

Wool

1920

C.S.

No. 902

S. of S. 105

SUBJECT.

192 0

With reference to Argentine wool stocks.

20th September

Previous Paper.

Ext. 385/20

MINUTES.

Copy to Manager of L.C.

intd W.M.
19.12.20

Y.E. For consideration of Mr. Harding's letter of 2nd Inst. the last paragraph of which refers to my despatch to S. of S. dealing with proposed "major works"

Letter to Manager of L.C. of 2nd Feb 1921

W.M.
9.2.21

H.C.S.

No reply is necessary.

2. In circumstances, mentioned in connection of subsequent paragraph, should arise it may be necessary to undertake works on a large scale than recently attempted.

Subsequent Paper.

10 July 1921

COPY.

Reference to previous correspondence:-
~~Secretary of State to despatch No.~~

FALKLAND ISLANDS.

No. 105

Downing Street,

20th September, 1920.

Sir,

I have the honour to transmit to you for your information the paper noted below on the subject of the Argentine wool stocks.

I have etc.,

(Sgd). Milner.

The Officer Administering
the Government of
the Falkland Islands.

Date .

Description.

6th September, '20.

From Mr. Macleay (Buenos Aires)
To Foreign Office.

(2)

902/20

13th January

21

Sir,

I have the honour to forward to you herewith, for your information, the enclosed copy of a telegram from the British Minister at Buenos Aires to the Foreign Office, dated the 7th September, 1920.

I am,

Sir,

Your obedient servant,

for Colonial Secretary.

The Manager,

Falkland Islands Co.,

Stanley.

902/20.

2nd February,

21.

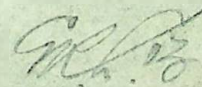
Sir,

I have the honour to acknowledge the receipt of your letter of to-day's date, regarding the state of the sheep-farming industry in the Falkland Islands at the present time, and to inform you that the matter has been laid before His Excellency.

I am,

Sir,

Your obedient servant,



for Colonial Secretary

The Manager,

The Falkland Islands Company, Ltd.,

Stanley.

Falkland Islands Company Limited,

Stanley, February 2nd, 1921.

Sir,

I am in receipt of your letter of January 12th, and am obliged for the copy of the telegram from the British Minister at Buenos Aires.

The information as to the action proposed to be taken by the Argentine Government in the emergency caused by the heavy decline in the value of wool is very interesting, and I may be permitted to point out the extremely serious position in which the sheepfarmers of this Colony are likely to find themselves. A large proportion of the wool grown here is unfortunately the quality which is now least in demand, and at recent sales in London only about one half of the Falkland Islands wool found purchasers.

The price realised for what was sold was very low, and our Directors have been informed by the wool brokers that even these prices are not likely to be maintained. Freight are still high, and the sheepfarmers are confronted with the prospect of the products of their farms being unsaleable whereas all materials required for the upkeep of their property are very expensive.

In similar crises which have occurred before, notably in the years 1901/3 after the South African War, my Company has been in a position to finance the sheepfarmers and to enable them to tide over their difficulties, but at present, owing partly to the restrictions placed by the Imperial Treasury on the London Banks, we are unable to obtain advances from our Bankers to the same degree that we could in

The Honourable

The Colonial Secretary

those years. The inevitable result will be that we shall be compelled to conserve our resources and utilise them for payment for just bare necessities of life and indispensable materials. By the last mail my Directors informed me that they might find it necessary to cut down our indents "from sheer inability to find the money to pay for them".

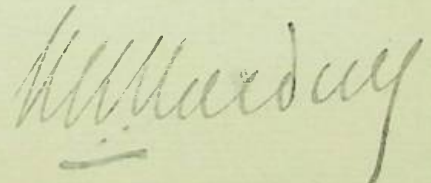
We have recently advanced sufficient to pay the half-yearly instalment of the land tax, over £4000, but it is indeed questionable whether we shall be in a position to find enough to meet that due in July next. The only means the sheepfarmers have of effecting economy is to employ less labour or to dispense with their men during the winter months. We should all be very loth to adopt such a course, but it may be enforced upon us, and in such a case distress and unemployment must ensue.

I think it advisable to ask you to lay these facts before His Excellency the Governor, and to suggest that any schemes of major public works as adumbrated in the Minute to the Legislative Council of November 1st last should be postponed. It may be found more desirable that the surplus revenue, to which the land tax has contributed so largely in recent years, should be utilised in assisting the sheepfarming industry to tide over the adverse times that are undoubtedly ahead.

I am,

Sir,

Your obedient servant,



Manager.

NO DISTRIBUTION.

Decode, Mr. Macleay (Buenos Aires)

D. 6th September 1920.

R. 7th September 1920. 10. 20 a.m.

No.183

My despatch of 22nd July No.182.

Difficulties as regards sale of actual Argentine wool stocks. Bill has been sent to Congress by executive order exempting stocks from payment of export duty and authorising Government to make arrangements with foreign nations for sale of wool. Payment, to be made within two years. Bank of Argentine Nation will be empowered to discount for not more than two years or higher than seven per cent interest per annum commercial paper arising from wool sales.

Above only applies to present wool stocks. Bill may be expected to pass Congress without delay.