

C.S.

Postal & Telegraphic
Electric Lighting
No. 367/29

1929.

650.

SUBJECT.

192 9.

(acknowledged)
23/7/29

Previous Paper.

Proposed formation of a Company
to undertake the electric lighting
of Stanley.

MINUTES.

- 1-2 Draft proposals submitted by F.S. Co. (undated)
- 3 Minute from H.E. The Governor 10/7/29
- 4-5 Report from Hon. G. Roberts 11/7/29
- 6 Minute from H.E. The Governor 9/7/29
- 7-8 Comments by Hon. Ag. Sec. Secretary 11/7/29
- 9 Minute from H.E. The Governor 20/7/29

by 25/10/29
by 23/7/29
by 31. 11. 29
by 31. 11. 29

H.E. Submitted. Nothing can be done
in this matter yet. With your
Excellency's approval I will bring
paper forward again at end of March.

Subsequent Paper.

EX/B
Ag. CS
31. 11. 29

Hon C. S.

yes. Put up with our own
scheme at end of March.

I prefer to do this work
ourselves and thus reap
the profit. I feel sure we
shall be able to make a
success of it.

R. H.

$\frac{2}{1}30$

H. 31/3/30
J. 7/1/30

H. C. S.

This paper may now be filed?

H. 13
C. S.
31. 11. 30

y. 2.

Schmitt.

? P. H.

Jul

1. 4. 30

Gene.

$\frac{1}{4}00$ R. H.

(7)

OUTLINE OF A SCHEME FOR PROVIDING PORT STANLEY
WITH ELECTRIC LIGHT AND POWER.

1. Government shall grant a concession to The Falkland Islands Company, Limited giving them the exclusive right of providing electric current within the limits of Port Stanley as delimited by the Town fence. This concession shall cover the providing of current and the wiring of houses, etc. but shall not affect the provision of current by Government for Government quarters by the plant now in course of erection but Government agree not to extend the capacity of their present plant. The question of the undertaking taking over this plant shall be a matter for future discussion should Government so desire it.
2. The Falkland Islands Company, Limited shall undertake this project departmentally or, at their option, form a local Company.
3. Should a local Company be formed, The Falkland Islands Company, Limited will be appointed the permanent Managers, Secretaries and Treasurers of the undertaking and be paid an office allowance of two hundred guineas per annum plus 5% on yearly nett profits and the Head Office of The Falkland Islands Company, Limited in London shall act as buying agents for the undertaking in the United Kingdom for a remuneration of $2\frac{1}{2}\%$ on purchases.
4. Government agree to take current for lighting the streets, Public Jetty, the Cathedral, Church Hall, School, Drill Hall, Canteen, Dockyard, Jail and all residential quarters, Customs sheds and Waiting rooms, etc. etc. now or to be erected, as soon as the undertaking is ready to supply it. Government agree to pay ^{Annually} to the undertaking such an amount as will enable them to pay a certain dividend of 4% per annum on the issued Capital after allowance has been made for depreciation on such plant, cables, etc. as is allowed by the Income Tax Authorities in the United Kingdom.

Should the profits permit of a larger distribution, the balance over the 4% required will be divided into equal proportions between Government and the undertaking.

Government will nominate a Director to serve on the Board of the undertaking.

5. The power to be used for generating, type of plant, system of wiring, voltage, etc. shall be decided by the undertaking and they shall be permitted to carry current throughout the Town by overhead cables and over private land wherever necessary.
6. The undertaking shall fix the charge for wiring and per unit for current and they shall be permitted to base their charges on metre readings or on a flat rate per number of lights supplied. Government shall have the right to call upon the undertaking to justify their charges should they have reason to believe that such charges are excessive or insufficient.
7. Government undertake not to impose any Import or Town duty or other taxes on any plant or other material required for the proper working of the undertaking.
8. Government will have the option of purchasing the undertaking on independent valuation at any time after the expiry of 21 years from this date on giving one year's notice of their intention to do so.
9. Government shall advise the undertaking of the approximate number of houses and other buildings in the Town and the mileage of streets. The undertaking shall not be called upon to supply current outside the limits of the Cemetery Cottage on the East, Fitzroy Road and Moody Street on the South, Reservoir Road on the West and Ross Road on the North.
10. The undertaking shall not be required to supply current for power to any concern or individual other than the Government and The Falkland Islands Company, Limited.

Hon. C. S.

1. For your remarks.
2. For Hon. Col. Treasurer's ditto.
3. For Hon. George Roberts' ".

Papers to be returned to me as soon as possible to enable me to write despatch to S. of S. by this mail.

(Itld) A.H.

$\frac{9}{7}$ 29.

I will ask Mr. Young the approximate cost of capital required as much depends on this.

(Itld) A.H.

Mr. Young thinks from £7000 to £8000.

(Itld) A.H.

Don Cameron,

Copy herewith for your remarks

H.B. 10. VII. 29

Hon. Col. Sec.

The scheme put forward is apparently on similar lines to that obtaining in other places, where the Govt. have not felt in a position to outlay a large sum.

2. I consider the scheme to be sound. I am of opinion that the undertaking would require sufficient Reserve to allow of a payment of 40%.

On the issued capital without the Govt.
being required to make up the amount
as indicated in para. 4.

3. In addition to the current
which the Govt. would take, I think
at least 30 or 40 houses would
also take it. I am of opinion that
the number would increase as the
Public saw the advantages of having
electric lights.

4. I consider that the scheme
would be a benefit to Stanley.

W. Morgan Halkett

Truss.

12. 7. 24.

5

Remarks on scheme for lighting Stanley.

(1) I am rather in favour of electric light being run by a private Company.

It is questionable whether it is a payable proposition, for the Government to subsidize the concern, to the extent of 4% on the issued capital, + 200 guineas, + any working loss.

I can see that it is quite possible, that the Govt will be called on to pay some £475 a year, for the first few years, in addition to paying for the current they use. i.e.

<u>Expenditure</u>		<u>Revenue.</u>	
	£ s d		£ s d
Working expenses say	665-0-0	say	350-0-0 Street lighting
200 guineas payable to F.I.C.	210-0-0	"	120-0-0 Govt Bldg.
4% on say 8,000	320-0-0	"	150-0-0 F.I.C. Bldg.
		"	100-0-0 20 houses of
<u>Total</u>	<u>1,195-0-0</u>	<u>Total.</u>	<u>420-0-0</u>

Loss of £475-0-0

? Clause 3. I assume the payment of 200 guineas + 5% on any profits, will include for all clerical work and expenses in connection with collection of rates for current.

? Clause 3. As Companies for the supply of E.L. derive a considerable proportion of their dividends from the sale of fittings and accessories. It would appear desirable that the E.L. Company and not the F.I.C. should sell the fittings, and the profits go to the E.L. Co.

? Clause 4.

The F.I.Co. should be prepared to instal electric light in all their buildings, as soon as the undertaking is ready to supply it, and to pay for the current consumed at the same rate as that charged to the Govt.

? Clause 8.

Limit on the South should be Davis St instead of Fitzroy Rd. for Street lighting.
Limit on the North should not be Ross Rd otherwise Govt Bldg in Dockyard will not be supplied.

C. J. Roberts

C.E. 11.7.29.

H. C. S.

(6)

1. For your remarks.
2. For Mr. Col. Treasurer's a/c.
3. For Mr. George Roberts ".

Papers to be returned to me as
soon as possible to enable me to
write despatch to S of S by this
mail.

M.

$\frac{9.29.}{7}$

I will ask Mr. Young to approximate
cost of capital required as much
definite as this.

M.

Mr. Young thinks from £7000 to
£8000.

M.

• Your Excellency.

(8)

These proposals seem to me too speculative to allow of a useful opinion being formed as to their possible advantages. The success or otherwise of the undertaking would depend solely on the management, and that is a factor over which the Government would have very slight control.

The Government stands to gain

- (1) light at less cost than at present.
- (2) a share of profits.

On the other hand it becomes liable for

- (1) increased cost of lighting
- (2) 4% on capital value plus presumably any depreciation on the years working.

Under inexperienced management the scheme might be very expensive.

Presumably the Government would be committed in all terms of the agreement for 21 years. That in my opinion is too long a period to contract for expenditure which is not definitely delimited.

In my opinion overhead cables will not prove satisfactory in this country.

Briefly, I think the terms proposed are too one-sided. They provide for a concession which may prove costly to the Government and at the same time protect the Company against all risks of failure.

I would rather see as the basis of an agreement with any Company that may be formed - a subsidy towards an installation on approved lines on the condition that free street-lighting would be supplied for a specified number of years. At the end of that time the Government would have sufficient opportunity of judging the value of the service and could with safety contract for payment of its lighting on convenient terms.

J. H. Brown.
11 July 1929

C.S.O. No.

Inside Minute Paper.

Sheet No.

Apr C. S

Please jacket and put up again
when we have seen how the
new electric light plant does. Say
in three months time. It is impossible
to decide anything ^{yet} ^{clear}.
20/29
7

Att.