

FALKLAND ISLANDS.

Governor's Office.

No. *161/15*

MAI/GEN/1#2



From

SUBJECT.

Secretary of State for the Colonies.

INTER INSULAR MAIL SERVICE IN THE FALKLAND ISLANDS:

On the subject of the proposed new Contract for

No.

Date

62.

12th May, 1915.

Colonial Secretary's Record No.

MINUTES.

Registered Number of last Despatch.

No. next Despatch.

117/15



FALKLAND ISLANDS

DOWNING STREET,

NO: 62

12^{IR} May, 1915.

Sir,

With reference to Mr. Allardyce's despatch No. 13 of the 20th January and connected correspondence C.O. to C.A. 3 Dec. '14 on the subject of the proposed new contract for the C.A. to C.O. 27 Feb. 15 interinsular mail service in the Falkland Islands, I C.A. to C.O. 3rd Mch. have the honour to transmit to you, for Mr. Young's consideration, the accompanying copies of correspondence C.O. to C.A. 1 April from which it will be seen that it has not been found C.A. to C.C. 12 April practicable to arrive at any satisfactory understanding C.O. to Mr. Allardyce 6th May. with Messrs. Lowden and Company as to the terms on which they would be prepared to undertake this service. C.A. to C.O. 3rd May 2. I should be glad if Mr. Young would furnish me with his observations when he has had time to form an opinion on the matter. He will no doubt give due Mr. Allardyce to C.O. 8th May. consideration to Mr. Allardyce's suggestion that C.O. to C.A. 12 May advantage should be taken of the provisions of C.O. to Mr. Allardyce 12th May 1915. Ordinance 10 of 1898 to enforce the carriage of mails by the local steamer.

I have the honour to be,

Sir,

Your most obedient,

humble Servant,

L. Harcourt.

THE OFFICER ADMINISTERING
THE GOVERNMENT OF THE
FALKLAND ISLANDS.

294
Copy.

43953/14.

Falkland Islands 162/15
ENCLOSURE TO DESPATCH
No. 62 OF 12/5/15



Downing Street,

3rd December, 1914.

Gentlemen,

With reference to your letter Sec. Falklands 16 of the 26th September regarding the proposed contract for an inter-insular mail service in the Falkland Islands, I am directed by Mr. Secretary Harcourt to state that the letter from Messrs. Lowden & Company and their suggestions for the amendment of the terms of contract have been forwarded to the Governor of the Colony for his observations, with a copy of your letter.

2. In the meantime a despatch has been received from Mr. Allardyce proposing the insertion of further provisions in the draft contract with a view to limiting the victualling charges payable by passengers using the service, so as to ensure that they may not be unduly affected by possible variation in the itinerary. It would be convenient, if, pending the receipt of the Governor's reply some understanding could be arrived at, with regard to this minor point, so as to reduce as far as practicable the delay in reaching a complete settlement.

3. I am accordingly to request you to address Messrs. Lowden & Company in the sense of the two foregoing paragraphs and to propose, for their consideration that the contract should contain a
provision

THE CROWN AGENTS

FOR THE COLONIES.

provision to the effect that the rates chargeable for passengers' victualling should in no case exceed one third of the passage money for the journey, notwithstanding any variation which may occur in the itinerary of the vessel. If Messrs. Lowden & Company are prepared to accept the principle on which this proposal is based, the precise terms in which it should be embodied can be considered later.

4. With regard to the point raised in paragraph 4 of your letter under reference the use of the term "penalty" in clause 20 of the draft would seem to be deliberate since it occurred in the Agreement with Messrs. Salvesen and it is used again at the end of the Clause. It would, however, appear preferable to word the Clause as you suggest and if this is done "liquidated damages" should be substituted for "penalty" at the end of the Clause.

I am, &c.,

(Sd.) H. J. READ,

for the Under Secretary of State.

COPY

Sec. Falklands 16.

CROWN AGENTS FOR THE COLONIES.

WHITEHALL GARDENS,

London, S.W.

27th February, 1915.

Sir,

With reference to your letter No. 43953/14 of the 25th instant, I have the honour to report that, on receipt of your letter of the 3rd of December, we wrote to Messrs. Lowden & Co., as directed, with regard to the proposed contract for an inter-insular mail service in the Falkland Islands, but have not yet received their reply. We have now reminded them of the matter, and as soon as we hear from them we will report further to you.

I have, etc.,

(Sgd.) H. MARTIN.

for Crown Agents.

The Under Secretary of State

&c., &c., &c.

Colonial Office.

COPY

Sec. Falklands 16.

CROWN AGENTS FOR THE COLONIES.

WHITEHALL GARDENS,

London, S.W.

3rd March, 1915.

Sir,

In continuation of our letter of the 27th February, relative to the proposed contract for an inter-insular mail service in the Falkland Islands, I have the honour to transmit a copy of a letter which we have now received from Messrs. Lowden and Co., with regard to the suggestion contained in the 3rd paragraph of your letter No. 43953/14 of the 3rd December as to victualling charges.

1st March

I have, etc.,

(Sgd.) P. EZECHIEL.

for Crown Agents.

The Under Secretary of State

&c., &c., &c.

Colonial Office

Messrs. Lowden & Co. to Crown Agents.

Sec/Falklands 16.

17 Water Street,

Liverpool,

1st March, 1915.

Gentlemen,

We beg to acknowledge the receipt of your letter dated 27th February referring to your previous favour dated 4th December last.

We regret we cannot agree to the suggestion contained in your first letter, as such an arrangement would be quite unremunerative.

We have strictly followed the rates charged in the "COLUMBUS" and for the same money have provided very much better accommodation.

We should be disposed to give passengers the option of contracting for their victualling on the basis of say £1.10.0 for a £2 passage, or £2. for a £3 passage. Such a proposition has been we believe in accord with the charge of British Companies like the Clyde Shipping Co. and Carron Co. and bearing in mind the different circumstances, we consider such an option would be very favourable to the people of the Falkland Islands.

We sent a representative out to the Islands to report on the local conditions. He is due per s.s. "CRISSA" on Saturday, and if his report modifies what we have written herein, we shall again communicate with you.

It is a question whether under the different
conditions

conditions now ruling the remuneration under the
proposed contract should not be increased all round.

We are etc.,

(Sd.) W. Lowden & Co.

Copy.

14476/15.

Downing Street,

1st April, 1915.

Gentlemen,

No. 13: 20th
January 1915.

To Gov. Tel:
25th Mch. 1915.

Gov. Tel:
26th Mch. '15.

With reference to your letter of the 3rd March (Sec. Falklands 16), I am directed by Mr. Secretary Harcourt to transmit to you a copy of a despatch from the Governor of the Falkland Islands relative to the proposed contract for an inter-insular mail service in the Colony; and to request you to ascertain from Messrs. Lowden and Company whether they agree to the amendments provisionally arranged between the Governor and Mr. Richards as set out in the first enclosure in Mr. Allardyce's despatch.

2. I am also to enclose a copy of telegraphic correspondence with the Governor on the subject of the victualling charges. Messrs. Lowden and Company should be informed that the Government cannot agree to the proposed flat rates which appear to be excessive; and you should at the same time, submit to them the alternative recommended by the Governor in his telegram of the 26th March.

I am, &c.,

(Sd.) H. J. READ,

for the Under Secretary of State.

THE CROWN AGENTS

FOR THE COLONIES.

WHITTMALL GARDENS

LONDON, S.W.

Sec Falks. 16

12th April, 1915.

Sir,

I have the honour to acknowledge the receipt of your letter No. 14476/1915 of the 1st April, relative to the proposed contract for an inter-insular mail service in the Falkland Islands, and to transmit to you the accompanying copy of correspondence which we have since had with Messrs Lowden and Company on the subject.

I have, etc.,

(SD) P. EZZICHINI ✓

FOR CROWN AGENTS

6.4.1915
encl.
12.4.1915

THE UNDER SECRETARY OF STATE

COLONIAL OFFICE.

MESSRS W.LONDEN & COMPANY TO CROWN AGENTS

FALKLAND ISLANDS

TRANSPORT COMPANY, LTD.,

Seaton Buildings,

17 Water Street

Liverpool,

6th April, 1915.

Sec/Talks.16

Gentlemen,

Falkland Islands Mail Contract.

We beg to refer to our dated the 1st March,
and now enclose copy of letter which we have addressed
to His Excellency the Governor.

The letter will go forward by mail
leaving here on Friday next per "KENUTA".

Yours, etc.,

(SD) W.LONDEN & CO.,

er R.M.S. "KENNUTA"

6th April, 1915.

His Excellency the Governor,

Stanley, Falkland Islands.

Sir,

MAIL CONTRACT

We beg to acknowledge the receipt of your letter dated the 18th January handed to our representative Mr. John Richards, who has now returned and amplified our information in regard to the inter-insular trade.

We regret you have not seen your way to adopt the amended pro forma contract submitted to the Crown Agents in our letter of the 21st September last. The requirements detailed in your favour now under acknowledgment are, we fear, too onerous for us to undertake, particularly in view of the enormous increase in working expenses owing to the war.

We are however still prepared to carry out the mail service on the basis of remuneration we previously tendered at, and on the terms of contract submitted for your Excellency's consideration, but subject now to the following alterations:-

Clause 2, Sea Lion Islands We would undertake to call twice a year at these Islands for the sum of £100 per annum. Should the steamer be kept waiting longer than 24 hours from time of arrival owing to weather conditions or to the time required by the officials, demurrage to be paid at the rate of £1 per hour.

Clause 5

Clause 5 We agree to this clause being taken out

Clause 7 We also agree to delete our additions regarding Fox Bay, subject to the approval of our Stanley Agents

Clause 19 The charge for calling at Brenton Lock should in our opinion be £10.

Clause 20 We should require the words "but same not to exceed £100 in all" after "for every day during which breach or failure may continue"

Extra Clause We should like to have the following clause inserted after Clause 3:- "Contractors to have the option of taking the vessel out of the service once every two years for a period not exceeding five months for the purpose of sending her to Europe or elsewhere for alterations and overhaul repairs. Such time to count in the period of five years, but no payment to be made for the time out of the service counting from date of sailing from Stanley for Europe until arrival back again in Stanley".

It is obvious that the facilities in Stanley are inadequate for dry-docking and periodical overhaul. We think it would be in the interest not only of the steamer, but of the community, if we occasionally brought the steamer home. We could then see she was kept in first class condition, and also make any improvements which experience taught us to be advisable.

Victualling We have considered this matter, and in
view

view of the interests of the public are prepared to modify the charges for meals to 6/- per day.

We regret it is impossible for us to agree the option of an arrangement whereby the cost of victualling shall not exceed one-third of the passage money. We are however in view of the expression of your opinion, prepared to allow passengers the option of contracting for the trip on the basis of one-half of the single fare passage money.

We assume if you see your way to agree to the terms modified as now suggested, that the contract will be signed to be retrospective, and to cover the service from the expiration of the previous contract.

We respectfully beg to draw the attention of your Excellency to the fact that since negotiations for the contract commenced, the whole conditions of transportation have changed, and that were we to recommence negotiations for the mail contract now, we should under no consideration entertain the terms we now offer upon. We however commenced negotiations upon a certain basis, and do not wish to change our ground though circumstances have changed during the course of the negotiations.

We respectfully suggest however that the matter be decided as soon as possible.

We are sending a copy of this letter to our Agents in Stanley so that they will be able to deal with the matter, and also to the Crown Agents.

We are, etc,

COPY.

Sec
Falklands 16.

12th April, 1915.

Gentlemen,

I have to acknowledge the receipt of your letter of the 6th instant, enclosing a copy of one which you have addressed to the Governor of the Falkland Islands relative to the proposed contract for an inter-insular mail service in the Colony.

2. Just before the receipt of your letter we received instructions from the Secretary of State for the Colonies to ascertain whether you agreed to the amendments in the proposed contract provisionally arranged between the Governor and Mr Richards as set out in the enclosed memorandum.

3. We were also requested to inform you that the Governor cannot agree to the proposed flat rates for victualling which appear to be excessive, and that the following alternative charges are suggested, viz. - 1/6d. each meal for saloon passengers, and 1/- each meal for steerage passengers.

4. It is expected that Mr Allardyce will be in this country very shortly, and the matter will no doubt be referred to him. Meanwhile it may save time if you will furnish us with any observations which you may have to make on the enclosed memorandum and as to the charges for victualling now suggested.

I am, etc.,

(Signed) M.S. DARROCH,

for Crown Agents.

COPY

15978/1915.

Downing Street.

6th May, 1915.

Sir,

I am directed by Mr Secretary Harcourt to transmit to you the accompanying copies of correspondence on the subject of the proposed new contract for an Inter-insular mail service in the Falkland Islands, and to request you to be so good as to furnish him with your observations upon it, and to state whether you consider that you could usefully discuss the proposed contract with representatives of Messrs. Lowden and Company. If so, the Crown Agents for the Colonies will be asked to arrange a meeting at their office, if you will kindly indicate what day or days would be convenient to you.

I am, etc.,

(Signed) H.J. READ,

for the Under Secretary of State.

Gov. No. 91
6th July, 1914

Gov. No. 122
23rd Sept. 1914

C.A. 26th Sept. 1914

C.A. 3rd Mch. 1915

Gov. No. 13.
20th Jan. 1915

Gov. Tel.
26th March 1915

C.A. 12th April

W. L. ALLARDYCE, ESQ., C.M.G.,

Copy.

Sec.
Falks. 16

WHITEHALL GARDENS,
LONDON, S.W.

3rd May, 1915.

Sir,

In continuation of our letter of the 12th April I have the honour to transmit a copy of a further letter from Messrs. Lowden & Co. with regard to the proposed contract for an inter-insular mail service in the Falkland Islands.

30.4.15.

2. We await the Secretary of State's further instructions in the matter.

I have, &c.,

(Sd.) P. EZECHIEL,

for Crown Agents.

The Under Secretary of State,

&c., &c., &c.,

Colonial Office.

W. Lowden & Co.,
Managers.

Falkland Islands Transport Co.Ltd., to Crown Agents.

Sec/Falklands 16.

Seaton Buildings,
17, Water Street,
Liverpool,
30th April, 1915.

Gentlemen,

We beg to refer to your favour dated the 12th instant.

In view of the increased cost of working the steamer through the changed conditions since we commenced negotiations with His Excellency Governor Allardyce, it will be difficult for us ^{now} to trade without loss.

We have gone through Mr. Roper's notes in detail and reply fully herewith. Some of these points are already covered in our letter of the 6th instant addressed to you, as also others not touched upon in the notes enclosed in your letter.

Clause 2. We confirm.

Clause 3. It is impossible for us - in the event of the "Falkland" being lost - to obtain the refusal of a steamer for such length of time as would allow plans to be sent to Stanley and approval of them sent home. The general particulars might be cabled for approval, and we could agree to the contract being altered to cover this, but not for the approval of full details.

Clause 5. We are agreeable to this clause being
deleted

deleted.

Clause 6. It is agreed the work will be done should steamer come home during the currency of the contract.

Clauses 7, 11 & 14. We are agreeable to making the alterations required by His Excellency.

Clause 15. We regret we cannot agree to. The loss cancels our cargo contracts, and clearly it would be impossible to carry the mails without the cargo being certain.

Clause 17. We cannot agree to this, and regret to see His Excellency has thought it necessary to put in the last sentence as a reason for the insertion of the clause. The remark is so true as to make the clause unnecessary to any English ship. Our duty in the event of such a choice or of public necessity is clear.

We prefer to drop the contract rather than agree to Clause 18. If this is the case there is no harm in leaving clause as altered by us.

Clause 19. Our desire was to meet the views of the late Governor by slightly modifying the charges as laid down in the draft agreement as amended by us, but in view of the changed circumstances referred to in the opening sentence of this letter, we find it impossible to modify this clause.

2. We agree to these ports being included, but only subject to the Government paying the extra previously paid by the farmers. Extra for Brenton Loch to be £10.

3. We have since made a further proposal of £100 per annum for two trips to Sea Lion Island with demurrage

at

at £1 per hour for all time over 24 hours per trip.

CHARGES FOR VICTUALLING. 1/6 per meal for saloon does not appear to us to be adequate. We consider a flat rate of 6/- per day for saloon and 4/- for steerage would be quite moderate, leaving the scale for separate meals as at present, i.e.

	<u>Breakfast.</u>	<u>Dinner.</u>	<u>Tea.</u>	<u>Supper.</u>
Cabin	2/-	3/-	1/-	2/-
Steerage	1/6	2/-	6d.	1/6

The matter has now been so long outstanding that we should like it dealt with at your early convenience.

Yours etc.

(Sd.) W. Lowden.

COPY

British Empire Club,
12 St. James' Square,
8 May, 1915.

Sir,

I have the honour to acknowledge your letter of the 6th instant with enclosures relative to the proposed new contract for an interinsular mail service in the Falkland Islands.

2. I am a little doubtful whether, judging from the general tone of the letters from Messrs, Lowden & Co. and the attitude of their representative while in the Falklands, I could usefully discuss the proposed contract with that firm, but should you so desire I should be quite willing to attend the suggested meeting at the office of the Crown Agents either on Thursday or Friday morning next.

3. At the present juncture it seems to me doubtful whether the Colony is in a position to afford the large additional subsidy asked for which is more than double that paid to Messrs. Salvesen & Co. (£600) for practically the same work, excluding the proposed two annual calls at the Sea Lion Islands. (The trade justified a somewhat larger steamer, hence the S.S. "Falkland").

4. The details of the proposed subsidy to Messrs Lowden are as follows:-

13 trips Fox Bay - Stanley @ £80	£1040
do Port Howard, San Carlos, Darwin @ £5 each	195.
Additional for calls at Brenton Loch when Darwin omitted, say	25.
Sea Lion Island (2 calls)	100.
	<hr/>
	£1350.

5. Apart from the subsidy the contractors are granted, as you are aware, a free port including free tonnage and wharfage dues.

6. In the ordinary course of her itinerary for cargo the local steamer proceeds to the West Falkland at least once a month, and is obliged under the local law, if I recollect aright, to carry, mails I see no reason, should the present negotiations fail, why advantage should not be taken of this clause to enforce the carriage of all postal matter (for a pecuniary consideration) or, if inadequate, why additional legislation should not be passed, to meet the peculiar circumstances of the Colony.

7. It is highly desirable that what appears, from the correspondence on the subject, to be the unreasonable demands of the only local steamship company should be thwarted. The Colony already suffers sufficiently from a monopolist company, and that company has already got a large interest in Lowden & Co.,

I am, etc.,

(Sgd.) W.L. ALLARDYCE.

The Under Secretary of State
for the Colonies,
Downing Street.

P.S. Draft Indenture returned as requested.

(Sgd.) W.L.A.

21502/1915

Downing Street.

12th May, 1915.

Gentlemen,

With reference to your letter ^{of the 10th} ~~Falklands 16~~ of the 3rd May regarding the proposed contract for the inter-insular mail service in the Falkland Islands, I am directed by Mr Secretary Hercourt to request you to inform Messrs. Lowden and Company that he does not anticipate that the terms which they offer will be acceptable to the Colonial Government and that in any case he proposes to consult the new Governor, who has already left this country for the Colony before proceeding with the matter.

I am,

Gentlemen,

Your most obedient servant,

(Signed) H. J. READ,
for the Under Secretary of State

CROWN AGENTS

FOR THE COLONIES.

ment

21503/1915

Downing Street,

12th May, 1915.

Sir,

I am directed by Mr. Secretary Harcourt to acknowledge the receipt of your letter of the 8th May regarding the proposed new contract for the inter-insular mail service in the Falkland Islands and to convey to you his thanks for your advice on the subject.

2. After considering your letter Mr. Harcourt has decided to refer the correspondence to the new Governor for his views before proceeding further in the matter, and in these circumstances the suggested meeting with representatives of Messrs Lowden and Company will not be held.

3. As you supposed, the Falkland Islands Ordinance No. 10 of 1913 empowers the Colonial Government to require the local steamer to carry mails.

I am,

Sir,

Your obedient Servant,
(Signed) H. J. READ,

As the Under Secretary of State

FALKLAND ISLANDS.

Government House, Stanley.

No. 85

14th August, 1915.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 62 of the 12th May, 1915, on the subject of the proposed new Contract for the Inter-Insular Mail service in the Falkland Islands.

2. What appears to me to be desired is to maintain Inter-Insular communication, for the carriage of mails, passengers and trade, of the Falkland Islands, for the general good of the Colony. I have consequently drafted a somewhat modified form of Agreement, of which I enclose a copy for your consideration, with the hope that it will meet with your approval.

3. The Agreement as now drafted is concurred in by the local agent of the Falkland Islands Transport Company Limited he informs me that he will advise Messrs W. Lowden & Company to accept it.

4. The draft Agreement provides for,

An Inter-Insular steamer service for a period of five years from 1st January, 1915.
Specified Ports of call.
Carriage free of all mail matter.
Passenger fares.
Rates for feeding on board.
Subsidy.
etc., etc., etc.,

5. In

THE RIGHT HONOURABLE

THE SECRETARY OF STATE FOR THE COLONIES.

5. In the previously drafted Agreement San Carlos, Brenton Loch or Darwin, and Port Howard, were mentioned as stopping places, the intention being that it should be left optional to the Proprietors of the Stations at those places, to make their own arrangements with the Company to call there. This option is given in clause 7 of the draft Agreement enclosed.

6. The Company decline to undertake the service for the previously suggested sum of £7200 a year. They ask for £80 a trip - £1040 a year. I propose that they should be given a subsidy at the rate of £960 a year, and I trust this will meet with your approval.

7. The previous contract with Messrs Salvesen and Company was for £600 a year, but they at the same time enjoyed whaling concessions representing £300 a year, making up the equivalent of £900 a year. The proposed subsidy of £960 for the improved accommodation offered does not appear to me to be beyond a reasonable figure.

8. I am unable to see the force of the suggestion that advantage should be taken of the provisions of Ordinance 10 of 1898, to enforce the carriage of Mails by the local steamer.

9. Before the provisions of the Ordinance can be enforced in this respect, there must be a local steamer carrying on the service. In our case the question is, not the refusal by the steamer to carry a mail, but a discontinuance of the Inter-Insular service if an adequate subsidy be not paid towards the running of a local steamer. I am inclined to think therefore that my view of the

payment

payment of a subsidy to maintain an Inter-Insular steamer service is nearer the mark, than to consider the question as one alone of payment to the Company for the carriage of Mails.

10. If you approve of the amended draft Agreement, and it is accepted by the Falkland Islands Transport Company Limited, may I ask that the Necessary instructions be given to the Crown Agents for the Colonies to execute the Agreement on behalf of this Government.

11. I endeavoured to include freight rates in my redrafted Agreement, but there is no mention of these in the original draft Agreement, and the local agent of the Company informs me that the Company would not agree to any such rates being fixed, as through rates to Liverpool are frequently quoted and accepted and it is not possible to fix rates. In the circumstances I saw no alternative but to leave out any reference to freight rates.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

Governor.

Agreement made this day of 1915, between
the undersigned

one of the Crown Agents for the Colonies (hereinafter referred
to as the Crown Agents) acting for and on behalf of the
Government of the Colony of the Falkland Islands and its
Dependencies (hereinafter referred to as the Government) of
the one part, and the Falkland Islands Transport Company
Limited, of Liverpool (hereinafter referred to as the
Contractors) of the other part.

WHEREAS the Government of the Colony of the Falkland
Islands and its Dependencies is desirous of providing for
Inter-Insular communication and service for the carriage
of mails, passengers, and trade of and between the Falkland
Islands and near adjacent Islands thereto,

AND, WHEREAS the Falkland Islands Transport Company,
Limited, of Liverpool have offered to enter into a contract
for the same,

NOW these presents witness and it is hereby agreed and
declared by and between the parties hereto as follows,-that
is to say

1. In

1. In this agreement the following expressions shall have the following meanings,

"The Colony" means the Colony of the Falkland Islands and its Dependencies.

"The Governor" means the Officer for the time being administering the Government of the Colony of the Falkland Islands and its Dependencies.

"The Postmaster" means the Postmaster of the Colony and includes any his deputies or representatives.

"The Contractors" means the Falkland Islands Transport Company Limited, of Liverpool.

"Steamer" means the steamship "Falkland" now employed by the Contractors within the waters of the Colony, and shall include any steamer substituted and accepted by the Governor for the same.

"Mails" means all postal matter, parcel post and all articles and things which under regulations of the Post Office are transmissible by post.

2. Subject to the provisions of this Contract the Contractors shall, during a period of five years dating from the 1st January, 1915 (determinable nevertheless as hereinafter provided) and they do hereby undertake for the said period of five years to carry on and properly maintain to the satisfaction of the Governor, an Inter-Insular steamship service as herein stipulated and agreed upon.

3. The

3. The said service shall be performed by the steamer "Falkland" or (at the option of the Contractors) such other steamer of not less tonnage, and with like space and accommodation, properly found in all respects, and manned with an efficient crew, Master and Mate, as may be approved by the Governor.

4. The steamer shall leave Port Stanley not less than once in every four weeks, and within seventy two hours after the scheduled date of arrival of the Royal Mail Steamer from England, the exact date and hour of leaving to be notified to the Postmaster Stanley twenty-four hours beforehand, and shall call at Fox Bay. The steamer shall remain at Fox Bay at least three hours of daylight, or, at the discretion of the Master, after landing the mails, proceed on her voyage and return to Fox Bay within a period of five days on her return journey to Port Stanley.

Once in every three months, at such times as may be agreed upon the Governor and the Contractors, the steamer shall include calls and reasonable stoppages at the following ports of call, viz.

New Island
Port Stephens
Hill Cove, and
West Point Island.

5. In the event of any exceptional or special case of emergency arising the Governor may by order in writing to the Master detain the steamer for a period not exceeding twenty-four hours beyond the time appointed for her departure
Port
from Stanley.

6. Whenever

6. Whenever required by the Governor during the Continuance of this Contract the steamer shall call at the Sea Lion Islands, and shall convey therto and land any person authorized by the Governor, the Lighthouse Inspector and Keeper and any of his staff, their wives and families, and all stores and mails, and shall convey to Port Stanley any and all such persons at the completion of their inspection or otherwise, and any return stores and mails, as may be required by the Governor, in full payment for which the Contractors shall receive the sum of £50 for each such completed call at the Sea Lion Islands.

7. The steamer shall also call at such other place or places in the Colony as may from time to time be arranged, the Contractors being at liberty to make their own arrangements in this respect.

8. The Contractors shall at all and any time receive and convey by the steamer at their own expense all mails which may, at any time, and from time to time, during the continuance of this Contract be required by the Postmaster to be conveyed by the steamer between any and every of the ports of call, and any and every place of call and shall deliver the same into the safe custody of the Postmaster or otherwise as may be directed and required.

9. The Contractors shall subject to the satisfaction of the Postmaster, Stanley, provide a convenient secure and proper place or places for the safe custody of all mails delivered to them by the Postmaster for conveyance and delivery to the Post Offices, or otherwise, at the several ports of call, and places called at.

10. The Contractors shall provide a suitable boat manned
and

and fully equipped for the embarkation and disembarkation of all mails, and shall defray all charges for the taking on board and landing of the mails at the respective ports of call and places called at.

11. All mails carried under this Contract shall be carried from Post Office to Post Office, or otherwise, as they shall be addressed and the Contractors shall deliver all such mails into the hands of the Postmaster or other authorized person, and shall in like manner receive all mails so tendered for conveyance by the steamer.

12. All mails delivered to the Contractors by the Postmaster, or authorized person, and all mails conveyed and delivered by the Contractors to the Postmaster, or authorized person, shall be duly receipted for by the person receiving the same.

13. The Contractors shall be responsible for the loss or damage of all mails whilst under their charge (unless such loss or damage be caused or occasioned by act of God, the King's enemies, fire, collision, or perils or accidents of the seas) and in the event of any such loss or damage (except as aforesaid) the Contractors shall be liable to pay to the Postmaster at Stanley, in respect of each parcel or registered postal packet so lost or damaged (subject to the proviso hereinafter contained) such sum of money as shall be equal to the amount which may have been awarded and paid by the Postmaster at his sole option and discretion (and although not under legal obligation) to the sender or addressee of such parcel or registered postal packet, as compensation for the loss or damage thereof, provided that such sum shall not in any case exceed one pound (£1) per parcel, or two Pounds (£2)

per

per registered postal packet.

14. The Contractors shall not receive or permit to be received on board the steamer any letters for conveyance other than as His Majesty's Mails, and any letters delivered on board for conveyance by the steamer shall be received by the Master of the steamer, who shall include the same with the mails to be delivered to the Postfactor or other authorized person.

15. The Contractors shall have no lien whatsoever upon the mails for or in respect of a general average contribution.

16. The Contractors shall provide suitable accommodations to be subject to the approval of the Governor, for carrying first and second class passengers with reasonable comfort. The rates of passage money to be charged shall not exceed the rates set forth in the Schedule "A" hereto annexed. Every passenger and his baggage shall be conveyed to the steamer and taken on board, and conveyed to the shore and landed at his port of call or place of destination, at the cost of the Contractors. Every passenger shall be allowed to carry with him personal luggage not exceeding, in the case of a first class passenger twenty cubic feet, and in the case of a second class passenger ten cubic feet.

17. The Contractors shall provide passengers with meals on board the steamer at the rates not exceeding those set for in Schedule "B" hereto annexed.

18. In case of accident to the steamer whilst employed under this Contract rendering her unfit to carry on the service hereby

hereby agreed to be performed, the Contractors shall with all due despatch notify the Governor accordingly, and the service shall be resumed with all due speed immediately the repairs to the steamer are completed and she is again available. During any period of discontinuance of the service herein contracted for, no portion of the subsidy to be paid under under this Contract shall accrue or be paid to the Contractor and no payment whatsoever shall be made by the Government of the Colony.

19. In case of the steamer becoming a total loss or a constructive total loss the Contractors shall within two months thereafter have the option of cancelling this agreement or alternately supplying a steamer to fulfil this Contract. If the latter alternative is declared, reasonable time, as may be fixed by the Governor shall be allowed to enable a steamer to be procured by the Contractors to resume the service. Failing either alternative the Contract of service under this agreement becomes void and annulled.

20. The steamer employed under this Contract shall be classed 100 A 1 Lloyd's. If such class is allowed to lapse her machinery, boats, tackle, and apparel shall on any day from time to time be inspected by any competent person or persons appointed by the Governor and, if found deficient or defective the Contractors shall at their option either forthwith put such steamer into good order and repair at their own expense, or substitute another steamer to be duly approved by the Governor.

21. The Contractors shall have the option of taking the steamer out of the service once in every two years for a period not exceeding five months for the purpose of sending

her

her to Europe or elsewhere for alterations and necessary overhaul repairs. Such time to count in the period of five years, but, no payment of subsidy shall be made from time the ~~time~~ steamer is withdrawn from the service, such latter time to count from the date of the Steamer's last completed service to Port Stanley under this Contract to the date on which the resumed service by the steamer is begun from Port Stanley. Not less than three months notice of such intended withdrawal of the steamer from the service shall be given to the Governor

22. In consideration of the due and faithful performance by the Contractors of all services herein stipulated the Government shall pay to the Contractors, so long as they perform the said services in the manner set forth and on the conditions herein specified an annual subsidy at the rate of nine hundred and sixty pounds (£960) for a period of five years from the 1st day of January, 1915, by equal monthly payments to be made at the Colonial Treasury, Stanley.

23. The Government further agree that no charge shall be made for the use by the steamer employed under this Contract of any Government wharf or landing for the purpose of embarking or landing mails, passengers or cargo.

24. In the event (force majeure excepted) of any breach of this Contract by the Contractors or failure on their part fully to carry out the terms stipulated and provisions thereof they shall be liable by way of liquidated damages and not as a penalty for every such breach of failure to pay the Government such a sum not exceeding five pounds (£5) as the Governor shall determine and if such breach or failure shall continue

to a further payment of a sum of five pounds (£5) for every day during which such breach or failure may continue provided that such payments shall not at any time exceed ^{one} two hundred pounds (£200) in all; and should there be a repetition of such breaches or failures or any breach or failure on the part of the Contractors of such serious nature as in the opinion of the Governor to render such a course desirable the Governor may by giving the Contractors notice in writing forthwith determine this Contract but without prejudice to the rights or remedies of the Government in respect of any antecedent breach of this Contract by the Contractors, and nothing herein contained shall prevent the Government in the event of such breach or failure from making such other arrangements as to them shall seem fit for the despatch and carriage of the said mails, passengers and cargo by some other vessel or vessels and from bringing an action for damages against the Contractors instead of recovering liquidated damages under this article.

25. The Contractors shall forthwith enter into a bond with two securities to be approved by the Governor or the Crown Agents in the sum of £200 for the due performance of this Contract.

26. The Contractors shall not assign, sublet, cede or dispose of this Contract or benefit thereof without the previous consent certified in writing of the Governor, anything to the contrary the Governor shall be at liberty to forthwith determine this Contract without payment of any compensation in respect of any such determination.

27. Eithe

27. Either of the parties to this Agreement may at any time terminate this Contract by giving to the other party hereto twelve Calendar months notice in writing to that effect and shall not be bound to assign any reason therefor and upon expiration of such period from the date of the notice this Agreement shall become determined, subject nevertheless to the provisions of the next succeeding Clause hereof and without prejudice to the rights and remedies of either party in respect of any antecedent breach of any of the terms of this Contract.

28. If the said period of five years shall expire or be otherwise determined while any of the mails for the receipt safe custody and delivery whereof the Contractors are under this Contract responsible shall be in the custody of the Contractors or any person in the employ of the Contractors, shall after the expiration or determination of the said period of five years remain liable for the safe custody and due delivery of the said mails until the same shall be duly delivered without any charge to the Postmaster to whom such mails would have been deliverable if this Contract had not been determined.

29. Any question arising under this Contract shall be submitted to the Governor for his decision. If the decision of the Governor shall not be acceptable to the Contractors, an appeal to His Majesty's Principal Secretary of State for the Colonies shall lie, and his decision shall be accepted as final.

30. Nothing

30. Nothing in this Agreement shall be deemed to or shall impose any personal liability on the Governor or the Crown Agents or any of them or on any member or Officer of the Government.

Witness our Hands the Day and Year above written.

Signed by the said.....

in the presence of.....

Signed by the said.....

(One of the Crown Agents for the Colonies, as aforesaid)

in the presence of.....

SCHEDULE "A"

To Agreement with The Falkland Islands Transport Company Limited.

Clause No. 16.

	Stanley	Fox Bay	Port Stephens	New Island	West Point Island	Hill Cove
Stanley 1st Class	---	£2.0.0.	£2.10.0.	£3.0.0.	£2.10.0.	£2,10.0
Stanley 2nd "	---	£1.10.0.	£2. 0.0.	£2.0.0.	£2. 0.0.	£2. 0.0
Fox Bay 1st Class	£2. 0.0	---	£1. 0.0	£1.10.0	£2. 0.0	£2. 0.0
Fox Bay 2nd "	£1.10.0	---	£2.10.0	£1. 0.0	£1.10.0	£1.10.0
Port Stephens 1st Class	£2.10.0	£1. 0.0	---	£1.0. 0	£2. 0.0	£2. 0.0
Port Stephens 2nd "	£2. 0.0	£0.10.0	---	£0.10.0	£1.10.0	£1.10.0
New Island 1st Class	£3. 0.0	£1.10.0	£1. 0.0	---	£0.10.0	£1. 0.0
New Island 2nd "	£2. 0.0	£1. 0.0	£0.10.0	---	£0.10.0	£0.10.0
West Point Island 1st Class	£2,10.0	£2. 0.0	£2. 0.0	£0.10.0	---	£0.10.0
West Point Island 2nd "	£2. 0.0	£1.10.0	£1.10.0	£0.10.0	---	£0.10.0
Hill Cove 1st Class	£2.10.0	£2. 0.0	£2. 0.0	£1. 0.0	£0.10.0.	---
Hill Cove 2nd "	£2. 0.0	£1.10.0	£1.10.0	£0.10.0	£0.10.0	---

Intermediate places of call as rates corresponding.

	1st Class.	2nd Class.
Under 30 miles	£0.10.0	£0.10.0
40 miles & under 65	£1. 0.0	
65 " " " 90	£1.10.0	£1. 0.0
90 " " " 120	£2. 0.0	£1.10.0
120 " " " 150	£2.10.0	£2. 0.0
150 " " " over.	£3. 0.0	

SCHEDULE "B"

To Agreement with the Falkland Islands Transport Company Limited.

Clause No. 17.

Scale of charges on board Contract Steamer

For	Breakfast	Dinner	Tea	Supper
1st Class	2/-	3/-	1/-	2/-
2nd "	1/6	2/-	6d	1/6

or per diem

1st Class	6/-	For breakfast, dinner,
2nd "	4/6	tea and supper.
