

C.S.

Industries
Sheep farming
No. 354/24

1924.

Governor

SUBJECT.

1924

14th May

Previous Paper.

Loans to sheep farmers for development and improvement of farm stations.

MINUTES.

Minute from Governor 14 May 1924 (1)

Copy of Lr from Governor to C.O. 24 March 1924 (1a)

Copy of Telegram from Ag Governor to Governor 18 March 1924 (1b)

New Zealand Government system of advances to farm settlers (2)

Set of S despatch no 62 of 23rd June 1924 — Encl (3)

Letter by Sir J. Middleton of 24th March 1924 — (3A)

Telegram by Hon H. Heneker to Gov of 18th March 1924 — (3B)

V.G. Submitted
for C.O.
15 Oct 1924

Subsequent Paper.

~~11 June 1924~~
~~2 Dec 24~~
~~20 Dec 24~~

Inside Minute Paper.

this M.P.

4. Would you now be so good, after perusal of the correspondence, to advise as to the manner in which the sums advanced on loan should be accounted for in the Treasury accounts.

W.L.B.
as/sec
18 June 1925

OIC/CSO,

I understand that the First Clerk, Treasury, asked if he could see the papers in connection with a charge to be accepted on the Treasurer's accounts of £500, appearing in the Crown Agents accounts for March last, referred to in Encl:(5), regarding which no notification had been sent down to the Treasury,; also, that in accordance with your directions, M.P.No.221/25, was almost immediately returned to the C.S.O, so soon as he had made a note of the instructions issued to the Crown Agents in the C.S.tel: of the 8th June last year. This was the conversation over the phone, to which you have referred in your minute.

2. I may mention that this is the first opportunity that I have had to read and digest the correspondence contained herein and in C.S.221/25, attached.

3. In the draft Resolution, Encl:(4), it is stated, inter alia, that loans may be made from the Land Sales Fund for permanent Farm Improvements, and explains also how such loans shall be repaid, from which I gather that it is intended that such loans should appear in the Treasurer's accounts as a direct charge against the Land Sales Fund and not against Public Revenue and other funds of the Colony. I also gather that, in view of the

aforesaid Resolution, (when passed by the Legislative Council) that it will not be necessary to cover such charges on the Treasurer's accounts, (Col:Reg:281), by Appropriation Law. Likewise, on the other hand, that all sums received by way of repayment of such loans, will be credited direct to the Land Sales Fund, similar to Instalments of land purchases under Ordinance No.9 of 1903, as provided for on the Estimates.

4. As regards the draft Resolution, Encl:(4), I gather that it is intended that upon each of the First Ten anniversaries of the day on which any such loan was made, that there shall be paid to the Government, a sum at the rate of £12. 6. 7d, in respect of every £100, of the total amount of such loan, including all expenses incidental thereto in connection with the Deeds thereof.

H. W. Thompson

Colonial Treasurer
19th June 1925

*E.G. Submitted
Melby
O.C./S.O.
19 June 1925*

O.S./C.S.O.

I have spoken to Treasurer on the matter. His difficulty is as to whether "Loans to Promiss" are to be regarded as appts on his accounts.

The Loans are made from Land Sales Fund & repayments are credited to the Fund.

3. I shall be glad if Treasurer will advise on the particular point of ^{including} ~~including~~ Loans when made on appts of Army. *Na*

22 June 1925

Inside Minute Paper.

Hon Treasurer
Referred.
GK/ly
Di/Sec
22 June 1925

OIC/CSO,

I am inclined to think that all disbursement from the "Land Sales Fund" in respect of Loans for Farm Improvements, should be regarded in the Treasurer's accounts as "Assets" of the Land Sales Fund, and as that fund forms one of the assets of the Colony, that all such loans should form an asset of the Colony.

Adopted.
(See Ho's minute of 4.8.25 overleaf)
cut

2. I am also inclined to think that all disbursements from the Land Sales Fund in respect of such Loans should be regarded in the Treasurer's accounts, in like manner to disbursements made from that fund in respect of the purchase of approved Securities, but I do not think that such disbursements for farm improvements, should be included in the Treasurer's accounts under the Head of "Investments Made", (as in the case of purchases of approved securities), but instead, I am inclined to think that all such disbursements to farmers, should be debited in the Treasurer's accounts to a new Head, "Land Sales Farm Improvement Loans".

3. On the other hand, if it is considered that such disbursements to Farmers in respect of loans for Farm Improvements should be deducted from the Land Sales Fund, similar to expenditure, and that such loans should not form part of the assets of that fund, then I am inclined to think that all repayments of such loans should be credited to the Land Sales Fund.

No.

W. Thompson
Colonial Treasurer
23rd June 1925.

Submitted.

G.P. 18
Di' C/Sec

24 June 1925

Then papers will be required for next meeting of Leg. Co
after which I shall deal with questions of accounting.

M.
27 July 1925

Extract from the minutes of meeting of Legislative Council,
held on the 29th July, 1925.

The resolution was adopted.

G.P. 1280000

(L)

Clerk of the Legislative Council.

O.I.C./C.S.O.

I have discussed with Treasurer the method of
accounting for loans which is proposed in paras 1 & 2
of the minutes of 23rd Nov & it may be adopted.

M.
4 August 1925

Treasurer

For note

G.P. 18
Di' C/Sec

4 Aug 1925

C/O.

Notes & returns

Authorised
5.8.25

V.A.
3/3/30

~~P. of P. despatch No. 127 of 9th November, 1931 7-9.~~

(6)

Letter from Messrs Packe Bros. Ltd., of 4/7/35.

EXCERPTED FROM INSIDE MINUTE SHEET NO.5 OF M.P.

NO. 81/35.

Y.E.

Submitted. Loans from the Land Sales Fund for Farm Improvements has already been approved by the Secretary of State but sanction would require to be sought to grant such loans free of interest.

(Itld) M.C.H.

C.S.
6/8/35.

This is the right spirit. Unless you see any objection to granting the application will you please draft a despatch to the S.of.S seeking his approval by telegram. The loan is to be free of interest for the first three years only.

(Itld) H.H.H.

7/8/35.

Y.E.

Loans free of interest will have to be restricted otherwise there is the danger of having to realise investments to meet such loans with consequent loss of interest to revenue.

Provided loss to revenue is not involved I see no objection to the grant of the loan applied for free of interest. I do not consider it likely that many similar applications will be received as in the case of the Improvement loans sanctioned in 1924 - only three farmers applied. The amount of such loans at present outstanding is less than £1000. The largest loan that of the Estate W.K. Cameron will be repaid this year.

Draft despatch submitted.

(Itld) M.C.H.

C.S.
13/8/35.

I fear that I cannot have made my proposal clear. What I had in mind was that interest should only begin to run after three years, by the end of which time benefits from the expenditure should make repayment easy. I did not appreciate that repayment in full might be practicable at the end of three years. This matter would be easier to deal with in the file in which loans were authorised from the L.S. Fund in the first place. Would you have it transferred to that paper.

(Itld) H.H.H.

14/8/35.

I have since seen 354/24 and that would appear to be the proper file for this application. I suggest for your views or action if you concur ~~xxx~~ that

- (a) The application as forwarded to the S.of.S. should contain full particulars as given in paragraph 4 of red 3A in 354/24.
- (b) Conditions should be as in paragraph 5 of red 3A except that
- (i) The loan be repaid in 7 instalments, the first to be made 36 months after the date on which the loan is made.
 - (ii) Interest at 4% on the amount of the loan outstanding.
 - (iii) The first charge for interest being made after the first repayment of 1/7th of the loan.

We should I think add that we do not apprehend more than a very few applications and that the total of these advances might be set at £5000.

(Itld) H.H.H.

The correspondence regarding Messrs Paeth Bros and Co's application has been transferred to this paper.

2. I do not think it will be possible to follow (ii) of the conditions of 4 in red 3a, as part of the money will be expended here and part in New Zealand. Payments to the Coy on execution of the mortgage may be sufficient.

3. Despatch submitted.

MCH
—
CS.
15.8.35

Exactly what is required

15/8/35

Despatches to S of S. no 133 of 20/8/35.

(4-9)

C.S.O. No. 354/24

Inside Minute Paper.

Sheet No. 6

M. Despatch Submitted.

mch
cs.
21.8.55

Hon. Secs.

To note.

mch
cs.
22.8.55

Hon. Secretary

Noted

Q. 10
for Mr. Secy
23.8.55

P.A.

mch

(10) Telegram No 87 from Sops 27/10/55

M. Submitted. The S. of S. suggests that (d) and (e) should indicate period for which loan is free.

mch
cs.
26.8.55

H.C.S.

~~Interest~~

(c) The loan to be free of interest
for three years

(e) Interest will begin to accrue as from
the date of the payment of the first
instalment ^{that is to say} or 36 months from the date
of the loan and it will be payable on the
outstanding balance of 29/11
of the loan. *[Signature]*

Despatch to S of S. no. 155 of 5/11/35.
Letter to Secretary, Sacko Bros. & Co. Ltd. of 5/11/35.

(10)

(11)

[Signature]
Despatch submitted.

[Signature]
S. XI. 35

[Signature] 6/11

Extract from minutes of meeting of Executive Council
held on the 12th of November, 1935.

With reference to Secretary of State's Telegram,
No. 87 of the 25th of October, 1935, the Council
considered the draft of a resolution, relating to
the grant of loans to sheep farmers, to be submitted to
the Legislative Council.

The draft Resolution was approved.

[Signature]

Clerk of the Executive Council.

Extract from minutes of meeting of Legislative Council held on the 18th of November, 1935.

The Resolution was adopted.

A. J. Meent

Clerk of the Legislative Council.

(14) Letter from Manager, F.S. Co. 19/11/35

(15) Letter to Manager, F.S. Co., 21/11/35.

p. a. *mch*

(16) Letter from Manager, F.S. Co. 26/11/35

y/h.

Submitted. I fear I am unable to recommend that condition / be modified. In all mortgages the produce is included.

It is open to the F.S. Co. to take out mortgages on Farms they advance money to. Any Farm already under mortgage could not then obtain a loan from the Govt.

mch

27. XI. 35

Please discuss a way return

27/11/35

*B. f. 10. XII. 35
mch. 27. XI. 35*

Yh
I see no objection to omitting
the produce from the mortgage.
This can be done if any further
applications for loans are received.

McH.
Ct.
11. XII. 35.

App

~~11/12/35~~ 11/21/35

Letter from George Dean, Esq., 18/10/25. (17)

Letter to Managers, G. D. C. of 13/12/25. (18)

Yh
Red 17 submitted.

Loan of £500 applied for by
Messrs Dean Bros. Pebble Island
may be approved on same conditions
as that to Messrs Park Bros? (red 12)
except that "produce" may be omitted
from the mortgage.

McH.
Ct.
15. XII. 35

App

~~14/12/35~~ 14/21/35

Letter from Manag. H. Co. 14/12/35 (19)

C.S.O. 354/34.

Sheet 8.

- (20) Letter to George A. Dean, Esq of 16/12/35.
- (21) Letter to Crown Agents of 16/12/35.

Hon. Col. Trevelyan.

To see.

mch
cl
16. XII. 35

Hon. Col.

Gen. Trevelyan.
18/12/35

- (22) Telegram from S. of S. No. 105 of 17/12/35.

Y/E.

Submitted. I see no objection to the amendment proposed. Reply accordingly?

mch
cl
18. XII. 35

Yes ~~18/12/35~~ 18/12/35

- (23) Telegram to S. of S. No. 74 of 19/12/35.

P.A. mch

Letter from Secretary, Packer Bros. & Co., Ltd of 13/1/36. (24)

There is a dispatch in
about this. mcH

Telegram to Crown Agents of 11/2/36.

Messrs. Packer Bros. & Co., of 11/2/36.

(25)

~~of S. dispatch No: 5 of 13/1/36.~~

(27-28)

(26)

1. Reeds 24-26 submitted.

2. The deletion of "producer" from
the terms of mortgage will no
doubt satisfy Messrs Packer Bros &
Co. Ltd.

mcH
C.S.

11. 2. 36.

I hope so. I would be content
with mortgage of land only without including
air stock

~~mcH~~ 8/2/36

Hon. Treas.

To see.

mcH
C.S.

18. 2. 36

Ames

Seen. J.S.
24/1/36

P. H.
25/2/36

- 29. Letter from George T. Dean of 28/1/36.
- 30. ———— Crown Agents of 12/2/36.
- 31-32. ———— Sec. Packer Brothers & Co., Ltd, of 25/2/36.
- 33-34. ———— Crown Agents of 27/2/36.

I have a despatch in above this. mcH

35-37. S. of S. despatch No. 19 of 30/1/36.

Value of land
 £16650 Packer
 Bros.
 Packer 14.
 £3840
 at 3/4 acre

1. Messrs Packer Bros and Messrs Dean Bros. are not prepared to accept loans on the ground that the terms of the mortgage are too onerous.

2. The terms complained of have been used in all mortgages for loans to farmers in the past. The security required does seem one of all proportion to the amount of the loan. Even a mortgage on the land alone would appear heavy.

mcH
C.S.

7.4.36

The fact remains that the trouble taken to help has been wasted. Why on earth could they not offer counter-security instead of mere prohibition. P. Q.

P. Q.
mcH
8.4.36

ttttt 5/4/36

Hon of C.J.

Will you please let me have a statement of the position in respect to any outstanding loans to farmers

The only loans of which I am aware have been those to San Carlos Hill and to Mr. Bender

~~TTTTT~~ 4/2/36

T.E.
Statement at vol 38 submitted.

Vol
110/36

P.A
10/1/56

CJ.

Have we still in force
a sum of £30,000 available
for loans to farmers from
the Land Sales Fund (p.152
Gazette 1925) ?

Has any farmer availed
himself of this privilege?

me.

AT
2/1/56

Y.B.

Submitted with draft resolution
to be laid before Council.

I do not think an Ordinance
necessary or desirable. There may
be no further demands for advances
though the contrary is to be
hoped if the issue is improvement
or no improvement. I cannot
see how an Ordinance could safe-
guard the money or facilitate the
object. It is however a matter for
consideration whether the Resolution
should not contain the words after
authorize "upon order of the
Governor in Council in each
particular case" or something
similar

4 April '25

H.C.S.

I have slipped in ~~the~~ ^{adopting} the
resolution ~~the~~ ^{the} wording of a
form Ordinance.

2. T. & Co.

7 April 1925.

The draft resolution was approved. (4)

G. H. Brown
Clerk of the Executive Council.

Minute from Treasurer 18 June 1925 - (5)

Head Treasurer

With reference to your minute of 17th June and to our conversation by phone today, I attach all the correspondence with relation to loan to Keith Cameron.

2. This correspondence should in the ordinary course have been referred to you between 7th Apr. the date of this Excellency's minute and the 14th Apr the date of the meeting of Executive Council but owing in doubt to many other matters which engaged Mr. Bennett-Neatons' attention just before he left the Colony, the paper was not passed to me with the draft resolution for circulation.

3. I regret you have not had an opportunity of seeing the correspondence. When Mr. Leg asked for the paper dealing with the loan to Mr Keith Cameron a few days ago I did not understand exactly what it was wanted for and did not attach this

WINDHAM CLUB,

St. James's Square,

S.W.1.

24th March, 1924.

Sir,

I have the honour to transmit herewith a copy of a telegram which I have received from Mr. H. Henniker Heaton relative to a loan of £1,000 to the Executors of the late Mr. William Keith Cameron, for the purpose of purchasing fencing materials for the farm of San Carlos North.

2. In the memorandum which accompanied my despatch No.42 of the 26th of March, 1923, it was pointed out with regard to the sheep farming industry of the Falkland Islands that:

(1) The general position is that the farmers are not in a position to incur expenditure on the development of their properties or on experimental work.

(2) Further sub-division of the farms by fencing would facilitate the management of the flocks and would repay the cost.

(3) The payments for the purchase of the land have been invested for the credit of a Land Sales Fund which amounts to approximately £180,000, and is at the disposal of the Colony for its development or in case of emergency.

3. I hope to be in a position, after receiving a report C.O.5851/1924 on the sheep farming industry from Mr. Hugh Munro, who is to visit the Colony at an early date, to put forward definite proposals for making long term loans to the farmers at an economic rate of interest, and I submit that, in the absence of a Bank, loans for the improvement and development of the farms may properly be made from the Land Sales Fund.

4. I welcome the application which has been made on behalf of the farm of San Carlos North. The land is in

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W.1.

process of being purchased by 30 annual instalments of £287 and 17 payments have already been made. The area of the farm, calculated from the Admiralty chart, is approximately 82,880 acres. The farm carries 27,000 sheep or one sheep to about 3 acres, and this indicates that the quality of the land is considerably above the average.

5. Although it has not been possible in the absence of expert advice to put forward any general scheme for making loans for the improvement and development of the farms, I recommend that in order to enable the fencing materials to be purchased in August next, a loan of £1,000 should be made in this case from the Land Sales Fund on the following conditions:

(a) The Government will take a mortgage for £1,000 on the interest of the Executors of the late Mr. William Keith Cameron on the lands of San Carlos North and on the sheep, cattle and horses on the farm and all the produce of the farm.

(b) The sum of £1,000 will be paid to the said Executors on the production to the Crown Agents for the Colonies by Messrs. Jacomb, Hoare and Co., Wool Brokers, 19 London Wall, E.C.2., of shipping documents for fencing materials to the value of £1,000.

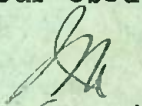
(c) The loan will be repaid in ten annual instalments, the first instalment being payable 12 months after the date on which the loan is made.

(d) Interest will be payable annually at the present Bank rate of 4 per centum on the amount of the loan outstanding provided that if during the currency of the loan it is decided to grant loans for the improvement and development of the farms in the Falkland Islands on more favourable terms, the rate of interest ~~will~~ be reduced accordingly.

6. As no reference is made in the telegram from the Colony to any existing mortgage on the farm, it may be concluded that no mortgage has been registered locally, but it will be necessary for the Crown Agents for the Colonies to ascertain from the Executors of the late Mr. W. Keith Cameron, who for many years before his death

in 1921, did not reside in the Falkland Islands, whether there is any mortgage in England.

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

A handwritten signature in dark ink, appearing to be the initials 'JH' or similar, written in a cursive style.

16

Telegram from the Officer Administering
the Government of the Falkland Islands, dated
the 18th of March, 1924.

Estate of Cameron have applied to borrow £1,000 from Government for fencing materials. Money will be required in August Crown Agents making the advance through Jacomb Hoare on receipt of the shipping documents for materials to the value named. Loan repayable in London capital and interest in 10 years. I recommend approval of loan at $3\frac{1}{2}$ per cent although Cameron would probably pay 4 per cent. Can you arrange?

HEATON.

From His Excellency the Governor

to The Honourable the Colonial Secretary.

I write the attached letter after receiving your telegram of 18th March.

2. No official reply has been received by me to the letter but the question of placing money at disposal of Farmers for development & improvement of their farms was discussed with Mr. Darnley on 1st April.
3. The rate of interest was discussed at some length 4% was considered a generous rate. I had understood from Mr. Thompson that a considerable sum was deducted annually from income ^{derived from} Land Sale Fund in respect of Income Tax. I have ascertained that this is not so. The Colon agents hold only securities on which the Govt is not liable to Income Tax, most of the dividends are, in fact, paid to the Col. Govt without deduction of Income Tax. When there is not the case the Tax is received from the Ireland Revenue Dept and credited to the Colony.
4. The Sgs is prepared to approve of an amount not exceeding £30,000 (from Land Sale Fund) being placed at the disposal of the Farmers for ~~the purpose of~~ improvement (including fencing) & development of their farms, interest to be at 4% per annum & repayments of capital sum to be made in ten annual instalments.

5. It is my intention to inform the Leg. Co. when I
next return that a message ~~to you~~ authority ~~has~~
from Lord Salsford on their evidence will be
submitted for their consideration.

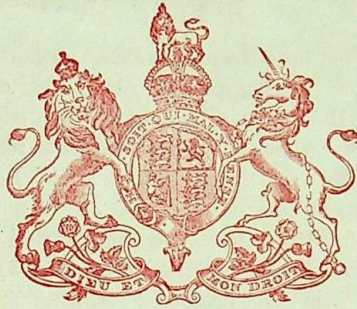
6. I have written above to peruse of a letter going to
Captain Cameron by direct mail next week & there
will be no other opportunity of communicating with
him before proposed date of shipment of foinery. It is
unnecessary to make further inquiry about
matters in England on San Carlos.

A connection with foinery a question arises as to
whether it might not be advisable to insist on foinery
being called proof. Perhaps you will consult W. Munn
on this.

Yr.

14 May 1824

DOMINION OF



NEW ZEALAND

ADVANCES TO SETTLERS AND WORKERS.



THE following explanatory memoranda are issued with the view to placing before the public the chief provisions of the State Advances Act, 1913.

1. All communications to the Office should be addressed—
“The Superintendent, State Advances Office, Wellington, New Zealand.”
2. Telegrams should be addressed—“Advances, Wellington,” **and must** be prepaid.

ADVANCES TO SETTLERS.

3. **The business of the office** is the advancing of money in New Zealand on *first mortgage* of lands and improvements held under the following classes of tenure, free from all encumbrances, liens, and interests other than leasehold interests, that is to say,—

- (A.) (1.) Freehold land in fee-simple under the Land Transfer Act, 1915.
- (2.) Freehold land in fee-simple the title to which is registered under the Deeds Registration Act, 1908.
- (B.) Crown land on perpetual lease under the Land Act, 1885.
- (C.) Crown land held under Part III or Part IV of the Land Act, 1892, or of the Land Act, 1908.
- (D.) Crown land held on lease as a small grazing-run under the Land Act, 1885, or under the Land Act, 1892, or the Land Act, 1908.
- (E.) Crown land held on agricultural lease under the Mining Act, 1891.
- (F.) Crown land held on lease (not being for mining purposes) under the Westland and Nelson Coalfields Administration Act, 1877.
- (G.) Native land held on lease under the West Coast Settlement Reserves Act, 1881, or under the West Coast Settlement Reserves Act, 1892.
- (H.) Land held on lease under the Westland and Nelson Native Reserves Act, 1887.
- (I.) Land held under the Thermal Springs Districts Act, 1881, or the Thermal Springs Districts Act, 1908.
- (J.) Educational and other reserves held under leases administered by the Land Boards.
- (K.) Crown land held by license on the deferred-payment system under Part III of the Land Act, 1885.

- (L.) Land held under lease from a leasing authority as defined by the Public Bodies' Leasing-powers Act, 1908, or the Public Bodies' Leases Act, 1908, and providing for the payment by the incoming tenant of valuation for improvements made upon the land.
- (M.) Land held under lease from a Maori Land Board under the Maori Land Settlement Act, 1905.
- (N.) Crown lands held on lease for agricultural purposes under the Mining Districts Land Occupation Act, 1894.
- (O.) Crown lands held on license-for-residence sites under the Mining Act, 1891, or the Mining Act, 1905.
- (P.) Crown lands held on lease under section 45, Part III, of the Mining Act, 1898, and section 45, Part III, of the Mining Act, 1908.
- (Q.) Maori lands which have been transferred in trust for leasing to and are held under leases from a Maori Land Board under the powers contained in the Maori Lands Administration Act, 1900, and its amendments.
- (R.) Land held under certain classes of lease granted by a Borough Council under the Municipal Corporations Act, 1908, or the Municipal Corporations Act, 1900.
- (S.) Land held under certain leases granted by the Wanganui River Trust.

If the land offered as the security for the desired advance is of any one of the classes of land lettered (B), (C), (D), (E), (F), (I), (J), (K), or (N), **the applicant must, before despatching his application, post to the Commissioner of Crown Lands for the district in which the land is situated a notice of his application**, in order that the Commissioner may at once furnish the Superintendent with a report respecting the leasehold. A copy of the form of notice can be obtained from any post-office.

NOTE.—Envelopes for posting applications to the Superintendent may be obtained at any post-office in New Zealand, together with application forms.

4. Loans can be granted **only** on the **Instalment System** (fully described hereafter):—

- (a.) On all freeholds up to **three-fifths** of the value of the security: Provided that in the case of **first-class agricultural** freeholds, loans may be made up to **two-thirds** of the value.
- (b.) On leaseholds up to **three-fifths** of the value of the lessee's interest in the lease.
- (c.) On securities classified by the Board as **First Class** loans shall be granted for a term of **Thirty-six and a half Years**.
- (d.) On securities classified by the Board as **Second Class**, loans shall be granted for a term of **Thirty Years**.
- (e.) On securities classified by the Board as **Third Class**, loans shall be granted for a term of **Twenty Years**.

SPECIAL NOTE.—To ensure moneys being available when required, applications for advances and for progress payments after loans are granted should be made **AS EARLY AS POSSIBLE**.

The classifying of securities, the granting of advances, and the determining of what shall be considered first-class agricultural land shall rest solely with the Board of the Office.

Where an advance is required for the purpose of erecting a building, the amount of the loan granted by the Board may either be paid over in one sum when the building is completed, or, if the applicant desires it, may be advanced in progress payments from time to time as the erection of the building proceeds. An inspection and report must be made by an officer of the Valuation Department prior to payment of any progress payment on account of the loan, and for each such inspection a fee as per scale below shall be paid by the applicant.

The Department requires that not less than three inspections be made, and, in the case of other than farm properties, that the fencing be completed before all the loan is paid over.

A copy of the plan and specifications for a proposed building must be provided for the Department's use, and such shall become and remain the property of the Department.

Every applicant after lodging an application for a loan should await the decision of the Board before proceeding with the erection of the building.

5. No loan of less than £25 or more than £2,000 can be granted. Applications for loans not exceeding £500 shall have priority over applications for larger sums. If the applicant has already obtained any advance under this Act and is desirous of obtaining a further advance, either on the same security or on a separate security, the amount of the application, added to the amount of the advances already obtained, must not exceed £2,000. The security which the applicant offers for the loan must consist of one or more holdings of the several classes of tenure mentioned in the foregoing paragraph 3, and must, of course, be of the necessary value; and, if the security is **leasehold**, all the covenants and conditions of the lease, including the payment of rent, must have been regularly complied with.

6. All applications must be accompanied by a valuation fee according to the following scale:—

Advances to Settlers Scale of Valuation Fees.

	£	s.	d.
On an application for a loan not exceeding £100 ..	0	10	6
Exceeding £100 but not exceeding £250 ..	1	1	0
Exceeding £250 but not exceeding £500 ..	1	11	6
Exceeding £500 but not exceeding £2,000 ..	2	2	0

7. Mortgages are repayable by half-yearly payments of principal and interest combined. They may also be wholly repaid at any time. Interest is charged at the rate of 5 per cent., reducible to 4½ per cent. provided payment is made not later than fourteen days after due date and no arrears in respect of instalments or other payments under the mortgage remain outstanding.

8. The following tables show, taking a loan of £100 as an instance, how much of each instalment is applied to repaying the principal, and how much is in payment of interest. They show also the amount of rebate in respect of each instalment and the balance of principal remaining due after payment of the respective instalments until the loan is entirely repaid:—

Table of Prescribed Half-yearly Instalments for every One Hundred Pounds of the Loan.

Thirty-six-and-a-Half-Years Term.

Thirty-Years Term.

Half-year.	Half-yearly Instalment.			Apportioned thus:			¼ per Cent. Rebate of Interest.	Balance of Principal owing.		Half-year.	Half-yearly Instalment.			Apportioned thus:			¼ per Cent. Rebate of Interest.	Balance of Principal owing.												
				On Account of Interest at 5 per Cent.	On Account of Principal.	On Account of Interest at 5 per Cent.								On Account of Interest at 5 per Cent.	On Account of Principal.															
1	£	s.	d.	£	s.	d.	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	s.	d.	£	s.	d.								
1	3	0	0	2	10	0	0	10	0	5	0	99	10	0	1	3	4	8	2	10	0	0	14	8	5	0	99	5	4	
2	3	0	0	2	9	9	0	10	3	5	0	98	19	9	2	3	4	8	2	9	7	0	15	1	4	11	98	10	3	
3	3	0	0	2	9	6	0	10	6	4	11	98	9	3	3	4	8	2	9	2	0	15	6	4	11	97	14	9		
4	3	0	0	2	9	3	0	10	9	4	11	97	18	6	4	3	4	8	2	8	10	0	15	10	4	11	96	18	11	
5	3	0	0	2	9	0	0	11	0	4	11	97	7	6	5	3	4	8	2	8	5	0	16	3	4	10	96	2	8	
6	3	0	0	2	8	8	0	11	4	4	10	96	16	2	6	3	4	8	2	8	0	0	16	8	4	10	95	6	0	
7	3	0	0	2	8	5	0	11	7	4	10	96	4	7	7	3	4	8	2	7	7	0	17	1	4	9	94	8	11	
8	3	0	0	2	8	1	0	11	11	4	10	95	12	8	8	3	4	8	2	7	2	0	17	6	4	9	93	11	5	
9	3	0	0	2	7	10	0	12	2	4	9	95	0	6	9	3	4	8	2	6	9	0	17	11	4	8	92	13	6	
10	3	0	0	2	7	6	0	12	6	4	9	94	8	0	10	3	4	8	2	6	4	0	18	4	4	8	91	15	2	
11	3	0	0	2	7	2	0	12	10	4	9	93	15	2	11	3	4	8	2	5	10	0	18	10	4	7	90	16	4	
12	3	0	0	2	6	11	0	13	1	4	8	93	2	1	12	3	4	8	2	5	4	0	19	4	4	6	89	17	0	
13	3	0	0	2	6	7	0	13	5	4	8	92	8	8	13	3	4	8	2	4	11	0	19	9	4	6	88	17	3	
14	3	0	0	2	6	3	0	13	9	4	7	91	14	11	14	3	4	8	2	4	5	1	0	3	4	5	87	17	0	
15	3	0	0	2	5	10	0	14	2	4	7	91	0	9	15	3	4	8	2	3	11	1	0	9	4	5	86	16	3	
16	3	0	0	2	5	6	0	14	6	4	7	90	6	3	16	3	4	8	2	3	4	1	1	4	4	4	85	14	11	
17	3	0	0	2	5	2	0	14	10	4	6	89	11	5	17	3	4	8	2	2	10	1	1	10	4	3	84	13	1	
18	3	0	0	2	4	9	0	15	3	4	6	88	16	2	18	3	4	8	2	2	3	1	2	5	4	3	83	10	8	
19	3	0	0	2	4	5	0	15	7	4	5	88	0	7	19	3	4	8	2	1	9	1	2	11	4	2	82	7	9	
20	3	0	0	2	4	0	0	16	0	4	5	87	4	7	20	3	4	8	2	1	2	1	3	6	4	1	81	4	3	
21	3	0	0	2	3	7	0	16	5	4	4	86	8	2	21	3	4	8	2	0	7	1	4	1	4	1	80	0	2	
22	3	0	0	2	3	2	0	16	10	4	4	85	11	4	22	3	4	8	2	0	0	1	4	8	4	0	78	15	6	
23	3	0	0	2	2	9	0	17	3	4	3	84	14	1	23	3	4	8	1	19	4	1	5	4	3	11	77	10	2	
24	3	0	0	2	2	4	0	17	8	4	3	83	16	5	24	3	4	8	1	18	9	1	5	11	3	10	76	4	3	
25	3	0	0	2	1	11	0	18	1	4	2	82	18	4	25	3	4	8	1	18	1	1	6	7	3	10	74	17	8	
26	3	0	0	2	1	6	0	18	6	4	2	81	19	10	26	3	4	8	1	17	5	1	7	3	3	9	73	10	5	
27	3	0	0	2	1	0	0	19	0	4	1	81	0	10	27	3	4	8	1	16	9	1	7	11	3	8	72	2	6	
28	3	0	0	2	0	6	0	19	6	4	1	80	1	4	28	3	4	8	1	16	0	1	8	8	3	7	70	13	10	
29	3	0	0	2	0	0	0	1	0	0	4	0	79	1	4	29	3	4	8	1	15	4	1	9	4	3	6	69	4	6
30	3	0	0	1	19	6	0	1	0	6	3	11	78	0	10	30	3	4	8	1	14	7	1	10	1	3	5	67	14	5
31	3	0	0	1	19	0	0	1	1	0	3	11	76	19	10	31	3	4	8	1	13	10	1	10	10	3	5	66	3	7
32	3	0	0	1	18	6	0	1	1	6	3	10	75	18	4	32	3	4	8	1	13	1	1	11	7	3	4	64	12	0
33	3	0	0	1	18	0	0	1	2	0	3	10	74	16	4	33	3	4	8	1	12	3	1	12	5	3	3	62	19	7
34	3	0	0	1	17	5	0	1	2	7	3	9	73	13	9	34	3	4	8	1	11	5	1	13	3	3	2	61	6	4
35	3	0	0	1	16	10	0	1	3	2	3	8	72	10	7	35	3	4	8	1	10	7	1	14	1	3	1	59	12	3
36	3	0	0	1	16	3	0	1	3	9	3	7	71	6	10	36	3	4	8	1	9	9	1	14	11	3	0	57	17	4
37	3	0	0	1	15	8	0	1	4	4	3	7	70	2	6	37	3	4	8	1	8	11	1	15	9	2	11	56	1	7
38	3	0	0	1	15	1	0	1	4	11	3	6	68	17	7	38	3	4	8	1	8	0	1	16	8	2	10	54	4	11
39	3	0	0	1	14	5	0	1	5	7	3	5	67	12	0	39	3	4	8	1	7	1	1	17	7	2	8	52	7	4
40	3	0	0	1	13	10	0	1	6	2	3	5	66	5	10	40	3	4	8	1	6	2	1	18	6	2	7	50	8	10
41	3	0	0	1	13	2	0	1	6	10	3	4	64	19	0	41	3	4	8	1	5	2	1	19	6	2	6	48	9	4
42	3	0	0	1	12	6	0	1	7	6	3	3	63	11	6	42	3	4	8	1	4	2	2	0	6	2	5	46	8	10
43	3	0	0	1	11	9	0	1	8	3	3	2	62	3	3	43	3	4	8	1	3	2	2	1	6	2	4	44	7	4
44	3	0	0	1	11	1	0	1	8	11	3	1	60	14	4	44	3	4	8	1	2	2	2	2	6	2	3	42	4	10
45	3	0	0	1	10	4	0	1	9	8	3	0	59	4	8	45	3	4	8	1	1	1	2	3	7	2	1	40	1	3
46	3	0	0	1	9	7	0	1	10	5	2	11	57	14	3	46	3	4	8	1	0	0	2	4	8	2	0	37	16	7
47	3	0	0	1	8	10	0	1	11	2	2	11	56	3	1	47	3	4	8	0	18	10	2	5	10	1	11	35	10	9
48	3	0	0	1	8	1	0	1	11	11	2	10	54	11	2	48	3	4	8	0	17	9	2	6	11	1	9	33	3	10
49	3	0	0	1	7	3	0	1	12	9	2	9	52	18	5	49	3	4	8	0	16	7	2	8	1	1	8	30	15	9
50	3	0	0	1	6	6	0	1	13	6	2	8	51	4	11	50	3	4	8	0	15	4	2	9	4	1	6	28	6	5
51	3	0	0	1	5	8	0	1	14	4	2	7	49	10	7	51	3	4	8	0	14	1	2	10	7	1	5	25	15	10
52	3	0	0	1	4	9	0	1	15	3	2	6	47	15	4	52	3	4	8	0	12	10	2	11	10	1	3	23	4	0
53	3	0	0	1	3	11	0	1	16	1	2	5	45	19	3	53	3	4	8	0	11	7	2	13	1	1	2	20	10	11
54	3	0	0	1	3	0	0	1	17	0	2	4	44	2	3	54	3	4	8	0	10	3	2	14	5	1	0	17	16	6
55	3	0	0	1	2	1	0	1	17	11	2	2	42	4	4	55	3	4	8	0	8	10	2	15	10	0	11	15	0	8
56	3	0	0	1	1	1	0	1	18	11	2	1	40	5	5	56	3	4	8	0	7	6	2	17	2	0	9	12	3	6
57	3	0	0	1	0	2	0	1	19	10	2	0	38	5	7	57	3	4	8	0	6	0	2	18	8	0	7	9	4	10
58	3	0	0	0	19	2	0	1	11	36	4	9	36	4	9	58	3	4	8	0	4	7	3	0	1	0	5	6	4	9
59	3	0	0	0	18	1	0	1	10	34	2	10	34	2	10	59	3	4	8	0	3	1	3	1	7	0	4	6	3	2
60	3	0	0	0	17	1	0	1	8	31	19	11	31	19	11	60	3	4	8	0	1	6	3	3	2	0	2
61	3	0	0	0	16	0	0	1	7																					

Table of Prescribed Half-yearly Instalments for every One Hundred Pounds of the Loan.

Twenty-Years Term.					Twenty-years Term—continued.						
Half-year.	Half-yearly Instalment.	Apportioned thus :		½ per Cent. Rebate of Interest.	Balance of Principal owing.	Half-year.	Half-yearly Instalment.	Apportioned thus :		½ per Cent. Rebate of Interest.	Balance of Principal owing.
		On Account of Interest at 5 per Cent.	On Account of Principal.					On Account of Interest at 5 per Cent.	On Account of Principal.		
1	£ s. d. 3 19 8	£ s. d. 2 10 0	£ s. d. 1 9 8	s. d. 5 0	£ s. d. 98 10 4	21	£ s. d. 3 19 8	£ s. d. 1 11 1	£ s. d. 2 8 7	s. d. 3 1	£ s. d. 59 13 5
2	3 19 8	2 9 3	1 10 5	4 11	96 19 11	22	3 19 8	1 9 10	2 9 10	3 0	57 3 7
3	3 19 8	2 8 6	1 11 2	4 10	95 8 9	23	3 19 8	1 8 7	2 11 1	2 10	54 12 6
4	3 19 8	2 7 9	1 11 11	4 9	93 16 10	24	3 19 8	1 7 4	2 12 4	2 9	52 0 2
5	3 19 8	2 6 11	1 12 9	4 8	92 4 1	25	3 19 8	1 6 0	2 13 8	2 7	49 6 6
6	3 19 8	2 6 1	1 13 7	4 7	90 10 6	26	3 19 8	1 4 8	2 15 0	2 6	46 11 6
7	3 19 8	2 5 3	1 14 5	4 6	88 16 1	27	3 19 8	1 3 3	2 16 5	2 4	43 15 1
8	3 19 8	2 4 5	1 15 3	4 5	87 0 10	28	3 19 8	1 1 10	2 17 10	2 2	40 17 3
9	3 19 8	2 3 6	1 16 2	4 4	85 4 8	29	3 19 8	1 0 5	2 19 3	2 0	37 18 0
10	3 19 8	2 2 7	1 17 1	4 3	83 7 7	30	3 19 8	0 18 11	3 0 9	1 11	34 17 3
11	3 19 8	2 1 8	1 18 0	4 2	81 9 7	31	3 19 8	0 17 5	3 2 3	1 9	31 15 0
12	3 19 8	2 0 9	1 18 11	4 1	79 10 8	32	3 19 8	0 15 11	3 3 9	1 7	28 11 3
13	3 19 8	1 19 9	1 19 11	4 0	77 10 9	33	3 19 8	0 14 3	3 5 5	1 5	25 5 10
14	3 19 8	1 18 9	2 0 11	3 10	75 9 10	34	3 19 8	0 12 8	3 7 0	1 3	21 18 10
15	3 19 8	1 17 9	2 1 11	3 9	73 7 11	35	3 19 8	0 11 0	3 8 8	1 1	18 10 2
16	3 19 8	1 16 8	2 3 0	3 8	71 4 11	36	3 19 8	0 9 3	3 10 5	0 11	14 19 9
17	3 19 8	1 15 7	2 4 1	3 7	69 0 10	37	3 19 8	0 7 6	3 12 2	0 9	11 7 7
18	3 19 8	1 14 6	2 5 2	3 5	66 15 8	38	3 19 8	0 5 8	3 14 0	0 7	7 13 7
19	3 19 8	1 13 5	2 6 3	3 4	64 9 5	39	3 19 8	0 3 10	3 15 10	0 5	3 17 9
20	3 19 8	1 12 3	2 7 5	3 3	62 2 0	40	3 19 8	0 1 11	3 17 9	0 2	..

Workers should note that on the twenty-years term on a loan of £500 the weekly payment amounts to only $1\frac{1}{4}$, or less than $7\frac{1}{2}$ per cent. per annum, including repayment of principal. On the thirty-years term it amounts to about $11\frac{1}{6}$ per week, or less than 6 per cent., including repayment of principal. On the thirty-six-and-a-half-years term it amounts to about $10\frac{1}{7}$ per week, or $5\frac{1}{2}$ per cent., including repayment of principal.

9. The mortgagor may pay to the Superintendent *at any time* the whole balance of principal owing with interest to date of payment, and obtain a discharge of the mortgage on payment of the fee prescribed for such discharge.

10. The mortgagor may also from time to time pay to the Superintendent, in addition to the half-yearly payments, sums of £5 or a multiple of £5, which, *at the next instalment due date*, may be applied in one of the following methods, according as he directs:—

(a.) In payment of the half-yearly instalments (consisting partly of interest and partly of principal) *as they fall due*, until the deposit is exhausted, or,

(b.) In payment of as many future half-yearly instalments of principal (but not of interest) as it will cover, and, as far as such instalments are concerned, the corresponding interest will not be charged. On the next half-yearly date, however, the mortgagor will be required to continue his payments as before, the advance payment having the effect of reducing the period during which he would have to pay such instalments. For instance, a mortgagor has a loan of £100 for a term of $36\frac{1}{2}$ years. On the due date of his eighth half-yearly instalment he pays, in addition to the amount due, a sum of £5. This

is applied in payment of his ninth, tenth, eleventh, twelfth, thirteenth, fourteenth, and fifteenth instalments of principal—12s. 2d., 12s. 6d., 12s. 10d., 13s. 1d., 13s. 5d., 13s. 9d., 14s. 2d. (see table), making a total of £4 11s. 11d., and the corresponding interest—£2 7s. 10d., £2 7s. 6d., £2 7s. 2d., £2 6s. 11d., £2 6s. 7d., £2 6s. 3d., £2 5s. 10d. (which has not begun to accrue)—is not charged. A balance of 8s. 1d. remains in his favour. Then on the next due date he has to make the half-yearly payment as usual (less 8s. 1d.), but, instead of being the ninth, it counts as the sixteenth instalment, and by this means the whole loan is repaid three years and a half earlier (seven half-yearly payments) than it otherwise would be.

(c.) It may be applied as provided in paragraph 11.

Readjustment of Loans.

11. On the due date of any instalment, **after at least one-tenth of the loan has been repaid** by means of the half-yearly instalments or of moneys repaid in advance, or both, the mortgagor (provided he is not in arrear with any instalment or other payment due under the mortgage) may, with the consent of the Superintendent, readjust the loan by treating the balance of principal then unpaid as a fresh loan duly granted on that date for a fresh term. **But no readjustment is allowed to an amount less than £100.** Under this arrangement the mortgagor will be relieved of paying interest on the original amount of the loan, and will pay only on the balance of principal owing.

Following is the scale of fees payable for preparation of mortgages:—

MORTGAGES UNDER THE LAND TRANSFER ACT, 1915.

Law-costs of perusing title, preparing and registering mortgage (to be deducted from the advance):—

	£	s.	d.
If advance be not exceeding £250	0	7	6
Exceeding £250 but not exceeding £500	0	10	0
Exceeding £500 but not exceeding £750	0	15	0
Exceeding £750 but not exceeding £1,000	1	1	0
Exceeding £1,000 but not exceeding £1,500	1	6	0
Exceeding £1,500 but not exceeding £2,000	1	11	6

With cash disbursements, which are the same in every case, namely:—

Search fee (with an additional 2s. for every certificate of title after the first)	0	2	0
Registration (with an additional 2s. for every certificate of title after the first)	0	10	0

MORTGAGES UNDER THE DEEDS REGISTRATION ACT, 1908.

Law-costs of perusing title, preparing and registering mortgage (to be deducted from the advance):—

	£	s.	d.
If advance be not exceeding £150	0	18	0
Exceeding £150 but not exceeding £250	1	0	6
Exceeding £250 but not exceeding £500	1	5	0
Exceeding £500 but not exceeding £750	1	13	0
Exceeding £750 but not exceeding £1,000	2	3	0
Exceeding £1,000 but not exceeding £1,500	2	13	0
Exceeding £1,500 but not exceeding £2,000	3	13	0

With cash disbursements:—

Fee chargeable by solicitor not residing in registration centre for employing agent to register mortgage	0	5	0
Fee for partial or total discharge of mortgage	0	5	0
Fee for execution of consent by the Superintendent to any document	0	5	0
Fee for production of title-deeds held by the Superintendent	0	5	0

Advances to Workers.

Workers desirous of erecting or acquiring dwellings as homes for themselves and their families may obtain advances on first mortgage of lands and improvements held under any of the classes of tenure enumerated in clause 3 of this pamphlet free from all encumbrances, liens, and interests.

(1.) A worker is defined as a person of either sex engaged (whether as an employee or on his or her own account) in manual or clerical work, who is not in receipt of an annual income exceeding—

(a.) £300 in the case of a person with not more than two children or other persons dependent on him, or

(b.) £300 increased by £20 in respect of each child or other person dependent on him in excess of two such dependants, and is not the owner of any land other than that offered as security.

(2.) Not more than £750 may be granted to any one borrower; and an advance shall not be made exceeding three-fourths of the total value of the security in the case of freehold land, or three-fourths of the value of the lessee's interest in the case of leasehold land, or be made to any applicants who do not take up their permanent residence on the security. A valuation fee of 7s. 6d. must accompany each application. Married applicants must make the declaration on application form jointly with wife or husband as the case may require.

(3.) The amount of the loan granted by the Board may either be paid over in one sum, or, when the dwelling is to be erected, may be advanced in progress payments as the erection of the building proceeds. An inspection and report must be made by an officer of the Valuation Department prior to any progress payment being made on account of the loan, and for each such inspection a fee of 7s. 6d. shall be paid by the applicant. The Department requires that not less than three inspections

be made, and that the fencing be completed before all the loan is paid over. **Every applicant after lodging an application for a loan should await the decision of the Board before proceeding with the erection of the building.**

A copy of the plan and specifications for a proposed building must be provided for the Department's use, and such shall become and remain the property of the Department.

- (4.) On securities classified by the Board as **First Class**, loans shall be granted for a term of **Thirty-six and a half Years**.
 On securities classified by the Board as **Second Class**, loans shall be granted for a term of **Thirty Years**.
 On securities classified by the Board as **Third Class**, loans shall be granted for a term of **Twenty Years**.

The classifying of securities rests entirely with the Board.

- (5.) Loans are granted only on the instalment system, and may be repaid or readjusted as in the case of a loan from the Advances to Settlers Branch, explained heretofore in this pamphlet. Interest is charged at the rate of 5 per cent., reducible to $4\frac{1}{2}$ per cent. provided payment is made not later than fourteen days after due date and no arrears or other payment under the mortgage remain outstanding.
- (6.) Mortgages under the Land Transfer Act, 1915, shall, if the applicant's title is free from encumbrance, be prepared and completed free of charge to mortgagors, with the exception of the repayment of cash disbursements, which shall be deducted from the advance. Except as above provided, the scale of costs and fees with respect to advances to settlers applies to advances to workers.

No procuration fee, commission, or charge for obtaining a loan should be paid to any person.

Any person desiring an advance should make a written application on the form provided for the purpose, a copy of which can be obtained from any Postmaster in the Dominion. The Postmaster will also supply an envelope in which the application may be forwarded and will give the applicant any explanation which may be required respecting the filling-in of the form. Application for a loan may also be made to representatives of the Valuation of Land Department, who, together with Postmasters, only, act as agents for the Office throughout the Dominion. **No professional assistance is necessary, and no charge is authorized for the filling-in of the application form. The Department has no agents authorized to act on its behalf in this respect.**

G. F. C. CAMPBELL,
 Superintendent.

State Advances Office,
 .Wellington, December, 1919.

COPY.

(3) A

WINDHAM CLUB,

St. James's Square,

S.W.1.

24th March, 1924.

Sir,

I have the honour to transmit herewith a copy of a telegram which I have received from Mr. H. Henniker Heaton relative to a loan of £1,000 to the Executors of the late Mr. William Keith Cameron, for the purpose of purchasing fencing materials for the farm of San Carlos North.

2. In the memorandum which accompanied my despatch No. 42 of the 26th of March, 1923, it was pointed out with regard to the sheep farming industry of the Falkland Islands that:

(1) The general position is that the farmers are not in a position to incur expenditure on the development of their properties or on experimental work.

(2) Further sub-division of the farms by fencing would facilitate the management of the flocks and would repay the cost.

(3) The payments for the purchase of the land have been invested for the credit of a Land Sales Fund which amounts to approximately £180,000, and is at the disposal of the Colony for its development or in case of emergency.

60.5851/1924

3. I hope to be in a position, after receiving a report on the sheep farming industry from Mr. Hugh Munro, who is to visit the Colony at an early date, to put forward definite proposals for making long term loans to the farmers at an economic rate of interest, and I submit that, in the absence of a Bank, loans for the improvement and development of the farms may properly be made from the Land Sales Fund.

4. I welcome the application which has been made on behalf of the farm of San Carlos North. The land is in

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W.1.

process

process of being purchased by 30 annual instalments of £287 and 17 payments have already been made. The area of the farm, calculated from the Admiralty chart, is approximately 82,880 acres. The farm carries 27,000 sheep or one sheep to about 3 acres, and this indicates that the quality of the land is considerably above the average.

5. Although it has not been possible in the absence of expert advice to put forward any general scheme for making loans for the improvement and development of the farms, I recommend that in order to enable the fencing materials to be purchased in August next, a loan of £1,000 should be made in this case from the Land Sales Fund on the following conditions:

(a) The Government will take a mortgage for £1,000 on the interest of the Executors of the late Mr. William Keith Cameron on the lands of San Carlos North and on the sheep, cattle and horses on the farm and all the produce of the farm.

(b) The sum of £1,000 will be paid to the said Executors on the production to the Crown Agents for the Colonies by Messrs Jacomb, Hoare and Co., Wool Brokers, 19 London Wall, E.C.2., of shipping documents for fencing materials to the value of £1,000.

(c) The loan will be repaid in ten annual instalments, the first instalment being payable 12 months after the date on which the loan is made.

(d) Interest will be payable annually at the present Bank rate of 4 per centum on the amount of the loan outstanding provided that if during the currency of the loan it is decided to grant loans for the improvement and development of the farms in the Falkland Islands on more favourable terms, the

rate

01222

rate of interest will be reduced accordingly.

6. As no reference is made in the telegram from the Colony to any existing mortgage on the farm, it may be concluded that no mortgage has been registered locally, but it will be necessary for the Crown Agents for the Colonies to ascertain from the Executors of the late Mr. W. Keith Cameron, who for many years before his death in 1921, did not reside in the Falkland Islands, whether there is any mortgage in England.

I have, etc.,

(Sgd.) J. MIDDLETON.

01222

copy.

Telegram from the Officer Administering
the Government of the Falkland Islands, dated
the 18th of March, 1924.

Estate of Cameron have applied to borrow £1,000
from Government for fencing materials. Money will be
required in August Crown Agents making the advance
through Jacomb Hoare on receipt of the shipping
documents for materials to the value named. Loan
repayable in London capital and interest in 10 years.
I recommend approval of loan at $3\frac{1}{2}$ per cent although
Cameron would probably pay 4 per cent. Can you arrange?

HEATON.

DUPLICATE

FALKLAND ISLANDS.

DOWNING STREET,

NO:

62

23 June, 1924.

Sir,

24th March.
With reference to your letter of the 24th of March, addressed to the Under Secretary of State for the Colonies (of which a copy is enclosed for convenience of reference), relative to the proposed loan of £1,000 to the Executors of the late Mr. William Keith Cameron, for the purpose of purchasing fencing materials for the farm of San Carlos North, I have the honour to inform you that, subject to the consent of the Legislative Council, I approve of the loan being made at a rate of interest of 4½ per annum.

2. If the Council concur, I shall be prepared to approve of further loans, upon the security of first mortgages, up to a moderate maximum total which should be fixed, for purposes of fencing or other permanent farm improvements.

3. You should consider whether a resolution of the Legislative Council will suffice, or whether an Ordinance will be required.

I have the honour to be, Sir,

Your most obedient,

humble Servant,

(Signed) J. H. THOMAS

GOVERNOR,

HIDDLETON, ESQ., K.B.E., C.M.G.,

&c.,

&c.,

&c.

RESOLUTION.

WHEREAS the development of the sheep industry renders it necessary for farmers to incur capital expenditure for the development of their farms.

AND WHEREAS it is in the opinion of this Council desirable in the interests of the Colony that in the absence of a Bank, facilities be afforded to farmers, who wish to improve their property, to obtain long term loans at an economic rate of interest.

AND WHEREAS there has been invested to the credit of the Land Sales Fund a sum amounting to approximately £120,000 received from the sales of land and this sum is at the disposal of the Colony for its development or for an emergency.

BE IT THEREFORE RESOLVED as follows;

Firstly The Governor in Executive Council shall have power to authorize advances being made from the Land Sales Fund, to farmers for the purpose of permanent farm improvements.

Secondly The aggregate sum to be lent shall not exceed £50,000.

Thirdly Such advances shall be made on the security of first mortgages.

Fourthly Such advances shall be repaid to the Treasurer in the Colony or to the Crown Agents for the Colonies in London by ten annuities which shall be calculated so as to include payment of annual interest at the rate of four per centum

LEGISLATIVE COUNCIL.

RESOLUTION.

WHEREAS the development of the sheep industry renders it necessary for farmers to incur capital expenditure for the development of their farms

AND WHEREAS it is in the opinion of this Council desirable in the interests of the Colony that in the absence of a Bank, facilities be afforded to farmers, who wish to improve their property, to obtain long term loans at an economic rate of interest

AND WHEREAS there has been invested to the credit of the Land Sales Fund a sum amounting to approximately £190,000 received from the sales of land and this sum is at the disposal of the Colony for its development or for an emergency

BE IT THEREFORE RESOLVED as follows :

Firstly The Governor in Executive Council shall have power to authorize advances being made to farmers from the Land Sales Fund, for the purposes of permanent farm improvements.

Secondly The aggregate sum to be lent shall not exceed £30,000.

Thirdly Such advances shall be made on the security of first mortgages.

Fourthly Such advances shall be repaid to the Treasurer in the Colony or to the Crown Agents for the Colonies in London by ten annual instalments which shall be calculated so as to include payment of annual interest at the rate of four per centum.

No.

MINUTE.

(It is requested that, in any reference to this minute, the above Number and the date may be quoted).

12th June 1925 19

From Colonial Treasurer

Stanley



To

THE COLONIAL SECRETARY,

STANLEY, FALKLAND ISLANDS.

I beg to report that the undermentioned entry appears in the Crown Agents Accounts for the Month of March last, in regard to which no instructions have been received by the Treasurer, as to how this amount should appear as a charge in the Treasurer's Accounts, viz:-

By Messrs. Wadsworth, Mann Johnson & Shaw, - Instalment of a loan of £1,000, to the exors. of the late Mr. W. Keith-Cameron,
(C.S. Tel: of 8/6/24)..... £ 500. 0. 0.

2. I shall be glad to receive the necessary instructions please.

Wadsworth
Colonial Treasurer

6

PACKE BROTHERS & Co. LIMITED.

DIRECTORS:
J. S. GOODHART.
F. BUNNORWYH. *W. N. Luxton*
YOUNG & BAKER. *G. T. Blair*
G. F. BEECHER.
W. A. HARDING.

5, COPTHALL BUILDINGS,

LONDON, E.C.2.

AND AT FALKLAND ISLANDS.

July 4th, 1935. 1932

TELEGRAMS:
FOREIGN: "DUNNOSEAD, LONDON."
INLAND: "DUNNOSEAD, STOCK, LONDON."

BENTLEY'S CODE.



Sir,

Recd
W. N. Luxton
8/1/35

I am instructed by the Directors of the above Company to say that they are very desirous of taking advantage of the offer in paragraph 6 of your letter to their Manager at Fox Bay, No.81/35 of March 1st last.

2. If a loan of £1000 could be granted, Messrs Packe Bros & Co would expend it as follows:-

(i) combatting the inroads of sand on their Blue Mountain camp, which threatens to destroy hundreds of acres of pasture. They have already spent a fair sum on putting in sand plants, which is more effective than planting sand grass seed, and desire to plant some thousands more. It is necessary that these plants should be protected, and some 5½ miles of fencing is required. The cost of planting may be put at about £200 and fencing at about £350.

(ii) erecting other very necessary fencing at a cost of about £150

(iii) purchasing pedigree rams from New Zealand to improve the quality of wool. It is possible that this will necessitate the expenditure of more than the balance of £300, but if a loan of £1000 is approved, Messrs Packe Bros & Co would proceed at once with the permanent improvement of their farm as above indicated.

3. Although your letter refers to fencing only, it is assumed that sand grass planting and importation of pedigree stock would be regarded as being of equal importance and permanent benefit.

I am, Sir,
Your obedient servant.

The Honourable

The Colonial Secretary
Falkland Islands

W. N. Luxton

Secretary,

Packe Bros & Company Limited.

GOVERNMENT HOUSE,

STANLEY.

20th August, 1935.

FALKLAND ISLANDS.

No. 133.

Sir,

Recd 3

I have the honour to refer to Mr. Thomas's despatch No. 62 dated the 23rd June, 1924, relative to loans for purposes of fencing or other permanent farm improvements, and to the resolution adopted by the Legislative Council on the 29th July, 1925, (a copy of which is attached for convenience of reference) and to inform you that I have received from Messrs: Packe Bros. & Company, Ltd., of East Fox Bay Station, West Falklands, an application for the grant of a loan of £1,000.

In duplicate.
Recd 4

2. In a Circular letter dated 1st March, 1935, on the subject of unemployment, I caused the Farmers to be informed that I was prepared to recommend to you that for the purpose of facilitating the purchase of fencing materials loans be made free of interest for the first two or three years. In their application Messrs: Packe Brothers state that they are very desirous of taking advantage of that offer and if the loan is granted would expend it on the following farm improvements :-

- (i) The improvement of pastures by planting sand grass plants to combat the inroad of sand which threatens to destroy hundreds of acres of pasturage on their Blue Mountain ground
- (ii) Erection of fencing as required.
- (iii) Improvement of flocks by the importation from New Zealand of pedigree rams.

THE RIGHT HONOURABLE
MALCOLM MACDONALD, M.P.,
SECRETARY OF STATE FOR THE COLONIES.

3. I consider it essential for the benefit of the sheep farming industry and of the Colony generally that every encouragement should be given farmers to carry out necessary improvements through the medium of loans granted for 10 years, interest to commence after three years by the end of which time benefits from the expenditure should make repayment easy, and that such loans should not be restricted to the purchase of fencing and other permanent improvements but should include also the purchase of pedigree stock.

4. The land comprised in East Fox Bay Station is in process of being purchased by 30 annual instalments of £657 and 21 payments have already been made. In addition the freehold property of the Company amounts to 14,784 acres. The total area of the farm is approximately 110,651 acres. The farm carries 28,000 sheep or one sheep to about 4 acres.

5. In the present depressed state of the industry improvement and development cannot be carried out by certain of the farms unless such loans are granted. I recommend therefore, that the loan of £1,000 should be made in this case from the Land Sales Fund on the following conditions :-

- (a) The Government will take a Mortgage for £1,000 on the interest of Messrs: Packe Brothers and Company, Limited, on the lands of East Fox Bay Station and on the sheep, cattle and horses on the farm and on all the produce of the farm.
- (b) The sum of £1,000 will be paid by the Crown Agents to Messrs: Packe Brothers and Company Limited on due execution of the Mortgage.
- (c) The loan will be repaid in seven annual instalments, the first instalment being payable 36 months after the date on which the loan was made.

- (d) Interest will be payable annually at the rate of 4 per centum on the amount of the loan outstanding.
- (e) The first charge for interest will be made after the first repayment of 1/7th of the loan.

6. No Mortgage on the farm has been registered locally but it will be necessary for the Crown Agents for the Colonies to ascertain from Messrs: Packe Brothers and Company, Limited, of 5, Copthall Buildings, London, E.C. 2, whether there is any Mortgage in England.

7. I do not apprehend more than a very few applications and suggest that the total of these advances should not exceed £7,500.

8. I would be glad to be informed of your decision in this matter by telegram.

I have the honour to be,

Sir,

Your most obedient
humble servant,

(Sgd.) H. HENNIKER-HEATON

DECODE.

M.P. 354/24.

TELEGRAM.

From Secretary of State for the Colonies.

To H. E. The Governor.

Despatched: 25th October, 19 35. *Time:* 1930.

Received: 26th October, 19 35. *Time:* 1130.

No. 87. Your despatch No. 133 subject to consent of Legislative Council I approve scheme for loans on first mortgage from Land Sales Fund not exceeding £7,500 in all, but suggest conditions (d) and (e) in paragraph 5 should indicate more precisely period for which loan is interest free. Crown Agents are being informed of scheme.

Secretary of State.

Red 9

10

FALKLAND ISLANDS.

No. 155.

GOVERNMENT HOUSE,

STANLEY.

5th November, 1935.

sir,

Recd 10

I have the honour to refer to your telegram No. 87 dated the 25th of October, 1935, conveying your approval, subject to the consent of the Legislative Council, of the scheme referred to in my despatch No. 133 of the 20th August, 1935, for loans on mortgage from the Land Sales Fund not exceeding £7,500 in all.

2. I have to state that (d) and (e) of the conditions under which such loans may be made have been amended as follows :-

(d) The loan to be free of interest for three years.

(e) Interest will be payable annually at the rate of 4 per centum on the outstanding balance of the loan. Interest will begin to accrue as from the date of the payment of the first instalment ~~or~~, that is to say, 36 months from the date of the loan.

3. Messrs: Packe Bros. & Company, Limited, have been requested to communicate with the Crown Agents regarding the Mortgage necessary to secure the loan.

I have the honour to be,

Sir,

Your most obedient
humble servant,

(Sgd.) H. HENNIKER-HEATON

THE RIGHT HONOURABLE
MALCOLM MACDONALD, M.P.,
SECRETARY OF STATE FOR THE COLONIES.

354/24.

5th November, 35.

Sir,

Recd 6
With reference to your letter dated the 4th of July, 1935, I am directed by the Governor to inform you that the grant of a loan of £1,000 for farm improvements for which your Company applied has been approved by the Secretary of State subject to the following conditions :-

- (a) The Government will take a Mortgage for £1,000 on the interest of your Company on the lands of East Fox Bay Station and on the sheep, cattle and horses on the farm and on all produce of the farm.
- (b) The sum of £1,000 will be paid by the Crown Agents to your Company on due execution of the Mortgage.
- (c) The loan will be repaid in seven annual instalments, the first instalment being payable 36 months after the date on which the loan was made.
- (d) The loan to be free of interest for three years.
- (e) Interest will be payable annually at the rate of 4 per centum on the outstanding balance of the loan. Interest will begin to accrue as from the date of the payment of the first instalment or, that is to say, 36 months from the date of the loan.

2. The Crown Agents for the Colonies who have been informed of the scheme should be communicated with by you regarding the preparation and execution of the required Mortgage.

I am,

Sir,

Your obedient servant,

The Secretary,
Messrs: Paque Brothers
& Co., Limited,
5, Copthall Buildings,
LONDON, E.C. 2.

Colonial

m CH
Secretary.

LEGISLATIVE COUNCIL.

R E S O L U T I O N .

WHEREAS the development of the sheep industry renders it necessary for farmers to incur capital expenditure for the development of their farms.

AND WHEREAS it is in the opinion of this Council desirable in the interests of the Colony that facilities be afforded to farmers who wish to improve their property.

BE IT THEREFORE RESOLVED as follows :

Firstly The Governor shall have power to authorize advances being made to farmers from the Land Sales Fund, for the purposes of the improvement of pastures, erection of fencing, and improvement of flocks.

Secondly The aggregate sum to be lent shall not exceed £7,500.

Thirdly Such advances shall be made on the security of first mortgages and shall be free of interest for three years

Fourthly Such advances shall be repaid to the Treasurer in the Colony or to the Crown Agents for the Colonies in London by seven annual instalments, the first instalment being payable 36 months after the date on which the loan was made.

Fifthly Interest shall be payable annually at the rate of 4 per centum on the outstanding balance of the loan, and shall begin to accrue as from the date of the payment of the first instalment, that is to say, 36 months from the date of the loan.

337/211

14

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" .. RADIO.

Stanley

19th November, 1935.

Sir,

With reference to the Resolution re the granting of loans to farmers free of interest for a period, for farm improvements, which was passed by the Legislative Council on 18th inst., kindly let me know on what condition such loans will be granted.

I am,

Sir,

Your obedient servant,

[Handwritten signature]

Manager.

The Honourable,

The Colonial Secretary,

Stanley.

LY/AF.

354/24.

21st November,

35.

Sir,

Red 14

With reference to your letter dated the 19th of November, 1935, regarding loans from the Land Sales Fund to farmers who wish to develop their farms, I have the honour to inform you that such loans may be made subject to the following conditions :-

- (1) The Government will take a mortgage for the loan on the interest of the borrower in the lands of the farm and on the sheep, cattle and horses on the farm and on all produce on the farm.
- (2) The amount of the loan will be paid by the Crown Agents to the borrower on due execution of the mortgage.
- (3) The loan will be repaid in seven annual instalments being payable 36 months after the date on which the loan was made.
- (4) The loan to be free of interest for three years.
- (5) Interest will be payable annually at the rate of 4 per centum on the outstanding balance of the loan. Interest will begin to accrue as from the date of payment of the first instalment that is to say 36 months from the date of the loan.

I am,

Sir,

Your obedient servant,

WCH

Colonial Secretary.

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

(16)

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

Stanley

AGENT FOR LLOYDS.

AGENTS FOR
THE PACIFIC STEAM NAVIGATION COMPANY.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

26th November, 19 35.

Sir,

With reference to your letter No.354/24 dated 21st inst., would it be possible for the mortgaging of produce to be deleted from condition 1. It has been the practice for many years past for us to allow our clients to overdraw their current accounts with us to finance the ensuing years operations, our security being their produce. Any alteration in this practice must tend to affect the position of both our clients and ourselves and may thereby hamper Government's intention of assisting the developement of Farms.

I am,

Sir,

Your obedient servant,

[Handwritten Signature]

Manager.

The Honourable
The Colonial Secretary,
Stanley.

TEL. 2153

354/24

17

34 Birling Road
Tunbridge Wells

18th. October, 1935.

The Colonial Secretary,
Port Stanley,
Falkland Islands.



Sir,

Red 3
81/35

We note from para. 6 of your letter to Managers No. 81/35 of March 1st 1935 that you are prepared to grant loans for the purpose of improvement of Farms in the Colony, and we therefore beg to apply for the loan of £500 for the purposes hereunder stated:-

- (1). The erection of a fence approximately $1\frac{1}{2}$ miles long at the West end of Pebble Island to enclose sand-hills and old tussock ground which we propose to plant with sand-grass and tussock. The erection of a small shanty for planting purposes. Approximate cost £120.
- (2). The erection of sheep-dip and dip pens on Grand Jason Island. Approximate cost £60.
- (3). The erection of sheep-dip and dip pens on Steeple Jason Island. Approximate cost £50.
- (4). The purchase of 3 Hill-Merino stud rams and 6 Hill-Merino stud ewes from New Zealand. Approximate cost £270.

We have the honour to be,

Sir,

Your Obedient Servants,

Dean Bros.

P.A. *George J. Dean*

354/24.

12th December,

35.

Sir,

Red 16

With reference to your letter dated the 26th of November, 1935, on the subject of loans from the Land Sales Fund to farmers who wish to develop their farms, I am to inform you that "produce" will be omitted from mortgages executed in respect of such loans.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

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

(19)

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENT FOR LLOYDS.

AGENTS FOR
THE PACIFIC STEAM NAVIGATION COMPANY.

TELEGRAMS, "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley

14th December, 19 35.

Sir,

I have to acknowledge receipt of your
letter No.354/24 dated 13th inst., contents
of which are noted with thanks.

I am,

Sir,

Your obedient servant,

W. J. T.
Manager.

The Honourable
The Colonial Secretary,
Stanley.

LWHY/JT.

354/24.

16th December,

35.

Sir,

With reference to your letter dated the 18th of October, 1935, I am directed by the Governor to inform you that the grant of a loan of £500 for Farm improvements for which your Firm applied has been approved subject to the following conditions :-

Red 11

- (a) The Government will take a mortgage for £500 on the interest of your Firm on the lands of Pebble Island Station and on the sheep, cattle and horses on the farm.
- (b) The sum of £500 will be paid by the Crown Agents for the Colonies to your Firm on due execution of the mortgage.
- (c) The loan will be repaid in seven annual instalments, the first instalment being payable 36 months after the date on which the loan was made.
- (d) The loan to be free of interest for three years.
- (e) Interest will be payable annually at the rate of 4 per centum on the outstanding balance of the loan. Interest will begin to accrue as from the date of payment of the first instalment that is to say 36 months from the date of the loan.

2. The Crown Agents for the Colonies who have been informed of the scheme should be communicated with by you regarding the preparation and execution of the required mortgage.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

George T. Dean, Esq.,
34 Birling Road,
Tunbridge Wells,
ENGLAND.

354/24.

16th December,

35.

Gentlemen,

Red 20

I am directed by the Governor to transmit for your information the accompanying copy of a letter which has been sent to Mr. George T. Dean of 34 Birling Road, Tunbridge Wells, regarding an application made by Messrs Dean Brothers of Pebble Island Station, Falkland Islands, for a loan of £500 for farm improvements,

2. The grant of the loan has been approved and Mr. George T. Dean has been requested to communicate with you regarding the preparation and execution of the required mortgage.

3. It is requested that "produce" be omitted from the mortgage in this and any future mortgages concerning loans for farm improvements.

I am,

Gentlemen,

Your obedient servant,

MCH

Colonial Secretary.

DECODE.

22

TELEGRAM.

From SECRETARY OF STATE FOR THE COLONIES,

To H.E. THE GOVERNOR.

Despatched: 17th December, 19 35. Time: 2040.

Received: 18th " 19 " Time: 1115.

No. 105. Your despatch No. 155 condition (e) should preferable be amended by substituting "on which first instalment becomes payable" for "of payment of first instalment" May amendment be made accordingly Telegraph reply.

S. of S.

Red 11

DECODE.

23

TELEGRAM.

From H.E. THE GOVERNOR,

To SECRETARY OF STATE FOR THE COLONIES.

Despatched: 19th December, 1935. *Time*: ...

Received: 19... *Time*: ...

Red 22.

No. 74. Your telegram No. 105 I concur with proposed amendment of condition (e).

Governor.

24

PACKE BROTHERS & Co. LIMITED.

DIRECTORS:
J. S. GOODHART.
R. BUCKWORTH.
W. H. LUXTON.
G. T. DEAN.
W. A. HARDING.

W. H. Luxton
G. T. Dean

32 Victoria Street,

~~EXCOURT HOUSE BUILDINGS~~

LONDON, E.C.2. S.W. 1

AND AT FALKLAND ISLANDS.

TELEGRAMS:
FOREIGN: "DUNNOSEAD, LONDON."
INLAND: "DUNNOSEAD, STOCK, LONDON."

BENTLEY'S CODE



January 13th 1936

Sir,

I am instructed to acknowledge with thanks the receipt of your *Red 12* letter No. 354/24 of the 5th November on the subject of Messrs Packe Bros & Company's application for a loan of £1,000 in the terms of your letter to their Manager of March 1st last

2. Since communicating with the Crown Agents for the Colonies as directed in the second paragraph of your letter my Directors find themselves in considerable difficulty owing to the stringency of the terms of the Mortgage demanded by the Colonial Government, especially the concluding item under paragraph 1 (a) of your letter. The mortgaging of the whole of our produce would preclude us from continuing the arrangement we have with the Falkland Islands Company Limited, by which that Company provides the financial facilities necessary for carrying on our operations, an indispensable condition of which is that all our produce is consigned to them for sale as a security against their advances for purchases of provisions and materials, and of funds for payment of wages in the Colony.

3. In any case, it appears to my Directors that the security demanded is out of all proportion to the amount of the proposed loan, for the Colonial Government is demanding security for quite 20 times the amount, which is surely unnecessary, and also, they think, unreasonable.

4. The Directors would be failing in their duty to the shareholders of the Company, if for a loan of £1,000, they parted with the whole of the Company's borrowing powers as would be the case under such a Mortgage. They have therefore decided to abandon the proposition.

I am, Sir,

Your obedient servant

The Honourable
The Colonial Secretary
Port Stanley
FALKLAND ISLANDS

W. A. Harding

Secretary, Packe Bros & Co
Lmd.

DECODE.

25

TELEGRAM.

From COLONIAL SECRETARY,

To CROWN AGENTS FOR THE COLONIES.

Despatched: 11th February, 1936. Time: ...

Received: 19 ... Time: ...

With reference to Colonial Office letter to you No. 88083/35 of 5rd January, 1936 regarding loan of £1000 to Messrs Packe Brothers & Co., produce should be omitted from terms of Mortgage.

Colonial Secretary.

DECODE.

(26)

TELEGRAM.

From COLONIAL SECRETARY,.....

To PACKE BROTHERS & CO., LTD.

Despatched: 11th February, 19 36. Time: ...

Received: 19 ... Time: ...

Red 24

Your letter of 15th January, 1936, produce will not be included in terms of mortgage the Crown Agents have been informed.

Colonial Secretary.

Copy.

88083/35

Downing Street,

3rd January, 1936.

Gentlemen,

With reference to your letter of the 16th November (O/Falk 64) regarding the proposed loan of £1,000 on mortgage to Messrs. Packe Brothers and Company, Limited, I am directed by Mr. Secretary Thomas to transmit to you a copy of a despatch from the Governor of the Falkland Islands, together with copies of later telegraphic correspondence with him regarding a further amendment of the wording of (e) of the conditions under which the loan may be made.

2. It is understood that Messrs. Packe are already in communication with you; and, subject to the inquiry referred to in paragraph 6 of the Governor's earlier despatch No: 133 of the 20th August, Mr. Thomas approves of your taking the necessary steps with a view to the issue of the loan on the conditions as amended by the enclosed correspondence.

3. It is also understood that, in accordance with the precedent in the case of the loan to the estate of the late Mr. W. Keith-Cameron (see your minute of the 23rd October, 1924 - O/Falklands 53), Messrs. Burchells will be asked to draw up the necessary agreement relating to the proposed mortgage etc.,

I am, etc.,

(Sgd) H. T. ALLEN.

THE CROWN AGENTS
FOR THE COLONIES.

Fr. Gov. 5.11.35.

To Gov. Tel. No.
105. 17.12.35.

Fr. Gov. Tel. No. 74
19.12.35.



A
1

Reference to previous correspondence:-
~~Secretary of State's Dispatch~~ No. 74 of the
Governor's telegram

19th December, 1935.

FALKLAND ISLANDS.
No. 5.

DOWNING STREET,
13th January, 1936.

Sir,

for your information, a copy of
I have the honour to transmit to you/the papers
noted below on the subject of the proposed loan of £1,000
on mortgage to Messrs. Packe Brothers and Company, Ltd.

I have the honour to be,

Sir,

Your most obedient, humble servant,

THE OFFICER ADMINISTERING

THE GOVERNMENT OF THE FALKLAND ISLANDS.

J. H. THOMAS.

Date.	Description.
3rd January, 1936.	To the Crown Agents. (without enclosures)

34 BIRLING ROAD

TUNBRIDGE WELLS

29

NO. 354/24.

28th January, 1936.

Sir,

Red 20
We acknowledge with thanks your letter of the 16th December in reply to ours of the 18th October 1935 concerning our application for a loan of £500 for farm improvement purposes.

It appears to us that the security asked, i.e. a mortgage on all the Pebble Island freehold land and all stock thereon, is out of proportion to the comparatively small amount of the loan.

We therefore have to advise you that although we much appreciate the object of the loan, we consider that the terms of the mortgage are too stringent to permit us to take advantage of it.

I am, Sir,

Your Obedient Servant

For DEAN BROS.

George J. Dean.

The Honourable
The Colonial Secretary,
Port Stanley,
Falkland Islands.

30



ALL COMMUNICATIONS

TO BE ADDRESSED TO THE

CROWN AGENTS FOR THE COLONIES,

THE FOLLOWING REFERENCE AND THE

DATE OF THIS LETTER BEING QUOTED.

O/Falkland Is.65.

TELEGRAMS: "CROWN, LONDON."

TELEPHONE: VICTORIA 7730.

4, MILLBANK,

LONDON, S.W.1.

13th February 1936.

Sir,

With reference to your letter No.354/24 of the 16th December 1935, regarding an application on the part of Messrs Dean Brothers of Pebble Island Station, Falkland Islands, for a loan on mortgage for farm improvements, I have the honour to inform you that we have been notified by Mr.G.T.Dean of Tunbridge Wells that this application is withdrawn, as stated in a letter addressed by him on behalf of Messrs Dean Brothers to you on the 28th January 1936.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

The Colonial Secretary,

Falkland Islands.

q ms

JCR

(32)

PACKE BROTHERS & Co. LIMITED.

DIRECTORS:
J. S. GOODHART.
R. B. BOWEN. *970 loan*
Messrs. PROSE. *W. A. Harding*
D. B. BOWEN.
W. A. HARDING.

32 Victoria Street,

5, COPTHALL BUILDINGS.

354/24.

LONDON, E.C. 2. S.W. 1.

AND AT FALKLAND ISLANDS.

February 25th, 1923

TELEGRAMS:
FOREIGN: "DUNNOSEAD, LONDON."
INLAND: "DUNNOSRAD, STOCK, LONDON."

BENTLEY'S CODE.

Sir,

I am instructed by the Directors of the above Company to acknowledge with thanks the receipt of your telegram of the 11th instant as follows:- "Referring to your letter of the 13th January 1936 produce will not be included in terms of mortgage. The Crown Agents have been informed"

2. The Directors, whilst appreciating the decision not to insist upon produce being included in the mortgage, are of opinion that the terms upon which a loan would be granted are still too onerous, for the following reason; - under the Companies acts Messrs Packe Bros & Company are compelled to report any Mortgage to the Registrar of Companies, and to keep a register of mortgages which is open to inspection by anyone on payment of a shilling. Were we to give the Colonial Government such a mortgage as demanded, our register would disclose to any person that in order to obtain an advance of £1,000 we had been compelled to mortgage absolutely the whole of our property which is valued in our Balance sheet at £33,000. In the event of our finding it necessary to raise further funds, such a disclosure would militate considerably against our chances of success, for any business man would conclude that it must be a very dubious concern that had to mortgage all its assets, valued at £33,000, in order to raise a mere £1,000

3. The Directors have consulted the Company's auditors, and the latter concur in the above and do not recommend us to give such a mortgage.

The Honourable
The Colonial Secretary,
FALKLAND ISLANDS.

(31)

4. There was nothing in the Government Circular letter of March 1st 1935 to indicate that such stringent conditions would be imposed, hence we were under the impression when applying for the loan that the Colonial Government would be satisfied with some kind of equitable lien. All our property is in the Colony, and the Government possesses paramount powers to obtain repayment of a loan when due or when required. Whilst therefore thanking you for the telegram and the exemption from pledging all produce, the Directors have decided to ask you to cancel the application.

I am,

Sir,

Your obedient servant,



Secretary

Packe Bros & Company Ltd.



ALL COMMUNICATIONS
TO BE ADDRESSED TO THE
CROWN AGENTS FOR THE COLONIES,
THE FOLLOWING REFERENCE AND THE
DATE OF THIS LETTER BEING QUOTED.

O/Falk. 64.

TELEGRAMS: "CROWN, LONDON."
TELEPHONE: VICTORIA 7730.

4, MILLBANK,
LONDON, S.W.1.



27th February, 1936

Sir,

I have the honour to acknowledge the receipt of your telegram of the 11th of February, which has been decoded as follows:-

"With reference to Colonial Office letter to you No.88083/35 of January 1st 1936 regarding the loan of £1,000 to Messrs. Packe Brothers and Company Limited produce should be omitted from terms of mortgage."

In this connection we would refer you to the letter which Messrs. Packe Brothers and Company Limited addressed to you on the 13th of January, and of which a copy is attached for easy reference, stating that for the reasons indicated the Company had decided to abandon its application for the loan in question. In case, however, the firm might have wished to reconsider their decision, the terms of your telegram were communicated to them, but they have informed us that notwithstanding the omission of products from the terms of the mortgage they still desire to cancel the application, and have notified you to this effect in a letter dated the 25th of February.

13.1.36.

I have the honour to be,

Sir,

Your obedient servant,

Shirwood

for Crown Agents.

The Colonial Secretary,
Port Stanley,
FALKLAND ISLANDS.

o
met

COPY OF LETTER FROM MESSRS. PACKE BROTHERS & COMPANY LIMITED
TO
THE COLONIAL SECRETARY, FALKLAND ISLANDS.

32, Victoria Street,
S.W.1.

January 13th, 1936.

Sir,

I am instructed to acknowledge with thanks the receipt of your letter No. 354/24 of the 5th November on the subject of Messrs. Packe Bros & Company's application for a loan of £1,000 in the terms of your letter to their Manager of March 1st last.

2. Since communicating with the Crown Agents for the Colonies as directed in the second paragraph of your letter my Directors find themselves in considerable difficulty owing to the stringency of the terms of the mortgage demanded by the Colonial Government, especially the concluding item under paragraph 1 (a) of your letter. The mortgaging of the whole of our produce would preclude us from continuing the arrangement we have with the Falkland Islands Company Limited, by which that Company provides the financial facilities necessary for carrying on our operations, an indispensable condition of which is that all our produce is consigned to them for sale as a security against their advances for purchases of provisions and materials, and of funds for payment of wages in the Colony.

3. In any case, it appears to my Directors that the security demanded is out of all proportion to the amount of the proposed loan, for the Colonial Government is demanding security for quite 20 times the amount, which is surely unnecessary, and also, they think, unreasonable.

4. The Directors would be failing in their duty to the shareholders of the Company, if for a loan of £1,000 they parted with the whole of the Company's borrowing powers as would be the case under such a mortgage. They have therefore decided to abandon the proposition.

I am, Sir,

Your obedient servant,

(Sgd) W. A. Harding.

Secretary, Packe Bros. & Co.

36

O/Falk 64.

17th January 1936.

Sir,

With reference to your letter No. 88083/35 of the 3rd January, I have the honour to transmit for the information of the Secretary of State copies of a letter and of the enclosure thereto, received from Messrs Packe Bros. & Co Ltd., from which it will be seen that for reasons communicated to the Colonial Government, the Company has decided to abandon its application for a loan of £1,000 on Mortgage from the Government of the Falkland Islands.

I have the honour to be,
Sir,

Your obedient Servant,

(Sgd.) E. Ringwood

for Crown Agents.

Under Secretary of State,
COLONIAL OFFICE.

9.1.'36.
and
Enclosure.

4
Duh

NR.

COPY OF LETTER FROM MESSRS. PACKE BROS. & Co. LTD.,
TO CROWN AGENTS.

32, Victoria Street,

9th January 1936.

Gentlemen,

I am in receipt of your letter of the 8th instant, and in reply beg to inform you that my Directors find themselves compelled to abandon the proposition for a loan of £1,000 from the Government of the Falklands for the reasons explained in the accompanying copy of a letter which will be sent to the Colonial Secretary of the Falkland Islands by the outgoing mail.

I am, etc ,

(Sgd.) W.A.Harding.

Secretary. Packe Bros & Co. Ltd.

$\frac{A}{1}$

Reference to previous correspondence:-
Secretary of State's Despatch No...5.... of the
~~Governor's~~

Red 28

.....15th January, 1936.....

FALKLAND ISLANDS.
No.19.....



DOWNING STREET,

.....30th January, 1936.....

Sir,

I have the honour to transmit to you, ~~the papers~~
for your information, a copy of the papers
noted below on the subject of the application of Messrs
Packe Brothers and Co., Ltd., for a loan of £1000
in mortgage from the Government of the Falkland Islands.

I have the honour to be,
Sir,

Your most obedient, humble servant,

THE OFFICER ADMINISTERING
THE GOVERNMENT OF THE FALKLAND ISLANDS.

J. H. Thomas.

Date.	Description.
<p><u>1936.</u> 17th January.</p>	<p>From the Crown Agents for the Colonies. (with first enclosure)</p>

Loans to Farmers for Farm Improvement.

38

<u>Date</u>	<u>To Whom</u>	<u>Amt. Loaned</u>	<u>Amt. Outstanding.</u> (1/10/36)
26.8.28	C.P.W. Bender Moody Valley Farm.	£500	£350.
31.10.31	Mrs. M.M. Pitaluga. Rincon Grande.	£500	£250

Note. (1) Loan of £1000 made to Est. W.K. Cameron, Port San Carlos in March, 1925; repayment at the rate of £100 per annum was completed in August, 1935.

(2) (C.S. 354/24) Loan of £1000 about to be made to Packe Bros. & Co. Ltd., Fox Bay.

Asst
1/7/36.

C.S.O. No. 354/74

Inside Minute Paper.

Sheet No. 10

YE.

Re. see (4) within. Loans have been made under it to :-

Cameron Estate	£ 1000
Bender	£ 500
to ? Pitanga	£ 500.

2. To all interests & purposes the scheme is a dead letter.

Abel
23.7

Chankya . Paid by.

MC. 24/X

PA. 25/100