

C.S.

Industries

Sheepfarming

No. 819/21

Secretary of State

SUBJECT.

1921

7th July.

Previous Paper.

Representations by Falkland Islands
Company regarding crisis in Sheepfarming
Industry.

CS. 268/21

MINUTES.

Copies of correspondence referred to in
paragraph 4 of Soc. Des N° 95 of 7 July 1921
H.E. the Governor

Enclosed

Submitted

K. Thompson
A.C.S. 26/8/21

W.H. Co. / M.

26 Aug 1921

Clerk & Council

Passed S.Y.R.

K. Thompson
A.C.S. 27/8/21

~~Extract from Minutes of Meeting of the Executive Council,
held on the 9th of September, 1921.~~

The Governor stated that any proposals which those engaged in the sheep-farming industry wished to put forward with regard to the expenditure, for the development of the industry, of an amount equivalent to that standing to the credit of the Stock Fund, would receive consideration.

Subsequent Paper.

G.R. Brown
Clerk of the Executive Council
9th September, 1921.

The above has nothing whatever to do
with the paper: it meets with great mind.

M. G. A. C. 1921

Extract from Minutes of Meeting of the Executive Council held
on the 9th of September, 1921.

His Excellency stated that with the concurrence of the Council he would inform the Secretary of State that, owing to sales of wool having taken place subsequent to the date of the letter from the Falkland Islands Company, there was no immediate necessity for any local measures for affording assistance to the sheep-farming industry.

G.W. Brown
Clerk of the Executive Council.
19th September, 1921.

Yrs.
Submiss.

2 Would Yr. be pleased to let me have the draft despatch I report that I have insufficient information on which to frame it

~~1921~~ 27/9/21

I regret that I have despatched this paper: draft omitted.

A.D.

24 AM: 0926

Despatch to S of S No 108 of 24 Sept 1921 Enclosed

CS. 819/21

(4) COPY OF PARAGRAPH No. 4 OF DESPATCH FROM
SECRETARY OF STATE, No. 75 of the 7th of JULY, 1921.

*Copies from
Perp in CS.
26/8/21*

4. I have also to invite your attention to the letter to the Falkland Islands Company of the 6th of June, and to request your consideration of the point referred to in the last paragraph. It would, however, be convenient if your observations on this matter formed the subject of a separate despatch. In this connection, I desire to add that I have not yet received any intimation as to guarantees by the other interests concerned apart from the Falkland Islands Company.

COPY.

ENCLOSURE TO S. of S. DESPATCH NO. 75 of the 7th of July, 1921.

The Falkland Islands Company, Limited,
61, Gracechurch Street,
London, E. C. 3.

17th May, 1921.

Sir,

With reference to the subject of Wireless Communication discussed at a meeting at the Colonial Office on the 22nd March, I beg leave to inform you that my directors have had under consideration the question of guaranteeing a certain minimum sum to be expended on our messages to and from the Falkland Islands, and have decided, in view of the urgency of the case, to undertake that that sum shall not be less than £300 per annum, although it is by no means certain that the whole of it will be expended.

Statistics as to the relative cost of working the Admiralty and the Government Wireless Stations were to be the subject of enquiry; but it may be useful to mention that we have lately received these figures from our Manager, Mr. Harding, who places them at £5000 and £1200 per annum respectively.

We are unable to form any judgment as to the further revenue to be expected from messages forwarded by the Government, the Admiralty, and the general public; but the Directors earnestly hope that it may be possible to maintain the telegraphic service without any increased taxation. Our Chairman has already mentioned the serious financial condition of the sheep-farming industry and confirmation of this will be found on page 15 of the "Times" of the 2nd May under the heading "Commodity prices and Index number" in which the price of greasy cross-bred wool,

The Under Secretary of State for the Colonies,

Colonial Office,

S. W.

29d/

29d. per lb. on 30th April, 1920, is shown to have declined during the year to 7d. on the same date this year. When we add that with great rises in freights, wages, and other expenses, it is calculated that it costs 9d per lb. to place Falkland Islands Wool on the London market, it will be seen that the Colony has in the space of one year been overtaken by a more serious crisis than it has hitherto experienced since sheep-farming became the principal industry.

My Directors believe that there will be a recovery in the course of time, but at present it would be useless to disguise the fact that many of the sheep-farmers will find it difficult to carry on their stations. We shall do our utmost to keep them going; but our resources are naturally much strained, and to support them all may be a sheer impossibility. In these circumstances we venture to suggest, for the consideration of Mr. Churchill, the desirability of postponing until a more favourable time some of the expenditure of the year already arranged for, and of remitting a portion of the Land Tax shortly due. It is more than probable that a number of the farmers will be unable to meet the demands made upon them.

I am to add that my Directors will do all that lies in their power to meet the present crisis, and will be grateful for any suggestions that your Department may think fit to make.

I have, &c:
(sgd) E. E. Goddard,
Secretary.

• COPY.

24173/1921.

Downing Street,

6th June, 1921.

Sir,

I am directed by Mr. Secretary Churchill to acknowledge the receipt of your letter of the 17th May, relative to the maintenance of wireless telegraphic communication with the Falkland Islands, and to state that he presumes that the £300 referred to in paragraph 1 of your letter, represents the guarantee of the Falkland Islands Company only, and that he will shortly hear further as to guarantees by the other interests concerned.

2. As regards the second paragraph of your letter, I am to observe that Mr. Churchill is not at present in a position to form a more exact estimate as technical advice on the questions involved has been called for and is being awaited.

3. Mr. Churchill fully realises the desirability of reducing expenditure to the lowest possible limits and he feels sure that the Governor also appreciates the needs for the utmost economy in the present state of the Colony's chief industry, but after examining the estimates for the current year, he fears that there are no items on which reductions of a substantial amount are practicable

4. As regards the Land Tax, I am to point out that the estimated revenue of the Colony apart from the Dependencies for the present year is £29,945, of which only £17,595 is derived from taxation, this total being made /

THE SECRETARY

FALKLAND ISLANDS COMPANY, LIMITED.

made up as follows:-

Import Duties (Liquor)	£2,700
" " (Tobacco)	1,500
Land Tax	• • • 8,700
Post Office	• • • 1,670
Fees	• • • 1,089
Sundry	• • • 1,926

On the other hand the expenditure for the year is estimated at £34,806 and after allowing for the contribution of the Dependencies towards the cost of the central administration of the Dependencies, there still remains a considerable excess of Colony expenditure over Colony revenue.

5. In these circumstances, while fully realising the depression which has overtaken industry in the Falkland Islands in common with all other industry, Mr. Churchill fears that the Government is not in a position to relinquish any portion of the existing revenue, which as explained above, is insufficient to meet the ordinary expenditure of the year.

6. Mr. Churchill is glad to note the assurance in your letter that the Directors of the Falkland Islands Company will do all in their power to meet the present crisis. So far as that crisis is due to the general depression throughout the world it is not, of course, in his power or in that of the Colonial Government to make any practical suggestions for remedying it, but he will be happy to consult Mr. Middleton on the question whether there are any local measures that would usefully be taken by the Government in the present state of the Colony.

I am,

&c:

(sgd) G. Grindle.

819/21.FALKLAND ISLANDS.No. 103

GOVERNMENT HOUSE,

STANLEY,

24th November, 1921.

Sir,

With reference to the 4th paragraph of your despatch, No. 75, of the 7th of July, I have the honour to report that it is undoubted that, owing to the collapse of the wool market and the large stocks of wool held in the United Kingdom, the sheep farming industry of the Colony is passing through a period of serious difficulty.

2. In the early part of the year Falkland Islands wool was unsaleable, but at the June sales in London a considerable quantity was disposed of for Continental markets at a low price. The price has gradually improved and the latest quotations vary from 9d to 1/1½d per pound, according to quality, for wool of fine grade. Although the situation has been relieved by the sales which have taken place and by which funds have been provided for working expenses, it is improbable that the price realized for wool of the 1920-1921 clip will, in the case of many stations, leave any margin of profit after allowing for the costs of production and of conveyance to the United Kingdom.

THE RIGHT HONOURABLE

W. L. S. CHURCHILL, M.P.,

SECRETARY OF STATE FOR THE COLONIES.

3.

3. At a time when the situation seemed critical and before any sales of wool had taken place, the possibility of it becoming necessary for the Government to afford to the industry temporary assistance, by providing funds to meet working expenses, had been receiving my consideration, but the re-opening of the markets has removed for the present the need for any such measure.

4. The Directors of the Falkland Islands Company recently added to their liabilities and increased the amount required for working expenses by acquiring the properties and stock in East Falkland Island of Mr. Vore Packe. It is understood that the purchase price amounted to £125,000 and that part payment was made in shares of the Company by increasing its capital from £275,000 to £325,000.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

J. Middleton.