due to Government.

In 1949 the subsidy would be £ 7,500 against which we have received £ 2,000 leaving £ 5,500 due to us; i.e. a payment of £ 5,034.3.8 by Government to us as a final settlement up to the 31st December, 1949.

I have the honour to be,

Sir,

Your obedient servant,



Managing Director.

J.E.

will be interested to see p. 95. The F.I.C. agree to our figure of £26,000 for the mail contract, for a minimum of 10 round trips. So far so good. Next they enquire, reasonably enough from their point of view, whether Govt will enter into a contract on these terms for a period of years. Quite clearly, with an external air service in prospect we do not want to do that. I suggest we make the agreement for a year, renewable annually. Of course if the external air service fell through a cat's paw we should doubtless wish we had settled for a 5 year contract, but we have to make the best decision we can in the light of the knowledge at present available to us.

2) Regarding the Coy's proposals for settling the '48 and '49 rail carriage, they have missed the point that we are not prepared to pay for more than 10 round trips. If they do less they pay a profit, but if they do more it must be assumed to be for their benefit and convenience, and not ours. This will have to be made clear to them w.r.t. the 1950 contract. But as regards '48-'49 I think perhaps we might settle on the basis they suggest, which represents a considerable reduction on their earlier proposals.

3) I am submitting in haste as Mr. is seeing Mr. Young this morning.

I have told Mr. Young informally

ME 30/12/51

We cannot possibly tie ourselves down

Yes.

I don't think they are likely to.

Agree.

7

Original filed in 6643 - Record of Talks with
Managers, F.I.C. 91.

EXTRACT FROM CONVERSATION BETWEEN HIS EXCELLENCY THE
GOVERNOR AND MR. L.W.H. YOUNG, MANAGING DIRECTOR
of 31. 12. 49.

.....

MAIL CONTRACT: I told him that I agreed in principle
95 with the proposals put forward in his
letter of 28/xii but that I was NOT
prepared to bind Government for any
particular term as it seemed to me that
on balance shipping costs were likely to
fall rather than rise over the next 5
years. He agreed !!

.....

VP

10
Office.

Fair draft at cover.



6.1.50.

0327

7th January

50.

Sir,

95

94

I am directed to refer to your letter of the 26th December, 1949, regarding the mail contract, from which it is noted that your Company accepts the terms and conditions for the continuation of the present mail contract which were set out in my letter dated the 13th of December.

2. It is intended that the arrangement should come into effect as from the 1st of January, 1950, but, as has been explained to you by His Excellency, Government does not at present feel able to enter into an agreement for a term of years, and would prefer the agreement to be for a year, renewable annually.

3. With reference to the proposals in paragraph 3 of your letter for the settlement of the amounts due to your Company in respect of carriage of mails during 1948 and 1949, I am to say that these are acceptable to Government and that the sum of £5,034. 3. 8d will be paid to your Company as a final settlement up to the 31st December, 1949. I am, however, to point out that in regard to the new agreement it is not proposed that the subsidy of £6,000 per annum should be increased if in the event more than ten round trips between Montevideo and Port Stanley are made in the year.

Reply at 101.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Paymer

COLONIAL SECRETARY.

The Managing Director,
Falkland Islands Company, Ltd.,
STANLEY.

ACS
Office should you pass a voucher in favour of F.I.C. for £5,034. 3. 8. pl.?

ACS
9.1.50.

B.M.
23/1/50

ACS
Yes, please.

DRM.

11/1/50.

0327

100



88346/49

COLONIAL OFFICE,

YOUR REF: 0327

The Church House,
Great Smith Street,
London, S.W.1.

FALKLAND ISLANDS

1 DEC 1949
December, 1949.

NO. 104

CONFIDENTIAL

Sir,

I have the honour to refer to your confidential despatch No. 61 of the 1st June which on account of the sinking of the s.s. "Magdalena" has just reached me concerning the charges for carriage of mail by the Falkland Islands Company and to invite your attention to my confidential despatch No. 95 of the 7th November on the possibility of introducing price control measures.

2. In view of the fact that the contents of the latter despatch bear fundamentally upon the issue of the mail contract, I am sure you will not expect me to comment further at this stage.

I have the honour to be,

Sir,

Your most obedient,
humble servant,

101/50.
H.

GOVERNOR

SIR MILES CLIFFORD, K.B.E., C.M.G.,

etc., etc., etc.



The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)
REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

11th January, 1950.

Sir, MAIL CONTRACT.

99

I have to acknowledge receipt of your letter No. 0327 dated 7th January, 1950.

2. I agree that the time is not suitable for either party to enter into an agreement for a term of years.

3. I note that the proposals for a final settlement to 31st December, 1949 are accepted also Government's qualification regarding the subsidy payable under the new agreement.

I am,
Sir,
your obedient servant,

[Handwritten signature]

Managing Director.

The Honourable
The Colonial Secretary,
Stanley.

[Handwritten mark] 14/1/50. *[Handwritten mark]*

ACS E.E. should see p. 95, last part of para 1.

[Handwritten mark] 12/1/50. H.C.S. Last part of para of p. 95 only
seen in this file *[Handwritten mark]* 27 Jan 1950.

P.A. *[Handwritten mark]*

~~0320~~ 032)

102

No. _____

MEMORANDUM.



30th March, 19 50.

It is requested that in any reference to this memorandum the above number and the date may be quoted.

To The Honourable,
The Colonial Secretary,
STANLEY.

From The Superintendent,
Posta & Telegraphs,
Stanley, Falkland Islands.

SUBJECT :- Carriage of Mails by Messrs. Falkland Is. Co., Ltd.

As there is no record in the Post Office on the above subject, I have the honour to request that particulars of the conditions etc. under which Messrs. Falkland Islands Company, Ltd. carry mails, be furnished to this Department, when convenient.

[Signature]
Ag. Postmaster,
for Supt. Posts & Tels.

pps

attach previous pps

103

A.

S.P.T.

Mail contract pps. h/2 for
your perusal, pl.

[Signature]
3/24/55

[Signature]

B.

Thank you

[Signature]
for S.P.T.
25/4.

A.C.S.

The 1/2 at back cover is in order and may be paid.
Pl instruct O/K Tm accordingly.

2) I think we shall require additional provision under
Head XIII/4 this year because of the extra payment
wtd at foot of p. 99. Please consider whether A.I.S.E. should
be prepared

Mr. Stille
[Signature]
3/24/55

26 APR 1950

A.C.S.

A-

H.C.S.'s query on 103 pl. This payment of £1,800 will overspend the vote (originally £7,000) by ~~£272~~ £274 (error regretted)

B.

with -
27.4.50

H.C.S. I suggest we wait and see how it is panning out later in the year!

H.C.S.
27.4.50

ACS.

We shouldn't, correctly speaking, if we are overspent already. We have paid F.I.C. £3,6,834 this year. How is the remaining £408 made up? We can reckon on paying the F.I.C. another £4,200 this year. Can we make an estimate for the rest of the year regarding the other incidentals (air charges etc)?

Mr. Mott

29/4/50

A.C.S.

Expenditure made up as follows, pl.:-

Mail Subsidy - final 1949	£5,034.	3.	8.	
" " 1st $\frac{1}{4}$ 1950	<u>1,800.</u>	-.	-.	£6,834. 3. 8.
Air Freight 1st $\frac{1}{4}$ 1950				106. 9. 6.
Dep. refund Foreign Office claim				325. 14. -.
P.W.D. Labour Charges & Transport 1st 1/3 1950				<u>7. 7. 7.</u>
				£7,273. 14. 9.
				=====
Vote overspent 29.4.50				273. 14. 9.
Credit Mail Subsidy final 1949				<u>5,034. 3. 8.</u>
				4,760. 8. 11.
" Dependencies refund				<u>325. 14. -.</u>
				£5,086. 2. 11.
				=====
Less above expenditure vote shd. shew credit of				£7,000. -. -.
				<u>5,086. 2. 11.</u>
				Actual expenditure against 1950
				<u>1,913. 17. 1.</u>
				=====
Estimated amount required to 31.12.50:-				
Air freights remaining $\frac{3}{4}$ of 1950				319. 8. 6.
P.W.D. " $\frac{2}{3}$ " "				14. 15. 2.
(a) Mail Contract " $\frac{3}{4}$ " "				<u>5,400. -. -.</u>
				£5,734. 3. 8.
				=====

W.H.

29.4.50

- (a) Mail subsidy at maximum figure of £6,000 p.a.
£1,800 paid, therefore £4,200 maximum remaining payment.

O'c Try.

104-105. I think we had better go for an A.I.S.E.

for £4,500 next F.C.

11 MAY 1950

H.C.S.

But we must telegraph for S/S' approval first.
RHS 11/5/50.

106

ACS

A.

Yes, as in draft at com H.

2) Have we sought S/S's approval for item no £250 approved by
FC last Saturday?

B

2 MAY 1950

ACS

B.

A2. Yes, Sir, by telegram.

AKA/5/50

DECODE.

107

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched : 3.5.50 Time : 1600 Received : Time :

No. 94. Grateful if I may have your covering approval for Special Warrant for sum of £4,500, under Expenditure Head XIII, subhead 4, to meet estimated cost of carriage of mails to end of year. Excess due to mail subsidy for 1948 and 1949 not finally adjusted until first quarter this year (£5,035) and an adjustment of Foreign Office claims amounting to £326 erroneously charged to Dependencies expenditure.

GOVERNOR.

G.T.C. WH.

See 108

BW 20/5/50

DECODE.

108

No. 20.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 9. 5. 50 Time: 16.25 Received: 10. 5. 50 Time: 09.30.

No. 61. Your telegram ¹⁰⁷No. 94. not repeat not understood.

2. Grateful if detailed explanation could be sent by
air mail.

Reply at-109

SECRETARY OF STATE.

G. T. C.
L. J. H.

SAVING TELEGRAM.

From: The Officer Administering the Government of the Falkland Islands.

To: The Secretary of State for the Colonies.

Date: 17th May, 1950. No. 79 COLONY

108

Your telegram No. 61 of 9th May. ADDITIONAL PROVISION, CARRIAGE OF MAIL.

I regret that my telegram was not clear to you. The position is that negotiations were proceeding during 1949 with the Falkland Islands Company regarding the renewal of the subsidy paid by Government to them for carriage of the mails from Montevideo. These negotiations were not concluded until January of this year when agreement was finally reached on a figure for the subsidy of £6,000 per annum for a minimum of ten voyages to and from Montevideo each year.

2. Pending the outcome of these negotiations payments in respect of the mail subsidy for 1949 were deferred and were not settled until agreement had been reached in January, 1950. By that time it was, of course, too late to make the payments in the 1949 accounts, and a considerable saving (£3,960) was reflected in the relevant expenditure item of the 1949 accounts. During the current year, however, the subsidy of £6,000 will have to be paid as well as the arrears for 1949. In addition, the vote will have to meet the sum of £320 representing an adjustment in respect of foreign office claims charged in error in earlier accounts to Dependencies expenditure.

3. The total effect of these transactions will be to necessitate additional provision of £4,500 under Expenditure Head XIII, subhead 4 of the current Estimates, the major part of which represents, as explained above, a revote of provision unexpended in 1949.

GOVERNOR.

Reply at 110

DRM.

*Order
J. y. i. pl.
R. S. J. S.
18/5/50.*

H.C.S.

Secn. ty. A.S.S.E. can be taken out when we get S/S' approval?

*R/S
19/5/50.*

*BN
30/6/50*

DECODE.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched : 22. 6. 50 Time : 11.03 Received 23. 6. 50 Time : 09.30.

¹⁰⁹
No. 84. Your telegram No. 79 Saving (COLONY) of May 17th.

Carriage of Mail.

Thank you for clarification. Additional provision of £4500
in current estimates approved.

ALT
✓
File
for
G.T.C.

SECRETARY OF STATE.

G. T. C.
LJH.

Howls
noted, N.Y. The AISE will be issued in one course
I presume
Dr AT. 246.

111

Office.

Pl prepare A.I.S.E. for £4,500 under Head XIII, sub-head 4. I will fill in the "Remarks" column.

RR

26/6/50

A.C.S.

A.I.S.E. h/with pt.

WA.

26/6/50

A/T.

A.I.S.E. at cover for next (July) meeting of Finance Committee.

RR

27 JUN 1950

Items to

AISE withdrawn v. y

fr
27/6

B.V. 27/7/50

RR

Extract from Minutes of Legislative Council Meeting

21st July, 1950.

Questions by the Honourable Mr. A. L. Hardy, B.E.M., J.P.

Question IV. Is a regular service between South Georgia and Stanley under consideration?

Reply. No, Sir, but the Survey Vessel "John Biscoe" will normally visit South Georgia once or twice yearly.

A.T.
F.C. approved to-day the additional provision of £4,500 for mail subsidy. Auditor should see p. 110.

128 JUL 1950

~~Harvey~~
Auditor
Pl. 266 110

A.T.,
Secr, thank you.

L.G.
29.7.50.

Shawes.
Paper returned pl.

Sh
29/7

Sh
31/7/50

CS.

Q3 and X on 95. To
what extent have FIC handled tendering
re Philanel 9
MG 13/IX

113

ACS

AKH
14/9/50

This file may now be classified as "Confidential" only.

Pl. pass to E.E. i.e.w. H.E.'s minute at foot of previous page, asking him to indicate extent to which F.I.C. have used "Philomet". My impression is that they are prepared to use her as much as we can let them.

AKH

13 SEP 1950

S.C.

As in para 2 above, p. 6

AKH
14/9/50

H.C.S.

letter but could
not be better.

1. By the end of September the earnings (not profit) of the new Philomet ⁽¹⁹⁵⁰⁾ will be £1000 of which £600 will have been earned from the F.I.C.
2. In general your contention is correct - the F.I.C. will use Philomet as much as we can allow

AKH 20.9.50.

Y.E.

minute at foot of previous page. Pl see minutes above.

AKH

21 SEP 1950

Chankya.

MC 21/12

20

P.A.

AKH

Q.

We had better warn
 S of S ^(by tipon) that there will be
 no outward mail from here
 for 8 weeks. A wonderful
 mail service! ^{x.} MC 3/7Xi

x.

Shall we have had our
 proper quota this year?

See 115

Y.F.

I have sent telegram to
S/S accordingly. It looks as if we
shall set exactly our quota of 10
kips each way this year; please see
schedule attached.

But

disputed

116



4/11/50.

Chunbya

me. 6/11

116

SAILINGS TO AND FROM MONTEVIDEO OF "FITZROY"
SINCE THE DEPARTURE OF THE LAFONIA.

To Montevideo.

5.4.49
11.5.49
8.6.49
21.7.49
14.8.49
5.9.49
9.10.49
2.11.49
23.11.49
22.12.49
i 26.1.50 -
z 28.2.50 -
3 27.3.50 -
4 28.4.50 -
y 23.5.50 Mail taken to Punta Arenas by Fitzroy.
x 14.6.50 Mail taken by Biscoe to Montevideo.
v 2.7.50 -
u 3.8.50 -
t 5.9.50 -
s 9.10.50 -
r 5.11.50 -
q 24.12.50 -

From Montevideo.

22.3.49.
17.4.49.
29.5.49.
16.6.49.
4.8.49.
27.8.49.
17.9.49.
22.10.49
14.11.49.
8.12.49.
1 9.1.49.50
2 15.2.50.
3 21.3.50.
4 11.4.50.
5 21.5.50.

6 16.7.50
7 18.8.50
p 25.9.50
1 23.10.50.
m 5.12.50.

*8/11/50
9/1/50*

117.

J.E.

Pages 99 para 2 and 101 para 2.

We should write to the F.I.C. suggesting
a renewal of the mail contract on
the existing terms for a further year?

A

11/12/50

Acq.

Mc 4/21

Acq.

A

12/12/50

0327

118

14th December, 50.

Sir,

99
101.

With reference to my letter No.0327 of the 7th of January, 1950, and to your reply thereto dated the 11th of January, 1950, I am directed by the Governor to suggest a renewal of the Mail Contract, on the existing terms for a further period of one year from the 1st of January, 1951.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

B.N. 20/12/50

Manager,
Falkland Islands Company, Limited,
STANLEY.

The Falkland Islands Company, Limited.

°(INCORPORATED BY ROYAL CHARTER 1851.)°

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley,

16th December 1950.



The Honourable the Colonial Secretary,
STANLEY.

Sir,

With reference to your letter No.0327 of the 14th December we are agreeable to renew provisionally the Mail Contract for a further period of one year from the 1st January 1951 on the same terms as for the current year, subject to the approval of our Head Office.

Mr.L.W.H.Young, Managing Director, is now on his way to the Colony and will discuss any modifications with yourself early in the New Year.

The forthcoming voyage of the s.s. "Fitzroy" to Montevideo will complete the tenth round voyage in 1950 and fulfills the terms of the contract as outlined in your letter of 13th December 1949.

I am, Sir,

Your obedient servant,

A. G. B. Boulton

MANAGER.

118 DEC 1950

120

Y.E.

Page 119, ref 1.118, f.c. I am not aware of any modifications which we wish to make, though we might perhaps stress insisting on the more punctual observance of some of the clauses of the existing mail contract.

Nav.

119 DEC 1950

mc 19/xii

K.I.V. for
discussion with
Mr. Young.

B.J. 17/1/51.

Note.

H.E. discussed with Mr. Young. In view of the possibility of the F.I.C. building a new vessel it was agreed to defer consideration of any amendment to the terms of the existing mail contract.

128 FEB 1951

0327/4 p.m.

121

P. 74 of 76/36

A.C.S.

I think one of the clauses of the Mail Contract binds the F.I.C. to notify, if not to obtain Govt's approval for, any increase in their freight charges. I also believe that they have recently raised these charges again, and I do not recall that they mentioned the matter to us. Please investigate and let me see papers.

8.1.51.

Office
Please ascertain what alterations in freight rates have been made during the past year or so
L. J. A. 9/1/51

A.S.

According to recent freight A/c's from F.I.C. - 29th Nov. voyage there has been no increase in freights since 1942 (see 164 in 46/36).

§
12.1.

N.B.

There was an idea of a 5% increase in 1948 but that did not materialise. 27/10

A.C.S.

I am pretty well certain that there has been some increase since 1942. Section 4 of the Mail contract lays it down that the passenger fares and freight rates for inter-island trade and between M/V and the Colony shall not be increased without the approval of the Governor. The rates then in force are set out at 64-67 in file 76/36. The Mail contract does not specify that the rates for "Produce for transshipment to London" shall be subject to approval by the Governor. These last have, I am sure, been raised at least once and I think twice within the last two or three years.

2. The 20% increase approved in 1942 was approved as a temporary war time measure, and we might take this up with the Company with a view to putting things on a permanent basis. Meanwhile I should like to be assured that the rates for inter-island and M/V-Stanley freights have not increased beyond that figure, and I should like a note of the increases since 1942 in the charges for produce for transshipment to London".

A

15.1.51.

*Mr Bona
Please verify
d.b. 5/1/51*

*Can enquiry be made by
letter to F.I.C pl - they are
usually v. cagey about telephonic
enquiries. P.H.*

22nd January, 51.

Sir,

I am directed to ask you to be good enough to furnish me with particulars of freight rates charged by your Company since, 1942, in respect of Falkland Islands produce shipped to Montevideo for transshipment to the United Kingdom.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Rayner

COLONIAL SECRETARY.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

Reply at 124

B.W.
2/21/51

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.



Stanley

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

23rd January, 1951.

Sir,

As requested in your letter No. 0327 dated 22nd January, 1951 I give below freight rates on produce Farm/United Kingdom, including transshipment charges at Montevideo, for the years 1942 - 1950 :-

WOOL/SHEEPSKINS.

		"A" Port with Jetty.	"B" Port without Jetty.
1942.) Freight to Stanley		108/- per 1000 kilos	132/- per 1000 kilos
-3.) only - wool & skins		or 36/8 ton meast.	or 44/- ton meast.
-4.) bought by Wool Control,			
-5.) England, at fixed			
-6.) price "ex Stanley".			
-7. Farm/United Kingdom.		£21/19/9 1000 kilos	£23/3/9 1000 kilos
-8.		or £7/6/7 meast.	or £7/14/7 meast.
-9.		£25/6/- 1000 kilos	£26/10/- 1000 kilos
		or £8/8/8 meast.	or £8/16/8 meast.
-50.		£26/16/0 1000 kilos	£28 1000 kilos
		or £8/18/8 meast.	or £9/6/8 meast.

TALLOW & HIDES.

1942.	Tallow & hides.	£12/10/- 1000 kilos.	£13/10/- 1000 kilos.
-3.	do.	£13/5/9 " "	£14/9/9 " "
-4.)	Tallow.	£14/9/6 " "	£15/13/6 " "
-5.)	Hides.	£13/5/9 " "	£14/9/9 " "
-6.)			
-7.)	Tallow.	£14/9/6 " "	£15/13/6 " "
-8.)	Hides.	£15/14/6 " "	£16/18/6 " "
-9.	Tallow.	£16/13/- " "	£17/17/- " "
	Hides.	£18/2/6 " "	£19/6/- " "
-50.	Tallow.	£17/10/6 " "	£18/14/6 " "
	Hides.	£19/-/- " "	£20/3/6 " "

The terms "with jetty" and "without jetty" refer to jetties at which vessel loads direct and loads from scows respectively.

I am,
Sir,
your obedient servant,

A. G. Barlow
Manager.

The Honourable
The Colonial Secretary,
Stanley.

H. H.

20/1/51

24 JAN 1951

125

Y. E.

spoke concerning the increase in freight charges by the F.I.C. My minute to A.C.S. at p.122 refers. It appears that the rates for inter-island trade and for the run to M/V have not been increased since 1942, when they were increased with Government's permission. The rates for "produce for transshipment to London" are not specified in the Mail contract as requiring Govt's sanction before they can be altered. That they have been altered is shown by the figures which the Company give on p.124. They have increased a lot. The Company's answer, if they were asked about this, would probably be: (a) these rates are not governed by the terms of the mail contract, (b) they have gone up because port and handling charges in M/V and ocean freights from M/V to U.K., over which we have no control, have gone up.

2. Another weapon which the Company possesses, and over which the terms of the mail contract give us no hold, is the landing charges at Stanley. Government does not pay these charges, that is provided for in the mail contract, but private persons do. These have also gone up in recent years. I have not got figures, but they can be discovered if Y.E. wishes to see them.

[Handwritten initials]

Seen.

25.1.51.

There was an increase in (a) passenger fares and (b) meats; introduced 1947? 48? without prior notice. The F.I.C. consider themselves at liberty to come into line with Over Plate Conference fares rates I understand. NFA but I am glad to have this information on record; the rates are high enough in all conscience and it is easy to understand why no industry can establish here economically unless independent of the F.I.C. for shipping.

INC. 25/

ACS

Pl verify x above.

[Handwritten initials]

26 JAN 1951

JE.

x above. Yes, please see 26-29 in 70/43 att.

[Handwritten signature]

[Handwritten initials]

[Handwritten initials]

3/2/51

Over proposed rate of £10? £15? per ton for Baku's oil is very generous by comparison

126

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)^o

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" V. M. S. Co.

CONFIDENTIAL.



Stanley,

18th April, 1951.

Sir,

J. ... in para. 11 of 7/4/51 on 14/3/51

We have to inform you that in view of the "Fitzroy's" ever increasing expenses (oil fuel 120% up on August, 1949 price for example) and unfavourable rates of exchange, we are compelled to ask for your approval of the following increases in passages and freights as from the 1st May, 1951.

1. PASSAGES, MONTEVIDEO. Single fare Cabin £20. Intermediate £16.
2. PASSAGES, COASTAL VOYAGES & PUNTA ARENAS. 50% increase. *(see 6/4/51 in 7/6/51)*
3. FREIGHT - TO AND FROM STANLEY ON GENERAL CARGO, LOCAL AND OVERSEAS. 50% increase. *(see 6/5/51 in 7/6/51)*

FREIGHT ON PRODUCE. The increase will be announced when we know the extent of the increase to be charged by the on-carrier from Montevideo. This is expected by 1st May.

127

CIRCULAR. We enclose a copy of our Circular to clients which will be distributed and broadcast on receipt of your assent.

Although our s.s. "Fitzroy" was running almost to capacity in 1950, the gross profit earned did not cover normal depreciation on the vessel.

I am,
Sir,
your obedient servant,

A. G. B. Bantlin

Manager.

AGB/MGC.

The Honourable
The Colonial Secretary,
Stanley.

Reply at 130

121

THE FALKLAND ISLANDS COMPANY, LIMITED.

SHIPPING CIRCULAR.

To all Clients.

s. s. "FITZROY".

Owing to increasing running expenses due partly to the unfavourable rate of Uruguayan exchange, the Falkland Islands Co., Ltd. must raise passenger fares and freight from 1st May, 1951 as follows :-

PASSAGES, MONTEVIDEO. Single fare cabin £20. Intermediate £16.

PASSAGES, COASTAL VOYAGES & PUNTA ARENAS. 50% increase.

FREIGHT - TO AND FROM STANLEY ON GENERAL CARGO - LOCAL AND OVERSEAS 50% increase.

FREIGHT ON PRODUCE. A further increase in the on-carrier's freight from Montevideo to United Kingdom is expected on 1st May, 1951. When this increase is known, the consolidated through freight, Farm to United Kingdom, will be announced and will apply to the current shipment.

(Sgd) A. G. BARTON.

Manager.

Y.E.

Page 126. This is a bit of a fuss, but freight & passenger rates are going up all over the world.

I doubt whether we can argue. The only point I have to make is that at present they raise a 20% surcharge, but as during the war. This ought either to come off, or be consolidated.

I understand the present increases are 50% ~~of~~ of the old rate + the 20%.

[18 APR 1951]

Y.E. may wish to discuss with C/M.

Ranaldi

I do not see why if Confirma Lines have increased by only 20% F.I.C. propose to increase to 50% and I should certainly expect the latter should embody the pound ex. change; they could have it both ways.

Now am I prepared to increase the mail contract by 50%, if that should be the intention.

Unfortunately we have no means of ascertaining Fitzroy's running costs. We know what it costs us to run John Biscoe and I'm pretty sure our costs haven't gone up that much. I think we should consult S/S.

MC 19/IV

Y. E.

Draft telegram to S/S submitted at cover and also draft interim reply to C/M. The latter may set the ~~General Manager~~ off lobbying in the C.O., but we must take a chance on that.

Managing Director?

U.

CS

There was surely an earlier increase

20.4.51.

- 3 years ago - introduced without prior notice? Pl. look up papers. I would allude to that increase some few weeks ago.

I think on that occasion they said that as members of the R.P.C. Lines they had to follow suit! There were some in the loss room for ...

MC 20/IV

They have also recently introduced "landing charges"

ACS

KE's minute relief. Can you trace please?

W

20/4/51

B.

ACS

I have been unable to trace any record of an increase in freight rates since 1942 when a 20% temporary war surcharge was approved (see 164 in 4/6/50). In the same year landing charges increased from 7/6 to 10/- p.t. The Company asked for approval to increase the surcharge to 25% in 1948 (see 1 in 0327/A) but the additional 5% was apparently not approved.

For special Lafania passage rates please see red 26 in 4/0/43.

W

21.4.51

C

ACS

What about Landing Charges?

W

23/4/51

D

JE's

minute relief. ACS's minute above gives such information as can be traced in answer to JE's questions.

E.

W

23/4/51

A new landing charge has certainly been imposed in the last few months?

X

I think that Com. shd. be warned that we cannot guarantee a reply from S/S by 1st May. The notice is inadequate.

F MC 23/IV

JE

We have not been able to trace any such recent increase in landing charges, but I will make further enquiries in volume 1 of the file.

2) In the meanwhile letter to 4/57 as in Draft (3) at cover page issue?

24/4/51

Since "draft" is correct

Office

Issue letter on - Draft ③ at cover.

[Handwritten signature]

25 APR 1951

0327

25 April, 51.

Sir,

I am directed to acknowledge receipt of your letter of the 18th April, 1951, requesting approval to increase passenger fares and freight rates on the s.s. "Pitropoy" and to inform you that the matter has been referred to the Secretary of State. In view of the necessity for such reference and the fact that such short notice was given to Government of your Company's desire to effect the increases, it is doubtful whether it will be possible to return a firm answer to your request before the 1st May, next.

I am,
Sir,
Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

The Manager,
Fairchild Islands Company, Limited,
STANLEY.

VP

ACS

Can you trace & discover anything to confirm X of H.E.'s minute opposite?

[Handwritten signature]
26/4/51

[Faint red handwritten notes at the bottom of the page]

als.

10/- pt. still stands as per your B. on 129.
In verification of this I today saw, through the
courtesy of a private importer, an account dated
12.4.51 on wh. this amount had been charged.

The above applies to Stanley only - acc. to

Mr. Howard of F.I.C. no ~~specific~~ specific landing charge
is levied on Bang importers.

Please see also
page 19 in 0311.

J 30/4.

NCS 31/4/51

JL Pl see above. Telegram as it cover may
now issue?

W 1/5/51

But it will require amendment as they
have in fact announced the increase without
awaiting Council's view?

Response: There is a date to be filled
in,

But see p 124; surely then substantial
increases should be mentioned also?

MC 1/5

YE Draft revised and resubmitted.

W 3/5/51

Thank you; this gives all the
information he should need: did he not
once volunteer to take the matter up with
the Marketing Commission or some such body
(see also letter from Bennett in re)? We might
suggest that this would appear to be a good
occasion to refer to the MC also.

Office
Attach file
1036 fl.

W 2/5/51

Y.E.

I think p. 11. in 1034 attacked in the letter from Bennett of which you are thinking. We replied at p. 17. The Plan of Transport don't seem to be a very helpful lot. Imperial Shipping Committee might be better? We stopped our "sub" to them this year!

W
... 4/5/51.

It was, in fact, the Imperial Shipping Co. I had in mind — as we have supported them for many years. I think we are still entitled to something for our sub.? Anyway it is now up to the authorities at home to do what they can for us. It shows, more than ever, how precarious is the position of any commercial enterprise — CDC or whoever — that has to rely on F.I.C. for transport of its products.

Office
from Lib. at cover W 5/5

MC 5/5
V

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 5.5.51. Time: 1305. Received: Time:

33 in 76/30
att

No 108. Mail Contract. Clause 4 of Falkland Islands Company's mail contract (draft forwarded to you under cover of despatch No 61 of 22nd May, 1936) states that increases in passenger fares and freight rates by Company's steamer must have approval of Government. Last increase was in 1942 when approval was given for 20% surcharge to cover extra costs due to war. This has never been taken off since which occasions no surprise. Rates for through freight from places in Colony to United Kingdom, which are not governed by clause 4 of mail contract have been increased very substantially since 1942 are about 50% above what they were at that date and are likely to be further raised.

2. Colonial Manager on instructions from head office at Weybridge has now increased passenger fares to and from Montevideo by 43% for cabin class and 33% for intermediate class and passenger fares for coastal voyages and to Punta Arenas and all freight rates by 50% of former rate plus repeat plus the existing 20% surcharge, effective as from 1st May. Reason given is rising costs e.g. fuel oil price which they allege has increased by 120% since August, 1949 and unfavourable rate of exchange in Montevideo. "Fitzroy" was not converted to oil-burning until late in 1948.

3. Approval of Government was asked for for this increase, but at a few days notice and I have said that I cannot give my approval without taking advice. Company have nonetheless introduced new rates though informing public at my request that approval of Government has been asked for but not yet received.

4. I appreciate that costs have risen and are still rising but it does not appear to me that fluctuating exchange rates can be compensated for in this way and I am unwilling to agree to so large an increase, over and above the 20% surcharge, without first seeking your opinion as to whether this is considered reasonable particularly as I understand that River Plate Conference Lines have only increased by 25%. Effect on cost of Living and thus on wages would be noticeable. I have not had time to get out figures but am quite certain that normal operating costs of "John Biscoe" have not increased by anything like this amount. As the only carrier, the Company has the Government in a cleft stick and is only too well aware of this. I suggest there is case here for reference to Imperial Shipping Committee.

5. Grateful for your early views.

GOVERNOR.

φ I think the correct figure is 20%
the 31%.

G.T.C.
S.S.

134

COPY OF BROADCAST NOTICE ISSUED BY THE F. I. CO. ON 28.4.51.

THE FALKLAND ISLANDS COMPANY, LIMITED. SHIPPING NOTICE

Owing to increasing running expenses due partly to the unfavourable rate of Uruguayan exchange, the Falkland Islands Company, Limited must raise passenger fares and freight from the 1st May, 1951, as follows :-

PASSAGES. MONTEVIDEO. Single fare Cabin Class. £20. Intermediate £16.

PASSAGES, COASTAL VOYAGES & PUNTA ARENAS. 50% increase.

FREIGHT - TO AND FROM STANLEY ON GENERAL CARGO - LOCAL AND OVERSEAS. 50% increase.

The concurrence of the Government has been sought and their reply is awaited.

(sgd.) M.G. CREECE,
for Manager.

ACS
Res. B.V. appropriately H.
10/5/51

yes / n/a pending
reply to 133 pl
13/5/51
B.V. 15/5/51
31/5/51

ESTATE LOUIS WILLIAMS

SUCCESSORS TO CHAS WILLIAMS

ESTD 1863

GENERAL MERCHANTS Ref/551/674.

RADIO ADDRESS "WILLIAMS" CODES USED: BENTLEYS A.B.C. 5TH ED. A.I.

28 MAY 1951
FALKLAND ISLANDS

PORT STANLEY FALKLAND ISLANDS.

26th May, 1951.

Sir,

Re Freight rates, Montevideo/Port Stanley

This morning we have received from Messrs The Falkland Islands Co. Ltd. their freight account as follows:-

"Stanley 23rd May 1951	
Freight per 'Fitzroy' 15th May, 1951	
10 drums lub. oil	110' 0"
16 c/s fruit	31' 3"
2 c/s eggs	5' -
1 pcl. tractor spares	- 3"
	<u>146' 6"</u> at 72/-p.t. £ 13. 3. 3
40 drums gas oil	440' 0"
59 " paraffin	649' -
38 " petrol	418' -
5 " meth.	55' -
	<u>1562. -</u> at 144/- p.t. £281. 3. 2
Landing charges at 10/- per ton	21. 7. 2
	<u>£ 315.13. 7</u>

At previous rates the respective charges would have been: 146'6" at 40/- plus 20% £ 8.15.10
 1562'- " 80/- " " 187. 8.10
 Landing charges 21. 7. 2 £ 217.11.10

the increase is therefore £ 98. 1. 9

and evidence is in support of ...

As the public service rendered by Messrs F.I.Co. Ld. with their steamer is based on urgent representations made by the said company to the Government some years ago (probably 1929/1930) and subsidized by Public Money, we desire to learn whether these increased rates have received Government approval, and if so whether they have been properly investigated by both Executive and Legislative Council, which we suppose are in existence in order to keep guard over the interests of the general public.

&

We are general merchants/do not care to what limits increased costs of merchandise and services attached to their importation may rise, provided we are able to maintain our turnover and that the general public are satisfied that increased retail prices are justified - but we have not noticed any activity in Government circles with a view to controlling rates applicable by a subsidized ship.

If these increased rates have not been approved of by the Government, we shall appreciate some notification and hope that suitable measures may be taken to control these freight rates.

Yours faithfully,
p.p. Estate Louis Williams.

The Hon. The Colonial Secretary
Stanley
Falkland Islands.

Reply at 137.

MCS 135

We are still awaiting a reply to 133.

31/5/51

JE

1. 135. E.L.W. complain about the increased freight rates from R/V - Stanley. Draft reply at cover s.f.c.

With some reason.

Issue.

31 MAY 1951.

2. We should follow up 134 by quoting COFC's figures re freight on cargo which showed the carriage between MV/Stanley (1050 miles) to be more costly than that from UK/MV. The latter is just as much subject to fuel costs & exchange fluctuations as the former.
MC 31/5

Office.

Fair draft at cover

2) File paper on sugar price (which I sent out to-day) herein a p.v. fl.

31/5/51

4th June, 51.

Sir,

135.

I am directed to refer to your letter dated the 26th of May, 1951, regarding freight rates from Montevideo to Stanley and to inform you that, as stated in the public notice issued by the Falkland Islands Company advising the public of the increases in passenger fares and freight rates as from the 1st May last, the concurrence of the Government has been sought by the Company for the increases, in accordance with the terms of the mail contract, but that they have not yet received a reply. The reason why they have not received a reply yet is that their request for Government's concurrence was received not long before the 1st of May, 1951, and Government was unwilling to concur in increases of this magnitude without first seeking the opinion of the Secretary of State for the Colonies and his advisers. This advice has been sought and a reply is awaited.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

The Manager,
Estate Louis Williams,
STANLEY.

● DECODE.

No 81.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 2.6.51, Time: 1230. Received: 3.6.51. Time: 0900.

133

No 100. Your telegram No 108. Mail Contract.

I am seeking advice Minister of Transport.

2. There appears to be a discrepancy between passenger rates quoted in paragraph 2 of your telegram and those given by Crown Agents who state Port Stanley - Montevideo cabin class rates are w.e.f. May 1st £20 as compared with former rate £16 i.e. an increase of 25%.

3. Grateful for clarification.

4. Draft of mail contract referred to in your first paragraph is not now available. Crown Agents have copy of 1931 repeat 1931 agreement which they negotiated. Please say whether that agreement is substantially the same as that quoted in your first paragraph. If not what are main points of difference.

5. Grateful if you would forward both to Crown Agents and this office copies of present contract.

— see 146 + 147.

Reply at 144

SECRETARY OF STATE.

G. T. C. pps.
M. R. R. (Intld) M. R. R. 4/6/51.

PUBLIC NOTICE.

Office of the Competent Authority,
Stanley,
(Supplies),
22nd May, 1951.



Maximum Retail Selling Price of Sugar.

The Public are hereby notified that due to an increase in the first cost of Sugar and to recent heavy increases in freight rates, the maximum retail selling price of Sugar has been advanced from 7²d per lb. to 9d per lb., with effect from today the 22nd May, 1951.

(sgd.) B. N. BIGGS,

Competent Authority,
(Supplies).

The Hon. Colonial Secretary

J.E. fi.

copy for your information pl.

22/5/51

CP.

That is quite a big jump - 20%.

me 25/v

22/5/51

40 C.F.C.

RECEIVED
28 JAN 1951
YAMSS

Can you say how much of the increase is due to rise in first cost price & how much to freight increase?

U

H.C.S.

23 MAY 1951

47.

Attached herewith please find details which will explain all points raised of increase, freight represents 0.245% and increased f.o.b. 0.751%.

S.D. bofl.
23/5/51

Y.E. Attached figures are of interest i.e.w. the increase in price of sugar.

U

28/5/51.

Chankya — it is interesting and worthy of mention to S/S that freight UK/IN is less than MV/PS. INC. 28/5

on
50 tons

on
50 tons

Detail	1950 Supply	1951 Supply	Increase
1st Cost	£2450.	£2893 - 15 -	£443 - 15 - 0.
Freight-UK/MV	150.	208. 17. 11.	58. 17. 11.
" MV/P.S.	126. 10. 0.	212. 13. 10.	86. 3. 10.
Contingencies			
Insurance	16. 3. 4	18. 3. 1.	1. 19 9.
Other expenses			
	£2742. 13. 4	£3333. 9. 10	£590 16. 6.
	£54/17/4 C.I.F. per ton	£66-13-5 per ton C.I.F.	

Increase £590-16-6.

Freight 0.245%
 On Cost 0.751
 f.o.b.
 Other Chgs. 0.004
1.000

1951 Consignment

1st Cost 7.14 d. per lb.
 Profit @ 25% 1.78 d . . .
8.92.
 Price fixed @ 9 per lb.

C.F.C.

Thank you. The figures are interesting. As H.E. observes, the cost of freight from M/V to P.S. is greater than from U.K. to M/V. Does the former figure include port and handling charges at M/V?

29/5/51.

H.C.S.

The freight charge M.V./P.S. includes handling costs in M.V. - £18/5/- in the year 1950 and £75/19/2 for the 1951 consignment.

H.H.

lll

lll

b.a. 29/5/51

31 MAY 1951

Isn't there a query in the
main contract file re: this?

NCS

The existing mail contract is
that filed at 45 in 46/36 attached,
pl.

OK
Jep/51

ROYALTY

143
45

Y.E.

Reference 139-141. As I rather suspected the figures for freight from Montevideo to Stanley included handling etc. charges in M/V. I have prepared a fresh breakdown which is below. This shows that the freight from M/V to Stanley has increased less than that from U.K. to M/V, expressed as a percentage. It also shows that charges in M/V have gone up 400%. Incidentally the 1951 figure for freight from M/V to Stanley is worked out at the new rate.

Details.	1950 Supply.	1951 Supply.	Increase.
W. Cost.	£2450	£2893-15-0.	£443-15-0. (18%)
Freight UK/M.V.	150	208-17-11	58-17-11. (39%)
X M/V. charges.	18-15-0.	75-19-2	57-4-2. (400%)
Draft M/V/hs.	107-15-0.	136-14-8	28-19-8. (27%)
Contingencies	16-3-4	18-3-1	1-15-5.
Total	£2742-13-4	£3333-9-10.	£590-16-6. (21%)

2. Telegram from S/S at 138. The Crown Agents are wrong. The single fare by cabin class is £14, or rather it was immediately prior to this new increase. This has been checked with the recent accounts we have received from the F.I.C. for passages, and it is £14 without taking into account the 25% rebate which Government gets.

3. The 1931 mail agreement is at the back of file 76/36 attached. It appears to be roughly similar to the 1937 one, which is at p.75 of the same file. Certainly Section 4 of each of the contracts, which is the operative clause in our present consideration, is the same.

4. Draft reply to 138 at cover s.f.c.

Thankyou, B

8.6.51. X furnishes an additional reason for EDC NOT getting tied up with FIC over transport and shipping their products dried.

me. 8/vi

Please let me have copy of above table for my dossier.

ACS

C

Issue tel. at cover. 2 spare copies of 1937 mail contract to be prepared. This file back to me, please.

8/6/51.

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 9.6.51. Time: 10000. Received: Time:

138 No 138. Your telegram No 100. Mail Contract.

Crown Agents are in error. Single fare cabin class by s.s. "Fitzroy" Stanley to Montevideo was £14 repeat £14. Single fare on bridge deck of "Lafonia" was £16.

2. 1937 mail contract similar to that negotiated by Crown Agents in 1931 especially paragraph 4 which requires Government's agreement for increased rates to be obtained. Copies of 1937 contract being forwarded by next mail as requested.

GOVERNOR.

Del.
File to you accf.
(Con 143) I have retained 16/36 + 14
14ping copies of '37 contracts R. J.
a.l.

G. T. C.
S. S.

143

Office.

Copy of 1.143 A & B. for H.E. in dossier, please.

W

14 JUN 1951

WCS
copy of 1423 A & B for H.E. please
WCS
14.6.51

Detached to.

W
15/6/51

146

FALKLAND ISLANDS.

0327.

138

The Governor of the Falkland Islands presents his compliments to the Right Honourable the Secretary of State for the Colonies and with reference to the latter's telegram No. 100 of 2nd June, 1951, has the honour to forward herewith one copy of the 1957 Agreement with Messrs. The Falkland Islands Company Ltd. in respect of the carriage of mails. A copy has been sent to the Crown Agents for the Colonies.

GOVERNMENT HOUSE,

STANLEY.

18th June, 1951.

HM.

147

FALKLAND ISLANDS.

0527.

138

The Colonial Secretary of the Falkland Islands presents his compliments to the Crown Agents for the Colonies and with reference to the Secretary of State's telegram No. 100 of 2nd June, 1951, is directed by the Governor to forward herewith one copy of the 1937 Agreement with Messrs. The Falkland Islands Company Ltd. in respect of the carriage of mails.

Colonial Secretary's Office,
Stanley.
18th June, 1951.

BW 15/7/51

148

ADDRESS ALL CORRESPONDENCE TO THE MANAGER

BENTLEY BROS & CO. GENERAL MERCHANTS

SUCCESSORS TO CHAS WILLIAMS
ESTD 1863

GENERAL MERCHANTS Ref/651/756.

RADIO ADDRESS
"WILLIAMS"
CODES USED:
BENTLEYS
A.B.C. 5TH ED.
A.I.

PORT STANLEY
FALKLAND ISLANDS



28th June, 1951.

Sir,
Freight rates from Montevideo to Stanley

135 & 137. (1) With reference to recent correspondence on the above subject, we have to report having received a letter from Messrs The Falkland Islands Co. Ltd. couched in the following terms:-

" Stanley, 11th June, 1951.

" With reference to your letter dated 6th inst. current rates of freight are as announced and are being charged by vessels other than our own.

I have to advise you that in future freight must be paid before your cargo will be released from our warehouse. Yours faithfully,

(signed) M.G.Creece
for Manager. "

(2) As regards the last paragraph, there is no question either as to our ability or our willingness to pay the relative freight accounts, provided they are correct and the rates have been approved of by the Government.

(3) We shall therefore be very pleased to learn whether the Colonial Government has approved of the new enhanced rates - or if not, what procedure may be suggested for the depositing of freights claimed into some special account until such time as agreement is reached one way or the other.

(4) We are expecting a considerable amount of cargo by next inward "Fitzroy" and do not wish to have it held up owing to lack of agreement as to what may be the approved rates of freight.

We are, dear Sir,
Yours faithfully,
p.p. Estate Louis Williams.

Reply at 152.

The Hon.
The Colonial Secretary
Stanley.

H.P. [initials]
30 JUN 1951

149

Ref. 148. Govt. has not approved the new freight rates and the S of S advice thereon is still awaited.

Regarding paras. 3 & 4 of 148 if E.L.W. is to obtain quick release of their cargo arriving by "Getzroy" I can see no alternative to their paying the increased rates. I do not think that Government can insist on, or that the S.I. Co would be agreeable to freight charges being deposited into a special account pending agreement. If however it is finally proved that the increased rates are not in order, then the F.I.C. will no doubt adjust the matter.

AKG
3/7/51

ACS.
A/T.

I sympathise with E.L.W. over this. No do I think that Govt should itself pay the increased rates until we have got a reply from S/S. (which he might be asked to expedite).

2) Is the action proposed by F.I.C. in para 1 of 148 legal? They are Common Carriers. Pl. ask Registrar.

AKG
3/7/51

Registrar

For your views, pl.

AKG
3/7/51

Hon. Col. Sec.,

F. S. Co. can demand payment of freight at the time of delivery, and the consignee is not entitled to insist on delivery without tendering the freight.

In this case the consignee can only be required to pay at the old rates of freight as the increased rates have not (I believe) been approved by His Excellency in accordance with Article 4 of the Rail Contract.

J.B.
Registrar.
3.vii.51.

J.H.
I submit Registrar's notes.

2. Unfortunately some accounts including the increased freight charges were paid to the F.S. Co in the June settlement.

J.H.
3/4/51

ACS
Pl find drafts at cover and issue telegram as in your draft below.

U
4/7/51

0327

5th July,

51.

Sir,

I am directed to inform you that the Manager of Estate Louis Williams has sought the advice of Government in the matter of the increased freight rates recently introduced by your Company and has advised Government of the declared intention of your Company not to release cargo from your warehouse until freight charges calculated at the new rates have been paid on such cargo.

2. He enquires whether Government has concurred in the new freight rates. As you are aware, Government received short notice of your Company's intention and has not yet been able to signify its concurrence and is awaiting advice from the Secretary of State (who has been asked to expedite his reply). The Manager of Estate Louis Williams has suggested that, pending a final decision by Government as to whether or not it can concur in the new rates, some arrangement might be arrived at whereby his firm should deposit in a special account the difference between freights at the old and the new rates. This appears to Government to be an eminently reasonable suggestion and I should be grateful if I may be informed whether it would be acceptable to your Company.

3. I am further to say that, on reflection, Government itself does not feel that it should pay the higher rates unless and until it can give its concurrence to them, and would wish therefore to adopt the procedure suggested above by the Manager of Estate Louis Williams, to whom a copy of this letter is being sent.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

Manager,
Falkland Islands Company, Limited,
STANLEY.

5th July, 51.

Sir,

148
151.

I am directed to acknowledge receipt of your letter dated the 23th June, 1951, regarding freight rates from Montevideo to Stanley and to enclose for your information a copy of a letter which has been sent to the Falkland Islands Company on the subject.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

Manager,
Estate Louis Williams,
STANLEY.

153

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 6.7.51. Time: 1425. Received: Time:

138 No 157. Reference your telegram No 100. Mail Contract.

133 Grateful if reply to my telegram No 108 could be expedited.

OFFICER ADMINISTERING THE GOVERNMENT.

G. T. C.
S. S.

154

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 6.7.51, Time: 1630. Received: Time:.....

REPLY URGENTLY REQUIRED.

133

No 159. Confidential. My telegram No 108. Increased passenger and Freight Rates per s. s. "Fitzroy".

Local firm Estate Louis Williams has declined to pay to F.I.C. Increased freight rates on shipment of cargo since May 1st. F.I.C. have replied that cargo will not be released from their warehouse until full freight including recent increase has been paid. Grateful very early advice whether action of F.I.C. in thus retaining cargo in warehouse is sound at law in view of fact that Government has not yet been able to give its approval to the increase in freight etc. rates which is required by clause four of the mail contract.

"Fitzroy" due to arrive here ex Montevideo on Sunday and it is expected that case requiring decision on above point will come before local Court early next week.

OFFICER ADMINISTERING THE GOVERNMENT.

Beu 11/7/51
2/7/51

G. T. C.
SS

DECODE. 13.

158

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched : 9. 7. 51 Time : 2025 Received : 10. 7. 51 Time : 0930

153

No. 123. Your telegram No. 157. Increased passenger and freight rates by Falkland Islands Company.

133

Ministry of Transport consider increases as set out in para. 2 of your telegram No. 108 are reasonable bearing in mind the rise in costs generally, they compare very favourably with increases on the United Kingdom - River Plate route where increases in freight rates since pre-war is in no case less than 156% while passenger rates increases vary from 55% to 136% according to class of travel.

2. In the circumstances I see no repeat no reason why your approval should not be given to increased charges subject to your consideration of any relevant local factor.

158

3. See also my immediately following telegram.

SECRETARY OF STATE.

A.C.S.

We spoke. Clearly we must now approve. Letter to F.I.C. and Public Notice as discussed, pl.

156

GTC. SS.

157

(intld) M.R.
10/7/51.

JB.

0527.

156

10th July,

51.

126

Sir,

With reference to your letter of the 18th of April, 1951, and to Mr. Raymer's reply thereto No. 0527 of the 25th April, 1951, I am directed by the Officer Administering the Government to inform you that following a reply which has been received from the Secretary of State, His Honour has approved the increased passenger and freight rates as from the 1st of May, 1951, in accordance with paragraph 4 of the Mail Contract dated the 23rd of January, 1957.

I am,

Sir,

Your obedient servant,

(sgd.) L.W. ALDRIDGE,

for Colonial Secretary.

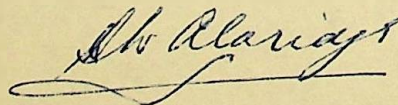
The Manager,
Messrs. Falkland Islands Co., Ltd.,
STANLEY.

Colonial Secretary's Office,
Stanley, Falkland Islands,
10th July, 1951.

155

It is hereby notified for public information that acting on advice which has been received from the Secretary of State and in accordance with paragraph 4 of the Mail Contract dated the 23rd of January, 1937, His Honour the Officer Administering the Government has approved the increased passenger and freight rates introduced by the Falkland Islands Company, Limited, with effect from the 1st of May, 1951.

By Command,



for COLONIAL SECRETARY.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 9. 7. 51 Time: 2130 Received: 10. 7. 51 Time: 0930

154

No. 124. CONFIDENTIAL. Your telegram No. 159. Refusal of firm to pay freight charges.

Matter is one on which I should prefer Webb as your legal adviser to be consulted rather than asking my legal adviser to express an opinion.

2. If it will assist you in any way I will arrange for Webb to be furnished with such information as is available to me on the facts of the case but you will no doubt telegraph him in the normal way through the Crown Agents putting exact point on which you desire advice.

SECRETARY OF STATE.

GTC. S.S.

(intld.) M.R.
10/7/51.

JB.

159

Y.H. In view of 155 ref on 158 pe.?

W. H. S.
11.7.51.

160

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 11.7.51. Time: 1120. Received: Time:

158
155
No 161. Your telegram No 124. Freight Charges. In view of
your telegram No 123 I do not propose to take any further action
at present.

OFFICER ADMINISTERING THE GOVERNMENT.

B/W 6/8/51

G. T. C.
S. S.

The Falkland Islands Company, Limited.

161

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley,

10th July

1951



The Honourable the Colonial Secretary,

Stanley,

Sir,

I have to acknowledge with thanks your letter

No. 0327 dated 10th July in which you state that

His Honour the Secretary of State has approved the increased passenger and freight rates as from the 1st May 1951.

*advice approved 7
(the Secretary of State approved)*

*ll
11/11/51*

I am,

Sir,

Your obedient servant,

Forster
for Manager

156

*MCS you will wish to discuss with Mr. p...
11/11/51*

*BW 10/11/51
6/11/51*

162

JE.

I don't know whether you saw 155 while in England. It appeared to leave us no option and I therefore offered (156-7)

2) H/M is preparing figures for a further discussion on rates for Philomet.

W.
10/8/51.

I was informed of this and we can do no more.

2, I note however that the Uruguayan exchange is cited as a contributing factor and this, being on record, should be carefully watched. It has already moved in favour of the £1? Yes.

3. Once again it is the manner rather than the measure itself to which I take exception.

4. Compulsion is the only answer.

5. I shall be pleased to see H/M's revised figures.

mc. 10/11/51

W.

B.V. 10/11/51

for yearly renewal of contract

BW 1/11/51

08.

164

The attached figures
 re-inforce the argument that a
 good deal of overhead (pared to
 the unfulfilled consumer) could
 be saved if F.I.C. would bring
 their glass out in bulk by
 charter vessel which since I understand
 they intend to continue with charter
 they could well do. They will
 need to fill the ship outward
 and CDC demands are coming to
 an end. let us take this up officially.

Mr. Ull
 17/4.

17/4

Y.E.,

Reference 139-141. As I rather suspected the figures for freight from Montevideo to Stanley including handling etc., charges in M/V. I have prepared a fresh breakdown which is below. This shows that the freight from M/V. to Stanley has increased less than that from U.K. to M/V, expressed as a percentage. It also shows that charges in M/V. have gone up 400%. Incidentally the 1951 figure for freight from M/V. to Stanley is worked out at the new rate.

Details.	1950 Supply.	1951 Supply.	Increase.	%
1st Cost	£2450	£2893. 15. -	£443. 15. -	(18)
Freight U.K./M.V.	150.	208. 17. 11.	58. 17. 11	(39)
X M.V. Charges	18. 15. -	75. 19. 2.	57. 4. 2.	(400)
Freight M/V /P.S.	107. 15. -	136. 14. 8.	28. 19. 8	(27)
Contingencies	16. 3. 4.	18. 3. 1.	1. 19. 9.	
TOTAL	£2472. 13. 4.	£3333. 9. 10.	£590. 16. 6.	(21½)

2. Telegram from S/S at 138. The Crown Agents are wrong. The single fare by cabin class is £14, or rather it was immediately prior to this new increase. This has been checked with the recent accounts we have received from the F.I.C. for passages, and it is £14 without taking into account the 25% rebate which Government gets.

3. The 1931 mail agreement is at the back of file 76/36 attached. It appears to be roughly similar to the 1937 one, which is at p.75 of the same file. Certainly Section 4 of each of the contracts, which is the operative clause in our present consideration, is the same.

4. Draft reply to 138 at cover s.f.c.

M.R.R.
8/6/51.

Thankyou.

X furnishes an additional reason for C.D.C. **NOT** getting tied up with F.I.C. over transport and shipping their products direct.

Please let me have copy of above table for my dossier.

M.C.
8/VI.

Note.

Figures in the above table relate to importation of 50 tons of sugar. Cost per ton in 1950 = £54 17s 4d (c.i.f) and in 1951 = £66 13s 5d. It resulted in the selling price of sugar being raised from 7½d to 9d per lb. Of that increase 75% was due to increased cost of the sugar f.o.b. and 25% to increased freight, handling and transshipment charges.

15 JUN 1951

24th September,

51.

Sir,

I am directed by the Governor to inform you that it is becoming increasingly apparent to this Administration that a considerable part of overhead expenses could be saved if the Colony's stores requirements at least in part, could be brought out direct in bulk by charter vessel, rather than via Montevideo as at present.

2. It is understood that your Company proposes to continue the present practice of chartering a vessel/s to help lift the annual wool clip, and I am to suggest for your consideration that with the lessening of the Colonial Development Corporation demands on shipping space, opportunity might be taken to ship stores to the Colony on the vessel's outward journey.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

The Manager,
7

Reply at 166

COLONIAL SECRETARY.

B.W.
30/9/51

The Falkland Islands Company, Limited.

166

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.



Stanley,

26th September

1951.

The Honourable the Colonial Secretary,
STANLEY.

Sir,

165

We have for acknowledgement your letter No.0327 of 24th inst. in which you suggest that this Company might ship stores in bulk by chartered vessel from U.K. to Stanley and cut out transhipment charges in Montevideo.

2. We understand that space in the two, possibly three, chartered vessels coming to the Colony this season is already fully allocated as follows:-

- 1st - Anthracite
Patent fuel and Smithy coal
General
- 2nd - Prefabricated buildings ex Sweden
- 3rd ? - Ditto and sawn timber.

3. We have no knowledge of any reservation for C.D.C. imports on any of these vessels, nor can we say what space will be allotted to 'general' cargo on the 1st charter, but we feel certain that your recommendation will already have been studied by our Head Office.

One of their troubles is lack of storage space here.

I am, Sir,
Your obedient servant,

A. G. Barton

MANAGER.

U. H.

27 SEP 1951

27/9/51

yc. Above fi. w.r.t. 165, written in acc. with this instructions. inc. 27/11

BAL 15/12/51
29/1/51

1.67.

ACS

He should repeat page 118 pl ?

ACS
15/12/51

ACS

Yes, please

15/12/51

referring to it pl.

of the ...
that ...

Dr. P. ...
...

17 December, 51.

Sir,

118
119.

With reference to my letter No. 0387 of the 14th December, 1950, and to your reply thereto dated the 16th of December, 1950, I am directed by the Governor to suggest a renewal of the Mail Contract, on the existing terms for a further period of one year from the 1st of January, 1952.

I am,

Sir,

Your obedient servant,

(Sgd) Michael R. Raymer

COLONIAL SECRETARY.

Reply at 169

BIN
31/12/52

Manager,
Falkland Islands Company, Limited,
STANLEY.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.



169
Stanley,

19th December, 19 51.

Sir,

I have to acknowledge receipt of your letter No. 0327 dated 17th December, 1951 with reference to the renewal of the Mail Contract for a further period of 1 year from 1st January, 1952 and beg to advise you that my Company is in agreement with the continuance thereof on the existing terms.

I am,

Sir,

your obedient servant,

168
A. G. Barlow

Manager.

The Honourable

The Colonial Secretary,

Stanley.

ll
19/12/51.

file.

*File
20/12/51*

CAMP MAILS CARRIED BY R.M.S. "FITZROY" 1st AUG - 15th DEC. 1951.

Voyage T13.	16th Aug.	Fox Bay	3 bags	
		Fort Howard	3	
		Port Stephens	2	
		Pebble Is.	1	
		George Is.	1 pkt.	Mails via various
		Lively Is.	1 bag	ports:
		Teal Inlet	1	
		Rincon Grande	1	-----
		Salvador	1	Weddell Is. 1 bag
		North Arm	1	New Is. 1
		Darwin	1	Chartres 1
		Fitzroy	1	Hill Cove 3
		Albemarle	1	Speedwell Is. 1
		Bleaker Is.	1	Pt. San Carlos 3
		Ajax Bay	4	San Carlos 1

Voyage T15.	18th Sept.	Weddell Is.	1 bag	
		New Is.	1	
		West Point Is.	1	
		Chartres	2	
		Carcass Is.	1	Mails via various
		Roy Cove	3	ports:
		Pt. Stephens	2	-----
		Spring Point.	1	Pebble Is. 1 bag
		Hill Cove	4	Speedwell Is. 1 "
		Dunnose Head	1	Pt. San Carlos 1
		Saunders Is.	1	North Arm 1
		Lively Is.	1	Darwin 4
		Albemarle	1	
		Ajax Bay	3	
		Shallow Bay	1	

Voyage T16.	5th Oct.	Fox Bay	3 bags
		Darwin	1
		Albemarle	1

Voyage T18.	17th Nov.	Port Howard	1 bag	Mails via various
		Ajax Bay	1	ports:

				San Carlos 1 bag
				Pt. San Carlos 1

file 25/1/52

ds.

PAKAY
25/1/52

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.



Stanley,

18th July

1952.

The Honourable the Colonial Secretary,
STANLEY.

Sir,

Our Head Office advises us of the two Dutch chartered vessels which will be trading in the Colony next season.

1. "MERAK N" or similar:

Load	late November 1952
Due Stanley	late December 1952/early January 1953.
To Montevideo and return	January
Depart Stanley	mid-February
Arrive U.K.	Second half March.

2. NEW "M" CLASS:

Load	mid-January 1953
Due Stanley	mid-February
Depart Stanley	early March
Arrive U.K.	early April

Both vessels will carry mails and we consider they should rank as mail sailings, but we reserve the right to carry mails from the Colony direct to U.K. if there is no other necessity for a call at Montevideo.

Approximate opportunities for mails will be:-

∅ Arrive Stanley from U.K.	early January 1953	} "MERAK N".
Depart Stanley for Montevideo	late January	
Arrive Stanley from Montevideo	early February	
Depart Stanley	late February	
∅ Arrive Stanley from U.K.	late February	} "M" CLASS
Depart Stanley for U.K.	late March	
Arrive Stanley from U.K. via Montevideo	mid-April	} S.S. "FITZROY"
Depart Stanley for Montevideo	end April	

/We...

174

Reply at 174

~~135~~
172

x/

We are asking Head Office whether voyages marked ø are via Montevideo or direct from U.K.

I am, Sir,
Your obedient servant,

A. G. Dalton

MANAGER.

Y.A. May wish to see 171

JD
24/7

~~*See 171*~~

Ref: (171)

I am by no means sure that I agree with
y/ in view of (95). It is very inconvenient if
they don't call at Monte.

2) Draft at cover to F.C. to come.

3) There are some interesting points to note
in this file & the contract at back cover

a) F.C. aid to Philomel mentioned in (94) & (95)
to be kept in view.

b) Increase in various ~~and~~ rates mentioned
in (126) partly owing to adverse exchange, which
was the exchange then as compared to now.

If as I suspect, it is now more favourable
we shall enquire from F.C. if they prop
any reductions.

c) See 25 of the contract. I think F.C. will
have difficulty in justifying passages to
the Howards at short notice on June 12/37
when we were ~~shortly~~ clamouring for accounts.

I do not however, propose to pursue this
as they have been helpful over other passages
for us.

25/7

26th July, 52.

Sir,

176

I am directed to refer to your letter of the 18th of July, 1952, and to request that you will be good enough to advise this office as soon as you have ascertained what calls the charter vessels will be making at Montevideo.

2. It will then be possible to comment on your contention that their voyages should rank as mail sailings.

I am,

Sir,
Your obedient servant,

(Sgd) J.E. Briscoe

ACTING COLONIAL SECRETARY.

The Manager,
The Falkland Islands Company, Limited,
STANLEY.

A

file
(16) on 173 to K10
247

Reply at 175

175

The Falkland Islands Company, Limited.

°(INCORPORATED BY ROYAL CHARTER 1851.)°

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley,

30th July

1952.

The Honourable the Acting Colonial Secretary,
STANLEY.

Sir,

171
174

With reference to our letter of the 18th inst. and your reply No. 0327 of 26th inst. we are now able to inform you that both Charter Vessels will call at Montevideo on the voyage from the United Kingdom to Falklands.

I am, Sir,

Your obedient servant,

A. G. Martin

MANAGER.

Reply at 178

As on file

KIV 174A

176

B.T.

What was the average rate of exchange during 1951 and what is present rate?

[Signature]
5/8

Honors

average for 1951	\$ 5.911	- L1.
present rate	\$ 5.25	- L1

[Signature]
6/8

Z.H. ^{L.Y.}

Minute at 173. - Exchange rate is now more unfavourable.

I thought it was better now than \$ 5.25.

F.I.C. at 175 now say both charter vessels will call at M/V. on the outward voyage. and we can allow the outward voyages to rank as mail sailings.

I am not so sure about the homeward voyages which F.I.C. reserves the right to make direct to U.K.

The percentage (in bulk) of mail carried on the last 4 trips was

Surface Letters	47%
✓ Parcels	32%
Air Mail	21%

In number Air letters are 25% greater than surface letters.

There are also other considerations apart from mails - cargo and passengers - we do not get the benefit of passengers in any case whether the vessels call at M/V or not, and the Mail Agreement requires the Company to provide passenger carrying ships.

I think the question can be resolved as follows; so large an amount as £6000 paid under the mail contract can only be regarded as a subsidy for ~~assisting~~ assisting the economic wellbeing of the country by ensuring a flow of Imports and Exports and the carrying of passengers and mails are to a certain extent only incidental.

Both the vessels will be bringing out stores by which the Colony will benefit from the absence of handling charges at M/V, and will also take out wool ~~at~~ with the same absence of handling charges at M/V which will therefore enhance the profits of the farms and therefore enhance Colony Revenue by reason of the income ~~tax~~ tax accruing to these profits, and I think we would be in order in allowing the sailings to rank as mail sailings for the purpose of the Agreement.

ES I agree. As regards Air ^{25/8} mail, I presume they will call at Cape Verde. A Canarie on the way home or outward can go on from there?
25/8

X. Spoken Mr Barton - depends on bunkers. Last vessels called at West Palmton from which air mail can be sent.

26/8
Draft.

25th August, 52.

Sir,

175

I thank you for your letter of the 30th of July, 1952, and am now directed to say that the voyages of the Charter vessels will be accepted as mail sailings.

I am,

Sir,

Your obedient servant,

(Sgd) J. E. Briscoe

ACTING COLONIAL SECRETARY.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley,

18th September, 1952.

Sir,

94. I beg to refer to letter No. 0327 dated 13th December, 1949 from the Colonial Secretary to this Company and to the discussion referred to therein between Mr. M. R. Raymer and our Managing Director

It was understood at that time that Government would allow this Company a rebate of 25% on passages and freights per "Philomel" to and from Company's ports only. I shall be obliged if you will refer to accounts presented to us and confirm that the rebate has actually been allowed.

I am,

Sir,

your obedient servant,

A. G. Davlin

Manager.

Reply at 181 H.C.S.

The Controller of Communications,

Stanley.

*could you please confirm
& give us instructions concerning
the above.*

*John P. Pelvis 19/10/52
A.H.M.*

*pp-Pl. S
19/19*

180.

Y. H.

to see p. 179.

another fast one!

There is nothing in our at p. 94 or Companion
reply at 95. to suggest there was any
such understanding.

J.S.G.
23/9

CS. a fast one indeed - which kept too!
draft at work to send.

J.S.G.
23/9

25th September 52.

Sir,

179. I am directed to refer to your letter of the 18th instant addressed to the Controller of Communications regarding a rebate on passages and freights per "Philomel" and to state that Government has no knowledge of the arrangements to which you refer.

94
95. 2. The decisions reached at the discussion between Mr. Raymer and your Managing Director were confirmed by my letter No. 0327 of the 15th of December, 1949, and your letter of the 28th of December, 1949, and it is thought unlikely that Mr. Young, who signed the letter would have missed such an obvious point.

3. I am, however, to enquire whether you have any other records which might throw some light on this matter.

I am,


Sir,

Your obedient servant,

(Sgd) J. E. Briscoe

The Manager,
Falkland Islands Company, Limited,
STANLEY.

Acting Colonial Secretary.

P.A.  See 201

827
DECODE.

Rec'd? 182
TELEGRAM SENT.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 18.10.52. Time: 1015. Received: 19.10.52. Time: 0845

No 117. Shipping Services. Understand that Falkland Islands Company have arranged charter ships so as to maintain a service to Colony while FITZROY is withdrawn for survey and refit that this arrangement is expected to last 4 months and that it should ensure at least adequate mails, cargo services. I have recently replied to a Parliamentary question on this subject in the above sense but I should welcome your confirmation that you are satisfied with arrangements by the Company bearing in mind particularly clauses 3 and 17 of 1937 agreement with them. Charter ships will only accommodate two repeat two passengers male. Company state you have been kept informed arrangements through Colonial Manager.

SECRETARY OF STATE.

Copy at cover —
Reply at 184

GTC
HCS

183

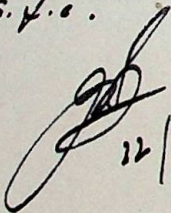
G.H.

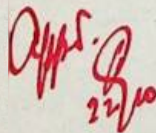
182

The Figoy will be away during the period
Govt has no control over her sailing vide
17(i) of Agreement.

We have been advised by F.I.C. that one
of the Charter Vessels will make a trip
from Colony to M/V and back during the period.

Draft S.F.C.


22/10/51


22/10

DECODE.

184

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 23.10.52. Time: 1000 Received: Time:

183

No 148. Your telegram No 117. Shipping services.

Confirmed I have been kept informed of arrangements
and am satisfied.

OFFICER ADMINISTERING THE GOVERNMENT.

GTC
SS

Ca
25.1

185

ADDRESS ALL CORRESPONDENCE TO THE MANAGER



ESTABLISHED 1892 WILLIAMS

GENERAL MERCHANTS

Ref/1052/1518

PORT STANLEY
FALKLAND ISLANDS

31st October, 1952.

RADIO ADDRESS
"WILLIAMS"
CODES USED:
BENTLEYS
A.B.C. 5TH ED.
A. 1.

Sir,

I regret having to engage your kind attention in the matter of the latest attempt of Messrs The Falkland Islands Company Limited to increase rates of freight from Montevideo without prior sanction.

187

I attach a copy of my letter of today's date addressed to the said company which will give you some idea of what is being attempted.

The shipping service, such as it is, which is provided by the Falkland Islands Co. Ltd., arose out of negotiations which originated in 1930 between the then Manager of the F.I.Co. (Mr. L.W.H.Young), and Sir Arnold Hodson, who was at that time Governor of the Colony.

The Colony was to have a good shipping service, attended by two vessels. One, the present S/S "Fitzroy", to attend to all inter-insular shipping, and a larger vessel which would be procured in order to connect regularly with both Montevideo and Punta Arenas, thus to attend to all passengers' requirements with a fair degree of comfort and to attend to all cargo traffic - export of wool etc. and importations of general merchandise.

The scheme when it eventually came into operation did not last very long - the depression no doubt upset many calculations - the S/S "Fitzroy" was laid up and the only ship running in 1939 was the larger S/S "Lafonia".

While conditions were far from satisfactory in many directions, the rates of freight were not objectionable.

Owing to the late war, the larger vessel "Lafonia", was withdrawn from the Colony and was later lost at sea. The traffic between Port Stanley and Montevideo was maintained throughout the war by the "Fitzroy" - which also attended to the inter-insular trade. An effort which was really beyond her capacity but she was just able to do it because import restrictions, both those officially imposed and those brought about by economic considerations, curtailed the normal flow of merchandise.

The Government agreed to an increase of 20% in freight rates.	We had been paying:	M-V to PS.	40/-	p. ton
		Plus Landing chg.	7/6	" "
		Total	47/6	

In July 1942 the rate was agreed:	M-V to PS	40/-
	Plus 20%	8/-
	Plus landing chg.	7/6
	Total	55/6

In Nov. 1942 the Landing Chg. was increased by 2/6 = 58/-

In May 1951 the F.I.Co., without obtaining the prior consent of the Government, altered the rate to:	M-V-toPS.	72/-
	Plus landing ch.	10/-
	Total	82/-

We refused to pay this rate until such time as the Government had authorised it.

F.I.Co. pretended to intercept the delivery of cargo consigned to us - this led us to apply to the Court for an injunction and the Court gave same in our favour.

The Hon.
The Colonial Secretary
Port Stanley.

acted at 190

See 133 -

157.

Nevertheless the Government did grant permission to F.I.Co. to raise the freights rates and we had to pay at the new rates.

Now a somewhat similar position has arisen.

P. good result
 "Flour" which traditionally is computed in all steamship companies of repute, as a merchandise carried by "weight", and has always been brought into the Falkland Islands by weight, is to be arbitrarily altered to "Measurement".

Sept 1952
 Thus 50 bags of flour imported by us from Buenos Aires at the end of November, which weighed 3.500 kilos and have thus always previously been computed as 3½ Tons weight, are now to be charged at 'Measurement' of 200 cubic feet, equivalent to 5 Tons. By means of this smart switch the F.I.Co's manager thus pretends to increase the freight on Flour by very nearly 43%.

Compared with the 1939 rate of 47/6d per ton weight; then -

The current rate of 82/- per ton "Measurement" represents the following increase on a shipment of say 50 bags of flour:-

50 bags at 200' measurement	at 82/- p.t.	£20.10.--
50 " " 3½ Tons weight,	pre-war 47/6d	<u>8.76.3</u>

Increase :-

£ 12.13.9

12. 3. 9

Or per Bag: Current rate

8/ 2.4

Pre-war

3/4 2.5

May I request that this serious matter may receive the Government's prompt and earnest consideration. Messrs F.I.Co. often lead their Associated sheep-farmers into controversy with the Government over matters of Public Expenditure and during the depression a mass of documentation was produced and much pressure brought to bear in order to get Government expenditure and services curtailed.

Now that the sheepfarming industry is in the most prosperous condition that it has ever known in history not content with the enormous profits derived from that occupation Messrs The F.I.Co. wish to extract even greater wealth from the fact they have a monopoly in shipping.

Yours faithfully,

p.p. Estate Louis Williams.

[Signature]

Copy for Colonial Government

181

ESTATE LOUIS WILLIAMS,
PORT STANLEY,
FALKLAND ISLANDS.

Ref/1052/1517

31st October, 1952

The Manager,
The Falkland Islands Co. Ltd.
STANLEY.

Dear Sir,

After considerable delay I have received yesterday your letter of 30th replying to my complaints re the Freight a/c of 31st Oct. For 295.19.8

Drums of Gasoil.

The fact that 45 drums were shipped and 60 drums manifested is something that needs your own attention with your agents at Montevideo.

They load the ship and should either have amended the manifest or else have sent you (and us) a note explaining that 15 drums had been short-shipped.

Measurements. All right. We will agree to measurements for each lot of drums as they arrive. We cannot agree to a flat rate of 11' per drum.

Weight or measurement.

Correct - most shipping companies reserve the right to charge 'weight or measurement'.

But wrong to assign 'measurement' to Flour which is traditionally a weight item.

In 1939 wheatbux Flour was delivered CIF Port Stanley, shipped from London by 'Highland' vessels and picked up by your "Lafonia" at Montevideo, for 1.235d per lb.

Your latest pretensions to charge flour freight at 'measurement' for the short journey from Montevideo to Port Stanley, work out at .64d per lb.

I am not going to stand for this latest imposition and am reporting to the Colonial Government accordingly.

Furthermore, even if the Government should agree to the 'measurement' rate, it cannot be charged without prior notice. All flour has hitherto come forward at 'weight'.

Yours faithfully,

p.p. Estate Louis Williams

G.H. / pp. 186 & 187.

I doubt whether the Mail Contract is an effective weapon in this case, but as flour is a staple food - we must try.

If as Mr Rowe says flour is traditionally carried by weight then we might have a case based on 'usage'.

The question of approach needs consideration:

- a. Initially to F.I.C. or first
- x) b. Ascertain the S/S (to be preferred to C.A.A.) the normal practice of shipping firms.

It will be interesting to find out whether this sub-steps has been adopted for other commodities.

G.H. 1/11/52

C.S. As you say we have now got no help from the mail contract. See 5 of 2nd schedule is quite clear.

2) Refer to S/S as in x) above in first instance. This may purely be decided apt Rowe.

P.

G.H. November in Mr Rowe's letter is a mistake it was the last shipment - Sept.

Draft at Co S.F.C.

Appd as amended 2/11

G.H. 3/11

A.C.S. Forward acknowledged to 186 pl.

G.H. 6/11

18 19

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 5.11. 52. Time: 09.24 Received: Time:

No. 155. Falkland Islands Company have informed sole competitor firm that freight on flour will be charged in future by measurement instead of weight resulting in increased charge of 43%. Competitor has appealed to Government alleging flour traditionally shipped by weight by reputable companies. Grateful information United Kingdom practice as though no legal redress appears available representations on equitable grounds might succeed.

OFFICER ADMINISTERING THE GOVERNMENT.

G. T. C. VP

Office
Bar ack. K 186 p.
was i.a.
8/11

Reply 196

7th November, 52.

Sir,

185. I am directed by the Officer Administering the Government to acknowledge receipt of your letter 1052/1518 of the 31st of October, 1952, regarding increased rates of freight, & to inform you that the matter is receiving attention.

I am,

Sir,

Your obedient servant,

(Sgd) J.E. Briscoe

Acting Colonial Secretary.

The Manager,
Estate Louis Williams,
STANLEY.

B.W. 15/11
B.W.

12th November,

52.

Sir,

I am directed to inform you that difficulty may be experienced in bringing the 11 Falkland Islands Dependencies Survey members to Stanley in time to catch the December "Fitzroy" now that it is learnt that you wish to advance the date of sailing from the 27th to the 24th of December, 1952.

2. The Falkland Islands Dependencies Survey Secretary will do his utmost to get the men here in time and he is himself anxious that the party should leave before the Christmas holidays. If, however, some unavoidable delay occurs, I am to request that you will be good enough to postpone the "Fitzroy's" sailing up to the 27th of December, 1952.

I am,

Sir,

Your obedient servant,

(Sgd) J. E. Briscoe

BV
12/12/52

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

Reply out 193.

192

H.M.

P.C. see 181 re your minute at 179.
(No reply to 181 has been rec^d).

J.P. 2/11

H.C.S.

Seen. Thank you.

Might I suggest that after this interval you instruct me to press the collection of the accounts of F.I.C. outstanding as they appear on the Harbour Department books.

This may cause any data they have on this point to be brought to light. And if produced later a rebate can always be made.

I would re present the account giving 20 days to pay or otherwise take further action.

John P. Blair

Acting Harbour Master
12/11/52

193.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.



Stanley,

19th November 1952.

The Honourable the Acting Colonial Secretary,
STANLEY.

Sir,

191. With reference to your 0327 of 12th inst. we have to confirm the 24th December sailing of "FITZROY" for Montevideo and United Kingdom.

The length of time for Docking and Survey is unpredictable and it is essential that the vessel returns to Stanley to collect produce and sail for Montevideo by the 24th April.

We note that every effort will be made to bring 11 members of F.I.D.S. to Stanley in time for the earlier sailing date.

I am, Sir,

Your obedient servant,

A. B. Darwin

MANAGER.

y. H. F. I.
[Signature]
20/11

194

Y.H.

30 pt see 193 re 191.

also pt see N.M's minute at 192.

I don't know why he requires my instruction to press for payment of afo - it is his duty so to do.

N.M. appears to think F.P.C. are withholding payment on the grounds that they are entitled to rebate, but he has had no communication to this effect. It appears likely that it is the late rendition of afo by Harbor Dept that is the cause of the trouble.

I however see no objection to his putting a time limit for payment except in the case of disputed afo (there are a number of these which will have to be sorted out). The Law requires a debtor to "settle his creditor" so our late rendition of afo can be no excuse for F.P.C.'s tardiness in settling.

[Signature]
20/10/1

CS (193) I will see how the Bruce gets on before pressing this further.

2) (192) as you propose.

3) Reverting to (176) - The Clark tells me the exchange rate is now about 7.50 and has been up for some time. Can you see get an accurate check.

[Signature]
20/10

H.M. / your minute at 192.

All a/c's with the exception of any which are specifically under dispute should be pressed.

J.P.B. 22/11

H.C.S.

All the D/c's in question are in dispute. See page 179 this file.

John P. Blive 25/XI/52
A.H.M.

H.M. /

Pl read my minute again - specifically under dispute means individual a/c's which have been queried eg, the one at present with me when Mr. Barton claims that Mr. Knuckle agreed to charter the 'Philomet' for £20 instead of the normal rate.

J.P.B. 26/11

H.C.S.

All those D/c's specifically under dispute in this file are those on which F.I.C. claims a rebate of 25%.

However as this interpretation of the phrase "specifically under dispute" is at variance with your later example; I will press for payment of same as set out on page 192 this file.

John P. Blive 26/XI/52
A.H.M.

See PA 28/11

DECODE.

TELEGRAM SENT.

196

From SECRETARY OF STATE to GOVERNOR.

Despatched : 25.11.52. Time : 1445 Received : 26.11.52 Time : 0845

189

No 130. Colony. Your telegram 155. Ministry of Food confirm Shipping lines to the United Kingdom and European countries charge freight on flour at a price per ton of 2240 lbs. Representation made to you regarding traditional basis such freight charges are therefore well founded.

SECRETARY OF STATE.

GTC
SS

ACS
Spoke. File (0327) with H.M.
See
Shall we proceed for this?
2/11
D. J. G. ✓

197/

Y.H./

Pl. see 196. S/S confirms Manager
E.L.W.'s statement that traditional
practice is to charge freight on flour
by weight & not measurement.

The Mail Contract appears our only weapon
albeit a feeble one - draft S.Y.C.

[Signature]
2/11

CL Revised draft at cover. We will keep the
interpretation of the Mail Contract as a final
shot.
[Signature]
2/12

S.D.C. have now decided to
carry flour by weight
Drafts: not issued

[Signature]
2/12

PA

[Faint handwritten notes]
Office
2/12

[Faint handwritten notes]
Office
Do letters you have
to typing & other

198

THE FALKLAND ISLANDS CO, LTD.



28th November

52.

The Acting Controller of Communications,
Harbour Department,
STANLEY.

Dear Sir,

We have received your letter of 27th inst.

2. We still await a reply to our letter of 24th September contesting the Harbour Department's charge of £30 for work which Mr. Huckle agreed to do for £20. We issued a cheque for £199.15.9d on the 22nd September but held it up pending a reply to the aforesaid letter.

3. It is noted that you have been instructed to press for payment of accounts some of which are nearly two years old but have only now been presented. So far from being the fault of this Company the blame for the delay rests entirely with the Harbour Department whom we have pressed time and time again to render accounts for chartered voyages, freights and passages when they become due.

4. In view of the foregoing we strongly resent the inference contained in the last paragraph of your letter and wish to know whether that was also written under instruction from the Colonial Secretary, to whom we are addressing a copy of this letter. We have no desire to evade our liabilities and consider it highly improper of you to rank this Company with those persons who do.

5. With reference to any work which we might have for the m.v. "PHILOMEL" in 1953, we shall be obliged if you will forward to us your Freight and Passenger Tariff. Please also note that accounts should be sent to this office and not to our Farm Sect Managers.

Yours faithfully,

MANAGER.

Copy to:-
Colonial Secretary.

See 200

198

G.H. attached letter from F.I.C. (appropriate file is in action).

Yes, indeed.

Despite my instructions to H.M. that the particular op disputed by them should not be pursued, he included it in the list of ops which accompanied his letter to F.I.C. I find this extremely annoying as I had visualised the form of their revolt and did not wish to afford them a loophole - alas H.M. sprung the trap.

Mr B's protestation regarding his 'lily-white' firm leave me unmoved - presumably 'you render no bill' then 'we no pay'.

Draft reply r.f.c. last sentence is unnecessary but it is how I feel.

J.S.
1/12/52

C.S.

Draft as amended to me. It will probably evoke a stream of Bartonesse and I doubt if we are really on a very good wicket.

Pre check my last para as it was written without seeing C/C's letter.

J.S.
3/12

now refer to H.M.

G.H. attached above is ~~Mr~~ C/C's letter to F.I.C.

The fact that he refers to the question of a 25 rebate (which he should not have done as I had pointed out to him that the Company had not disp the bills on that score) takes the letter out of 'General Circ. class'.

Agree entirely - contains nothing so offensive matter.

I think you will agree that this letter did not warrant Mr Barton's storming. C/C's further steps would normally be to report to One might quite easily surmise that Mr remarks about evading liabilities arise from

Last para of your draft appears to require and would suggest

As amended.

"In conclusion I am to assure you that C/C's letter was in no way intended to ~~be the result of your company~~". H.M.

J.S.
3/12

J.S.
2/12

0327

4th December, 52.

Sir,

198

I am directed to refer to your letter of the 28th of November, 1952, addressed to the Controller of Communications on the subject of outstanding bills and to note your remarks on the question of the delay in settlement. I am however to point out that the normal commercial practice is to settle accepted accounts and only to withhold those in dispute.

2. Instructions were issued from this office that all outstanding Harbour Department accounts, other than those specifically disputed, were to be pressed for payment, and it is regretted that Account No. 190/52 was inadvertently included in the Controller of Communications letter.

0664/G

A separate letter will be sent regarding this particular account.

3. With regard to your statement that the blame for the delay rests entirely with the Harbour Department, I am to observe that some of the unpaid accounts have now been in your hands for over 6 months. Again, if you desired prompt settlement, would it not have been possible to effect payment, especially for Charter voyages, before the accounts were presented?

4. It is noted that you pressed the Harbour Department time and again for prompt rendition of accounts and it would be appreciated if you could furnish references to your various letters on the subject; and, in view of the fact that some of the bills are for services rendered nearly two years ago, I am to request that you will be so good as to list those accounts up to the end of October, 1951, which you still await, or confirm that all have been received.

5. In conclusion I am to assure you that the Controller of Communications letter was in no way intended to imply that you intended to evade your liabilities.

I am,
Sir,
Your obedient
(Sgd) J.E. B.

Reply at 201.

Acting Colonel

The Manager,
Falkland Islands Company, Limited,
STANLEY.

201.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley,

9th December

1952.

The Honourable the Acting Colonial Secretary,
STANLEY.

Sir,

200 With reference to your letter No. 0327 of 4th December our reminders to Mr. Huckle regarding belated presentation of accounts were verbal and oft-repeated. We do not think that a letter would have had any more effect.

So far as we are aware all our outstanding accounts are now settled, including No. 190/52 provisionally, and we hope that the Harbour Department will not again get so far behind.

Kindly let us hear regarding section 5 of our letter dated 28th November 1952.

With reference to your No. 0327 of 25th September 1952 we are referring the question of a rebate on freight per m.v. "PHILOMEL" back to Mr. Young. You are aware that Government vessels frequently lie at our East Jetty and make use of it's facilities without charge, whereas the s.s. "FITZROY" pays out of freight earnings a considerable sum annually for their use.

I am, Sir,
Your obedient servant,

A. G. Davlin

MANAGER.

3. 11. 52. f.i. - a satisfactory ending

[Signature]

Yes - very moderate in tone.

10/12

[Signature]
11/12

*H.M. is attending to this
how deep
18!*



202

A.M.

Para 3. p. 201.

Am I correct in supposing that the
use of Govt vessels lie at East Jetty is
to load D.I.B cargo thereby saving them
the expense of transportation it to Govt Jetty?

H.C.S.

Yes. And cargo supplied
by F.I.C. to other farms & persons besides that
which is specifically their own.
John P. Blair
A.H.M. 16/XII/52

P.S. Phibonnet mine lies at East Jetty
other than to load F.I.C. supplied cargo.

Y.M. will be interested to see above
re last para 201.

J.P.B.
20/12

Seen - rather a weak
argument by H.C.S.
20/12

P.A.

PA.

31st March,

53.

Sir,

168
169.

With reference to my letter No. 0327 of the 17th of December, 1951, and your reply thereto dated the 19th of December, 1951, I am directed by the Officer Administering the Government to suggest a renewal of the Mail Contract, on the existing terms for a further period of one year with effect from the 1st of January, 1953.

I am,

Sir,

Your obedient servant,

(Sgd) J.E. Briscoe

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

Reply 210

B.W. 15/4

204

ADDRESS ALL CORRESPONDENCE TO THE MANAGER

ESTATE LOUIS WILLIAMS

SUCCESSORS TO CHAS WILLIAMS

Estbl 1863

GENERAL MERCHANTS Ref. 453/508

PORT STANLEY
FALKLAND ISLANDS.

RADIO ADDRESS
"WILLIAMS"
CODES USED:
BENTLEYS
A.B.C. 5TH ED.
A.I.



9th April, 1953

Sir,

Excessive Freight charged by F.I.Co.Ld.

I had occasion last year to take up with you the matter of excessive freight charged by the local shipping company on 'flour'.

See 185

I have now to report another somewhat similar incident, as shewn in the attached copy of my letter 453/507 addressed to the Manager of the Falkland Islands Co. Ltd.

205

These 10 tons of Anthracite cost in Montevideo £21.10. 5½ per ton (Total £ 215. 4. 5)

F.I.Co. Charged us 72/- per ton weight	
freight per "Fitzroy" from MV-to-PS	36.---..
Landing charges at 10/- per ton	5.---..

Making the cost £ 25.12.5½ p.ton, £ 256. 4. 5
on arrival at Port Stanley.

On the short haul to Fox Bay they then charged a further £ 71. 1.11

Making the cost at Fox Bay £32.14.7½ p.t. £ 327. 6. 4

I think you will agree that the figures are excessive all along, but particularly so in the matter of the final charge.

May I express the hope that the Government might see fit to take an interest in this matter.

Yours faithfully,
p.p. Estate Louis Williams.

The Hon. The Colonial Secretary
Port Stanley
Falkland Is.

BVF

Reply at 206.

ESTATE LOUIS WILLIAMS,
PORT STANLEY,
FALKLAND ISLANDS.

205

Ref/453/507

Stanley, 9th April, 1953

The Manager,
Messrs The Falkland Islands Co. Ltd.
Port Stanley.

Dear Sir,

Your Freight a/c to E.L.W. dated 17-9-52
s/s "Fitzroy" voyages U.13/15.21.14. 5

I have been examining some of the freight accounts rendered by you for the past year and regret having to take exception to the one cited above.

You have charged:-

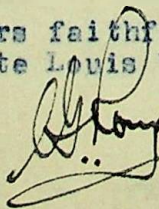
To Fox Bay (Anthracite) 750' at 75/10d p. t. 471.1.11

That anthracite consisted of 250 bags shipped from Wilsons at Montevideo, being 10 tons weight and on carrying forward from Port Stanley to Fox Bay for delivery to the S.A.S.Co.Ld. you have charged by measurement.

Anthracite coal is an article of commerce which is traditionally carried 'by weight', and I must therefore call upon you to furnish me with a credit note for the excess of £33.3.6 which you have charged to us.

We already had some trouble with you last year on the subject of 'flour' being assessed by measurement.

Yours faithfully,
p.p. Estate Louis Williams.



See 208

100 29/4
(REV 203)

14th April, 53.

Sir,

204. I have to refer to your letter No. 453/508 of the 9th April, on the subject of freight charges on coal and to ask you to be good enough to furnish me with a copy of the Falkland Islands Company's reply to your letter No. 453/507 dated 9th April, when it is received.

I am,

Sir,

Your obedient servant,

(Sgd) J. E. Briscoe

Acting Colonial Secretary.

Reply at 207

The Manager,
Estate Louis Williams,
STANLEY.

Bu 24/4
(Kiv. 203)

207

ADDRESS ALL CORRESPONDENCE
TO THE MANAGER

ESTATE OF LOUIS WILLIAMS

SUCCESSORS TO CHAS WILLIAMS
ESTD 1863

GENERAL MERCHANTS Ref/453/526

RADIO ADDRESS
"WILLIAMS"
CODES USED:
BENTLEYS
A.B.C. 5TH ED.
A.I.

PORT STANLEY
FALKLAND ISLANDS.



17th April, 1953

Sir,

re Shipping Charges (Freight) by
Messrs The Falkland Is. Co.Ld.

206
208

Many thanks for your letter 0327 of 14th inst.

I now attach the original letter received from
Messrs the Falkland Islands Co. Ltd., which you may
keep (I have got a copy).

They have, indeed, credited us with the sum of
£33.3.7 but you will see that they do not offer any
form of apology for this gross error.

Yours faithfully,
p.p. Estate Louis Williams.

The Hon.
The Colonial Secretary
Stanley
Falkland Islands.

File + PA. NAM

208

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

SHIPPING DEPARTMENT,

Stanley,

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

The Manager,

17th. April, 1953.

Messrs. Estate Louis Williams,
STANLEY.



Dear Sir,

We beg to acknowledge receipt of your letter dated 9th. April, 1953. 205

We are enclosing a 'credit note' for the sum of £33.3. 7. being the amount by which your firm has been overcharged on the freight account for 10 Tons of Anthracite from Stanley to Foxbay @ 75/10d. per ton per s.s. "FITZROY" voyages U.13/15 and which was compiled by our Stores (Shipping) Department.

Trusting you will find this in order.

Yours faithfully,

FALKLAND ISLANDS COMPANY LIMITED.

for MANAGER

R. E. Wilkinson

*K. W.
BTL one 203*

*Be (203)
on 31/4/53*

*Des.
203 - still no reply.
Extend Be. a fortnight?*

20/4 acs. send reminder

7/5

8th May,

53.

Sir,

203

I am directed to refer to my letter No 0327 of the 31st of March, 1953, and to enquire whether you are yet in a position to furnish a reply.

I am,

Sir,

Your obedient servant,

(Sgd) J. E. Briscoe

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

Bu 15/5

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

210

AGENTS FOR LLOYDS.

Stanley,

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

9th May, 1953.



Sir,

203

I have to acknowledge receipt of your letter No. 0327 dated 31st March, 1953 which I regret had not been replied to earlier.

I am agreeable to a renewal of the Mail Contract, on the existing terms for a further period of one year with effect from 1st January, 1953.

I am,

Sir,

your obedient servant,

A.G. Daulton
Manager.

The Honourable
The Colonial Secretary,
Stanley.

ACB

BU. 15/12/53

0327

File Copy

210

29th June, 53.

CONFIDENTIAL

Sir,

I am directed to refer to the telegram received by you from your Head office on the subject of the purchase of a new ship and to advise you that as the matter must first be put to the Executive Council and the Standing Finance Committee it is not possible to furnish an immediate reply. Every effort will however be made to expedite the matter.

I am,

Sir,

Your obedient servant

(Sgd) C. Campbell

COLONIAL SECRETARY

The Manager,
Falkland Islands Company, Limited,
STANLEY.

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