

CONFIDENTIAL.

C.S.

~~1929.~~

1931.

No.

C/2/31

Hon. L.W.H. Young.

SUBJECT.

1931.
192

21st February.

APPEAL FOR RELIEF IN TAXATION FOR LOCAL SHEEPFARMING INDUSTRY -

Previous Paper.

Letter from Hon. L. W. H. Young.

MINUTES.

- 1-4. Letter from Hon. L. W. H. Young, 2/2/31
- 5-7. " to " " " " 7/3/31
- 8-12. Conf. despatch to S. of S. of 8/3/31
- 13-14. Letter to Mr. J. B. Sidebottom, 9/3/31

Y/E. Despatch and letters fixed and submitted for signature.

The entire typing has been done by myself and this matter will be kept strictly confidential as directed by Y/E.

G. J. J.
10/3/31

Off'ce Secy.

Thank you very much.

[Signature]

10. 3. 31.

Subsequent Paper.

Hon. Treasurer. MCH
Hon. P. W.D. 8. 4. 31
J.M. 8. 4. 31

To see.

A.J.J.
sic/psd
7/4/31

Confidential despatch from S. of S. of 1/5/31. 15
Letter from Mr. J. B. Siddebotham. 1/5/31 16

y/c.

Submitted.

A.J.J.
28/5/31

Off. Sec.

Please let Mr. Treasurer
at Mr. P.W.D. see confidentially.

J.M.

28.5.31.

Hon. Treasurer. MCH
Hon. P. W.D. 29. 5. 31.
J.M. 30. 5. 31

To see.

A.J.J.
sic/psd
29/5/31

y.c. y.c. may care to see

This file.

Hon. C.S.

J.M.

noted
shanked
J.O.G.
29. 7. 31
P.A. J.M.
30. 7. 31

29. 7. 31.

17-20 Letter from managers, J. S. Co. 20/8/31.

G.2. Schittal. Circulate to

The Members of Ex. Co. for

Consideration at an early

meeting ?

JMS

21.8.31

How C.S.O.
I thank you. I agree
JMS
21.8.31

The Treasurer ^{in CH} 22.8.31

The P. D. O. J.M. 24.8.31
Accords please

JMS

21.8.31

y. s.

Draft letter scilicet

concordance with the direction given

this morning by y. s. & Co.

Jan 2

1.9.31

Hon @. S.

A draft letter is, I think, a reasonable answer to request

go. S.
1-9-31

Letter to the Manager, Falkland Is. Co., Ltd. 2/9/31. 21-22.

Extract from minutes of meeting of Executive Council held on the 1st of September, 1931.

After deliberation it was decided to reply to the effect that His Excellency in Executive Council had considered the requests made but did not see sufficient reason at present to accede to them on the grounds that in His Excellency's view the wool market showed a tendency to improvement and stabilisation.

R. A.
29.31

C. Stewart

Clerk of the Executive Council.

R. A.
27/9/31

Letter from Secretary, J. S. Sheppard, Assoc. 23-30
28/9/31.

Inside Minute Paper.

G.P.
 I shall write an
 interim reply to you by
 air mail pending consideration
 of a more detailed reply
 to you a later date.

J.M.S.

14. 11. 31.

Hon C. S.

Interim reply
approved

11. 11. 31

31. Letter to W. A. Harding, Esq., 16th Nov. 1931.

32-33. *Conf. despatch to S. of S. of 8/1/32.*

67. 9. 3. 32.

68. 9. 1. 32.

Y.E.
Draft letter to the Secretary
of the Falkland Sheepowners' Association and
draft despatch to S. of S. submitted.

Y.E.

Hon C. S.

28. 3. 31.

The reply to the Secretary of
the Falkland Islands Sheepowners Assoc.
is effective. That and draft of despatch
to the S. of S. Approved

Y.E.
29. 3. 32

Letter to Mr. D. A. Harding, 29/3/32. 34-36.
Confidential despatch to S. of S. of 30/3/32. 37.

The Treasurer MCH 31. 3. 32.

The P. O. HSE. 31/3/32
To see

Y.E.

31. 3. 32.

P. A. J. M. 2
31. 3. 32.

38-9 Letter from Manager G.S. Co. of 2/5/32.

J. E. Schell with a draft
despatch to S. of S. and a draft
letter in refs to the L. G. H. Young.

J. E. Schell

2.6.32.

Hon. C. S.
The draft of despatch to S. of S.
and letter to the Hon. L. G. H. Young
express my views entirely
J. E. Schell
4.6.32

40-42 Confidential despatch to S. of S. of 9/6/32

43 Letter to Hon. L. G. H. Young of 9/6/32.

Nares, F. I. Coy. 1

67. 24. 9. 32

68. 20. 6. 32

44-50 Letter from Galk. Is. Sheeppowners Assoc. of 28/6/32.

D/O letter from N. W. Parker Dean

of 26th June, 1932

... .. vol 52-51

J.R. Res 52-44 subd.

? Circulate res 50-44 for

consideration at the next meeting of
the Ex. C.

W.D.

F. F. 32.

Hon C. P.

Yes: please circulate.

The matter is very serious
and requires careful consideration

9.8.32

J.P.

Hon Treasurer

W.D.
11. VIII. 32

Hon P. M. O.

W.D.
11.8.32

Circulated for consideration at
next meeting of Executive Council.

C. J. Stewart,
Clerk, Executive Council,
10/8/32.

G.E.

Draft letter ✓ checked

is reply to reply 50-44.

I will then draft ✓ via lady

the Murray draft to the

S.P.

J.P.

Hon C.S.

22.8.32

I am doubtful whether the letter can be sent. Their representations has been sent direct to the S of S and the probability is that the S of S will transmit his observations thereon and perhaps request ^{us} advice and any suggestions we may have in the matter. Otherwise I think the draft letter admirable J.P.

22.8.32

Y.P.

Further draft letter to Hon. S.

Banner submitted.

[Signature]

24.8.32.

Hon. C.S.
Draft of letter
Approved
J.P.
26.8.32

extract from Minutes of Meeting of Executive Council
held on the 16th August, 1932.

The Council considered a letter received from the Falkland Islands Sheepowners' Association on the subject of the sheepfarming industry in the Colony.

After discussion it was decided that the request for the suspension of the export tax on wool could not be considered.

The Council concurred, however, in His Excellency's view that relief might be afforded in the following ways, subject in every instance to the sanction of the Secretary of State, namely :

- (i) By the collection of the export tax on wool on receipt in the Colony of the customs certificates covering the landing of the wool in the United Kingdom, instead of at shipment, as already recommended :
- (ii) By the suspension of the annual land purchase instalments in respect of the year 1933, interest being charged at the rate of 3 per cent per annum on the amount unpaid and ownership/

ownership rights remaining unaffected, and by the extension of a similar concession up to a maximum term of three years subject to review prior to the commencement of each of the two years 1934 and 1935.

(iii) By the imposition of a tax on foreign wool, in particular Patagonian, imported into the United Kingdom.

A. J. Stewart

Clerk of the Executive Council.

- 51 - 52. Letter from Mr. W. M. Deam. 26 June 1932.
- 53. Letter to the Hon. G. Bonner. 29th August 1932.
- 54-55 Letter to Mr. W. M. Deam. 30/8/32.

G. f. 16. 9. 32.

J. M. S. 31. 8. 32.

56. 5. off. Confidential despatch of 16/7/32.

42. Draft despatch submitted.

J. M. S.

22. 9. 32.

Draft despatch excellent
Approved
J. M. S.
22. 9. 32

Respatch to S. of S. Conf. of 23/9/32.

54-60

Confidential

Hon. Treasurer ^{2/10/32}
Hon. P. M. O. HSE 3.10.32

Please see

Julian

28. 9. 32.

b.f.
20. 12. 32.

Jul 3, 10, 32

Telegram from S. of S. No. 65. of 8/11/32.

61.

y. 2. Submitted with a draft
letter to the Hon. Sec. Board at a
draft despatch to S. of S.

Jul

Hon C.S.
Draft of letter
Approved

10. 11. 32.

g.o.g.
10-11-32

- 62-3 Letter to Hon. George Romer, of 12/11/32.
- 64. Despatch to S of S Conf. of 14/11/32.
- 65-6 L.P. Letter to Mr. N. G. Dean of 14/11/32.
- 67. Minute to Local Auditor of 16/11/32.

Mr. Treasurers

at Coll. of Customs.

Please see for

reference & etc in due course.

2. Proposals please pass to

the P.N.O. for info.

[Signature]

16. 11. 32.

A.C.S. Noted.

All payments in respect of Land Sales are made to the Crown Agents. Presumably the Crown Agents will be informed.

[Signature]
A.C.S. Treasurers
18. XI. 32

Hand S.M.O.

Passed to you
[Signature]
18. XI. 32

[Signature]
19. XI. 32

Confidential⁽²⁾ despatch from S. of S. of 10/11/32. 68-70

The measures
at Collector.

Please see at
advise as to the arrangements
that shall be made in
pursuance of S. of S.'s instructions
in para 2 of ret 70.

W. S. S.

16.12.32.

Hon. Col. Sec.

All wool exported passes through the hands of the F. I. Coy, as Agents for the Sheepfarmers. The Company pays the Eschore duty and files the requisite Customs declarations regarding quantities and weights. The F. I. Coy will require to be informed that during the year 1933, eschore duty on wool will have to be paid on receipts in the Colony of

the Customs certificate covering landing in the U.K., instead of as shipments as formerly. Further, that the full amount of duty due in respect of wool exported during the year 1933, must be paid before the end of that year. The Company will require to file, on shipment, the necessary Customs Export entries giving details of marks, quantities and weights of wool.

2. Similarly, annual instalments for land purchases are paid by the H.C. Coy to the Crown Agents in London, on behalf of Farmers purchasing land. It will be necessary to inform the Company and the Crown Agents that such payments will be suspended in respect of the year 1933, but that interest at the rate of 3% per annum will require to be paid on the amounts of purchase money unpaid.

3. I put up specimen form of the Certificate of Landing which

which is used for ascertaining the actual weights of wool landed in the U.K.

Mr. Craigie Hallett
19.12.32.

Letters ② to Manager, Galk. Is. Co. Ltd. of 20/12/32
Letter to Crown Agents of 20/12/32.

72-73
74.

Hr. Treasurer

Please see

J.M.H.
y.

21.12.32.

Hon. Col. Sec.

Thank you.

Mr. Craigie Hallett
Secy
21.12.32

Hr. P.O.

To see.

J.M.H.
y.

J.M.
22/12/32

21.12.32

Letter from Manager, Galk. Is. Co. Ltd. 1/12/32 (75)

J.E. Schmitt
J.M.H.

Hon. C.S.
Good in its appreciation.
J.G.
2.1.33

22.12.32.

C.S.O. No. 6/2/31

Inside Minute Paper.

Sheet No. 9....

8

cc
Copies of nos 74-73
to L.A. for info. please.

jud

3.1.33.

Copies of nos 74-73 Forwarded to L.A. 4/1/33.

b.f. 4.4.33.

(Concensus in 1934)

jud 4.1.33.

76-7 Letter from Mr. M. Dean 23/1/32.

78-81 Letter from Hon. G. Bonner. 14/1/33

y.f. Schell. ? Nil in

regard to nos 81-78 pending

any communication from S. G. S.

Hon C.S.

jud

b.f. 4.4.33.

I agree

22.2.33.

jud 24.2.33.

jud
23.2.33

6/2/31

b.f.
9.5.33

(Copies to be
wated in 1934)

Jul
4.4.33

B/f when despatch
from S. of S. has
been filed herein
MCH

Letter from W. G. Renney, Esq., 20/5/33 (82)

Refs 78-81 see despatch to S. of S.
No. 100 of 6th June 1933, in C.S. 290/32
MCH

7. VI. 33

Hon. Secy:

Kindly see draft letter - this
appears to be the manner in which
interest is chargeable. Do you agree?

M. Vinji Kulkarni
Asst. Secy.
8.6.33

Hon. Col Secretary.

Yes, the draft letter clearly
and correctly states the manner of charging
interest on law purchase instalments temporarily
with-held.

Ans^d for Col Secy
8. VI. 33.

Letter to W. G. Renney, Esq., of 9/6/33.

83.

(845) Letter from Mr. W. G. Bunnery 26/6/33

Y/E

Pa. 844 submitted.

A.S.P.
for C.S.
20/7/33.

(86) Letter to Mr. W. G. Bunnery of 25/7/33.

(87) Letter from Manager. F. S. Colles 25/8/33

(88) — do — do — do —

Y/E

Submitted.

A.S.P.
for C.S.
29/8/33.

Hon. Col. Sec.

Kindly acknowledge
the two letters and
say that the matter will
be referred for the consideration
of the S. of S.

WCH

29. 8. 33

Letters to Manager, Galk. Is. Co Ltd., 31/8/33.
Confidential despatch to S of S of 8/11/33.

(89) & 90

(91)

Hon. Treasurer.

To see.

C. J. D.
for S.O.
3/11/33

Hon. Col. Sec.

See. Secretary.

C. J. D.
for Col. Treas.
13. 11. 33

Telegram from S. of S. No. 74. of 20/12/33. 92.

y/c.

Submitted.
Inform Manager.
J. Stoy as in Reas (72)
and (73).

C. J. D.
for S.O.
27/12/33

Hon. Col. Sec.

Yes, please.

mcH

27. XII. 33.

Letters to Galk. Is. Co. Ltd. of 28/12/33.

(93-94)

Hon. Treasurer,

to note.
C. J. J.
for
28/12/33.

Hon. Col. Sec.

Noted. Thank you.
C. J. J. Col. Treas.
28. 12. 33.

Copies of reads 93-94 forwarded to local Auditor
for his information, 28/12/33.

Hon. P. W. D. J. M. 29. 12. 33.

~~Hon. G. Roberts,~~ C. M. B. 30/12/33.

to note.
C. J. J.
for
28/12/33

Hon. Col. Sec.

Noted.
G. Roberts
30/12/33

(95) Letter from Managers. The F. & Co 20/1/34

Submitted for information.

C. J. J.
for
31/1/34

Hon. Col. Sec.

Secy.

MCH

C. I. 34

30/6/34
C. I. 34

S. of S. Despatch No. 8. of 15/1/34.

96-98.

S. of S. Confidential (2) despatch, 29/12/34.

99.

Yr. Submitted for information. The matter has already been dealt with, vide refs (92) to (94).

MCH

at es.
15. 2. 34.

Mr. C. I. Secy: Thank you.

Mr. Treasurer no doubt will take

the steps necessary ~~at the proper time~~ ~~to collect the interest due in~~

respect of the deferred 1933 instalments.

Yr. 14. 2. 34.

Hon. Treasurer.

Please note regarding
collection of interest in
respect of the deferred payments
in 1933.

MCH
a/c S.
17. 2. 34

Hon. Col. Sec. Notes. The Crown Agents
were written to in this regard (see
enc: 74) but no acknowledgement
has been received from them.
However I presume the interest will
be received through the CA's?

W. J. P.
for Col. Sec.
19. 2. 34

Hon. Treas.

Thank you. Please put
up a list of persons
purchasing together with
dates interest is due and
amount of interest. I believe
Messrs Bennet paid their
land instalment for 1933.

MCH
a/c S.
20. 2. 34

Hon ~~Col~~ Secretary

List required is Red 100
put up herein.

2. Messrs Benney did not
pay their instalment for 1933.

AWD
for Col Treasurer
21. 2. 34

Letter to manager. Galk. S. Co. Ltd. 24/2/34. (101)

Hon. Treas.

Thank you. Please
see letter to H. L. Coy. Ltd.
(red 101)

MCH
a/c s.
28. 2. 34

Hon ~~Col~~ Sec.

Seen, thank you.

AWD
for Col Sec
28. 2. 34

Letter from Manager. G. S. Co. 1/3/34 (102)

The action taken, reds 100 - 102
Submitted for information.

MCH
a/c s.
7. 3. 34.

Hon. C.S.

Thank you.

[Signature]

2. 3. 34.

P. A.

Hon. Treas.

Please note veds 100-102.

MCH
as cd.
2. v. 34.

Honors

Noted, thank you.

[Signature]
for Treas.
9/1/34.

P. A.

MCH

9. v. 34

Hon. Treas.

Have any of the amounts
been paid.

MCH
as cd.
27. 7. 1934

Honors

Items 1-7 have been paid. Items
8, 9 & 10, will be included in Settlement
with F. I. C. for July.

[Signature]
for Treas.
27
VII-34

P. A.

Letter from Manager, P. A. Co 8/8/34

103

— do — do — do —

104

Yr. Submitted. I do not see that a case has been made out for the further suspension in 1935 of land purchase instalments.

Farmers received this year a better price for wool, in fact the best since 1931. The suspension of payments should have enabled Farmers to retain sufficient labour to work their Stations in a proper manner, but notwithstanding the concessions granted most Stations have reduced labour with consequent increased burden to the Govt.

Mr. Bonner is not affected as he completed his land purchase some years ago.

MCH
by C.S.
8.8.34.

Yr. C.S.

Draft despatch here with.

2. Local manager, P. A. Co, may be informed in reply to nos 104 & 103 that I am referring both requests to S. of S. together with my favourable recommendation.

Yr.
13.8.34.

(105)

Conf. despatch to S of S 14/8/34.

(106)

Letter to manager. Dtd. 14/8/34.

Y.E.
Despatch submitted for
Signature.

MCH
by C.L.
14.8.34.

Ynd
15.8.34.

(107)

Letter from CPWA. 8/8/34

(108)

— do — 8/8/34

Hon. Secs.

Please see. Does this
affect the interest payable?

MCH
by C.L.
19.9.34

Would you also please state what
number of instalments this completes
in each case.

Hon. Secs.

Had the instalments been
paid at due dates the Government
would have had the use of the money
so paid & until such time as
the arrears created by the suspension
of payments remain unpaid interest
is chargeable on the amounts
outstanding. In other words
it will be necessary for two
instalments to be paid in one year
to avoid the payment of interest.

In the cases in question
Auston & Lupton & W.D. Bennet will

require to pay ^{annually} £20 - 2. 3 + £3. 3. 3
respectively ~~until~~ ^{during} such time as the
1933 instalment remains unpaid.

2. The present payments represent:-

W. D. Bennet - 24th instalment
Suson & Lupton - 2nd - do -

[Signature]
for Treas.
19
14-34

Hon. Treas.

I notice that £798 was
received for Law Sales in 1933,
how was this made up.

I was under the impression that
Estate W. G. Bennet paid the
instalment for 1933 - it is shown
as paid in the Law Sales Summary
in the 1934 Estimates.

Of the £798 probably a sum
of £422 paid by Douglas Station
Co. Ltd, is included but this
amount was refunded.

If Estate Bennet did not pay
in 1933 then 24th instalment
shown in 1934 Estimates is
in error.

MCH
ag. C.S.
20. 9. 34

Hon. Secy

The sum of \$498-6-10 was received in 1933 on account of Land Sales & was made up as follows:-

Douglas Stn Co Ltd	\$422-6-10
Sale of Town Land	\$76.0.0
	<hr/>
	\$498.6.10

The instalment of \$422-6-10 paid by Douglas Stn Co Ltd was refunded.

2. No payment was made in respect of Estate W. D. Bennet during 1933. The instalment shown in the 1934 Estimates should have been 24th & not 25th.

[Signature]
for Secy
21
IX-34

P. A.
MCH
24.9.34

109. Telegram from S. of S. No. 63 of 24/10/34

Y/B. Submitted

C. J. D.
for Secy
15/10/34

Hon. Col. Secy

Kindly inform Managers
H. C. as 93 and 94 with
alteration of years. Thereafter

to Hon. Treas. to note.

mch
by Gov.

Ex. 54

Letters to manager, Balk. S. Co Sta of 9/10/34 110-111

Hon. Treasurer
to note.

Handwritten notes: *Handwritten*
for
10/24
+

C. J. Jones
10/10/34

P.A.
12/5/34

Letter from manager, Balk. S. Co Sta 13/10/34 (112)

P.A.
16/10/34

S. of S. Confidential despatch, 6/10/34.

YH

Red (113) submitted. Action has already been taken on this matter.

C. J. Jones
19/12/34

Hon. Col. Sec.

Thank you.

mch
20. XII. 34

V. H.
20/12/34

S. of S. despatches, no. 135 of 15/10/34 114-117.

Hon. Treasurer,

Will you kindly submit
a statement as in Red (100) in
respect of year 1935.

A.J.
for C.S.
12/1/35.

Hon. Col. Secretary.

Statement herewith.

~~enclosure.~~
118

A.J.
for Col. Treas.
16. 1. 35.

Y/B.

Submitted

Longwood statement to J. Leary
as in Red (101)?

A.J.
for C.S.
16/1/35.

Hon. Col. Sec.

Approved.

MCH

17. 1. 35

119. Letter to Manager J. & Co., Ltd. of 18/1/35.

Letter from Manager F.A. Co, Ltd of 21/1/34 120.

P. Papers submitted for information.

MCH
C.S.
13. 2. 55

P.A.
22/1/35.

~~11/1/35~~ 18/2/35

P.A.

Letter from Manager F.A. Co 27/1/35 (121)

Dear Sirs.

This instalment of purchase money was due on the 27th July last so that interest is payable from that date to the date of payment. Normally such purchase instalments are paid to the C.A.'s in London but I see no objection to the instalment being paid locally.

If you concur, the F.A. Co will be informed accordingly.

MCH
C.S.
23. XII. 55

Yours,

J. C. M.
23/12/35

Letter to Manager, F.A. Co, of 28/12/35.

(122)

C.S.O. No. C2/31...

Inside Minute Paper.

Sheet No. 17....

Hon. Treas.

To note.

M. C. H.

28. XII. 55

Hon. Secy.

note.

P. A.
30/12/55

✓ P. A.
M. C. H.

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed .)

ALTERATIONS.

DRAFT.

C.L.
at present: but
Not to be typed
keep safe
please
in file.
MS
25.8.32

Sir,

I am directed by the Governor to acknowledge the receipt on the 6th of August, 1932, of your letter of the 28th of June, 1932, submitting for His Excellency's re-consideration certain requests for relief on behalf of the Falkland Islands ~~Sheepfarmers'~~ ^{Sheepowners'} Association.

2. I am to say that His Excellency has given long and serious study to these requests and that in part at any rate they meet with His Excellency's real sympathy. I am to make it clear at the outset that His Excellency regrets still not to be able to accede to the request for a suspension of the export tax on wool for the one reason amongst others that, as remarked in paragraph 3 of my letter of like number addressed to the Secretary of your Association

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed , .)

ALTERATIONS.

DRAFT.

on the 29th of March, 1932, this tax is virtually the sole contribution made by the members of your Association to the revenues of the Colony. I am to observe also that no figures have been adduced hitherto on behalf of your Association to show the local cost of production of wool. His Excellency trusts, however, that the measures detailed in the following paragraph of this letter will serve substantially to ease the position as you have described it.

3. His Excellency has already put forward a recommendation to the Secretary of State that in the year 1933 the payment of the export duty on wool should be effected, instead of at shipment, on receipt in the Colony of the customs certificates covering the landing of the

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed .)

ALTERATIONS.

DRAFT.

wool in the United Kingdom. His Excellency furthermore is now recommending to the Secretary of State that payment of the annual land purchase instalments should be suspended in respect of the year 1933, interest being charged at the rate of 3 per cent per annum on the amount unpaid and ownership rights remaining unaffected, and that up to a maximum term of three years the extension of a similar concession should be reviewed prior to the commencement of each of the two years 1934 and 1935. Again His Excellency is making fresh representations to the Secretary of State in regard to the advantage which would be gained by Falkland Islands producers through the imposition in the United Kingdom of a duty on the importation of foreign wool, in particular ~~by~~ Patagonian.

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed .)

ALTERATIONS.

DRAFT.

4. I am to explain that, as you are doubtless aware, the matter of the Dependencies' revenue and of the Research and Development Fund is outside His Excellency's immediate control. His Excellency is impressed nevertheless with the considerations which you urge and is making such submissions as appear proper in this connection to the Secretary of State. I am to explain with reference to paragraph 5 of your letter under reply and to the last paragraph of my letter above mentioned that His Excellency at the date of this letter has not received the anticipated expression of the Secretary of State's views on the subject.

5. I am to add that His Excellency cannot but agree in your contention that the cost of "personal emoluments" for

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed .)

ALTERATIONS.

DRAFT.

officials' salaries is heavy in its incidence on the Colony's finances. I am to assure you that His Excellency is watching carefully this aspect of the situation with the object of effecting such economies as can properly be made, for example by the application, where possible, of the policy when an office on the permanent establishment falls vacant either of retrenching it or of filling it at a reduced rate of salary. His Excellency ^{notes} ~~is~~ glad to see your appreciation of the fact that the results of this policy are necessarily slow in realisation.

6. I am also to add that His Excellency will be glad to examine the practicability of providing work for the unemployed outside the vicinity of Stanley.

DRAFT DESPATCH.

From the Honourable the Colonial Secretary

to His Excellency the Governor.

(Copies to be typed .)

ALTERATIONS.

DRAFT.

I am to point out, however, that among
many the difficulty of adequate super
arises and that so far as concerns the
construction of bridges the cost of the
materials required has to be borne in
mind.

I am,

Sir,

Your obedient servant,

Colonial Secretary.

The Honourable G. Bonner O.B.E.,
Chairman,
Falkland Islands Sheepfarmers
Etc., Etc.,

COPY

Falkland Islands Sheepowners' Association,
5 Copthall Buildings, London, E.C. 2.

June 28th, 1932.

Sir,

The above Association desires me to acknowledge the receipt on May 4th of your letter of March 29th, and to submit the following observations.

2. The second paragraph of your letter bases the Colonial Government's inability to suspend the Export tax on wool on the grounds that (i) the sheepfarmers are merely in a similar plight to most primary producers in the British Empire, and (ii) their statements as to wool prices are misleading.

As regards (i) this argument may be adduced by other Colonial Governments in answer to appeals from other primary producers for relief from taxation, but we are for the moment concerned with our own predicament. As to (ii) the evidence of the wool sales speaks for itself. In our letter of September 28th we cited the sales of that month as the most recent data at that moment; we are of course aware that prices shewed an advance in March last, but the Colonial Government ignores the fact that the wool sold then was the most valuable of the annual clip, namely hogget wool which is clipped and marketed first. The average gross prices realised at the 3 sales which have taken place this year are 8.07, 6.18, and 5.32, a progressive decline, the average all round so far being 6.8 gross. The real test is the average price for the whole year, which is ascertainable by the Colonial Government from the returns furnished by exporters, and we have unfortunately every reason for anticipating that this average price of 6.8 gross, or 5d nett, will be diminished by the results of the remaining sales of this year. The statement in our letter of September 28th that

The Honourable

The Colonial Secretary

Port Stanley, FALKLAND ISLANDS.

wool is realising but little over one half the cost of production is therefore only too correct.

3. par. 3. We have pointed out that all the revenue of the Colony is really derived from the sheep's back; the form of taxation is immaterial to the argument, for if the produce of the sheeps' backs is insufficient to meet the cost of production, there is nothing from which to pay taxation in any form.

The Association is of opinion that generally speaking the cost of administering a Colony with a population of only 2400 persons is quite excessive; expenditure under the head of "Personal emoluments" in the years 1920, 1925 and 1930 being as follows:-

<u>Year.</u>	<u>Population.</u>	<u>Personal emoluments.</u>	<u>Average per head.</u>
1920	2271	£13,531	£ 6. 0. 0.
1925	2252	17,513	7.17. 0.
1930	2396	20,130	8. 8. 0.

4. This paragraph (3) of your letter contains a suggestion or forecast that fresh or increased taxation might be required to meet the cost of unemployment until labour is re-absorbed by the farms. Increased taxation is exactly what would drive the farmers to reduce their hands still further through sheer inability to meet the wages bill, thus throwing more men on to the public funds and creating what is termed a vicious circle.

5. The Association does not understand why, if loans from the Land Sales Fund for permanent farm improvements are permissible, such loans are not much more so for the purpose of keeping the industry going.

We feel compelled to say that the Colonial Government does not appear to realise the gravity of the situation. They hope that "actual facilities for money will prove adequate"; the point is, where is it to come from? for a depressed industry in an obscure Colony 7000 miles away does not offer much attraction to people who are in a position to lend money.

The Association raised this question last September in order that some timely provision against financial stress might be made; the Colonial Government received that letter on the 10th November,

but $4\frac{1}{2}$ months elapsed before an answer was sent, transit both ways adding another 3 months. During this $7\frac{1}{2}$ months the farmers' resources have become more depleted and further losses have been incurred through the low value of wool. We are still without any reply as to the important questions of the continuation of the Dependencies' annual contribution of £9,000, and the serious outlook for the Falkland Islands proper consequent upon the virtual collapse of the whaling industry.

We therefore ask for a serious re-consideration of the requests in our letter of September 28th last which we reiterate:-

EXPORT TAX. The accounts of the Colony show that at the end of last year the Surplus balances, including the Emergency or Reserve Fund created out of those balances, amounted to £36,357. The present crisis is certainly an emergency, and we ask that a portion of the surplus balances should be utilised for granting farmers temporary relief from this tax (about £9,000 per annum) until wool is again a profitable industry.

LOANS. The Colonial Government regards the idea of loans from the Land Sales as an "innovation"; true, no doubt, but desperate ills require desperate remedies. We have shown that the expenses of the industry exceed the receipts, but the Colonial Government on the one hand appeals to the farmers to maintain as many men as possible on their stations (vide the speech of the Colonial Secretary as reported in Official Gazette of December 1st last) and on the other hand hesitates to assist them in any way by relief from the export tax or by loans. If the idea of a loan of actual money is repugnant, we suggest that the payment of the annual Land purchase instalments should be suspended for a term of years, interest @ 3% being charged whilst unpaid. Such postponement should not be allowed to affect the stationholders' title and rights under the Land Ordinance of 1903, and the effect would be simply the deferring of the completion of the land purchase for 2, or 3 years, as the case may be.

Those stationholders, some 6 in all, who have already completed the purchase of their land, would not derive any benefit from this;

such stations however are now exempt from this annual liability.

6. DEPENDENCIES AND RESEARCH FUND.

We submit that the time has arrived for a re-consideration of the position of the Research fund, and we ask that the Association's correspondence with the Secretary of State commencing 10th October 1928 may be read with this. In the course of that correspondence the Association stated that they did not put forward any claim to participate in the profits from whaling, they pointed out that the commitments of the Falkland Islands proper had been enormously increased by the tacking-on to that Government of the regulation of whaling and the administration of the Dependencies, and expressed their concern at the effect on the Falkland Islands in the event of the whaling industry collapsing. The whaling industry does appear to have collapsed, certainly from the point of view of revenue producing. We understand that for the past two years the whales killed have been smaller, and land stations are largely superseded by pelagic whaling carried on by vessels capable of dealing with eight whales at a time. No revenue is derived from these and no further funds for research would seem to be forthcoming.

If whaling in the Dependencies is not resumed, the *raison d'être* of the establishment in South Georgia will cease, and a large proportion of the staff at Stanley will be redundant, for the work hitherto entailed in connection with whaling and the collection of revenue for the Research fund will disappear. The Falkland Islands, as a sheepfarming country, will no longer have any concern in whaling research, which has really become an international question, and the Colony's civil establishment, which is on a much more elaborate scale than a population of 2400 persons warrants, will have to be reduced to a more proportionate figure. It is realised that such a reduction requires a fairly long period, and in the meantime the cost of salaries of officials and relief of unemployed has to be met.

The Research Fund amounted at the end of last year to £426,751, and it is improbable that funds will be forthcoming

to augment this, or in fact to meet the expenditure to which the Research Committee is pledged. We repeat that whaling research has become an international matter, and the cost of such should be borne accordingly. It would be inequitable that this Fund should be expended without provision being made from it towards the cost of the Falkland Islands establishment reverting to its former proportions and provision made for future pensions. We urged this 3 years ago, and since then the capacity of the Colony for bearing the cost has diminished considerably.

7. The annual interest on the Fund would amount to presumably over £12,000, and some portion of this should be allocated at once to the needs of the Colony, especially for relief work for the unemployed, and moreover the bulk of this should be spent in the country districts. Hitherto, with but slight exceptions, the whole of the Public works expenditure has been confined to Stanley on work of necessarily unproductive nature. Work in the country districts, such as bridges, draining, and rough road or track making would be of permanent value. Such work is not practicable during the winter months, May to August inclusive, when relief would have to be given in Stanley.

If the above idea is entertained, a scheme of work in country districts during the other eight months of the year could be formulated.

8. We feel that the Colony has a very real claim on the Research Fund, and at the moment any help from it would safeguard the financial position of the Colony, which is entirely dependent upon being self-contained on account of its isolated geographical position.

I am, Sir,

Your obedient servant.

(signed) G. BONNER

Chairman.

P.S. In view of the statement in the last paragraph of

your letter that a copy of this correspondence had been sent to the Secretary of State for the Colonies, the Committee concluded that there would be no objection to sending a copy of this letter to the Under Secretary of State direct, especially as some time would thereby be saved. This has consequently been done.

(signed) G. Bonner.

COPY

Falkland Islands Sheepowners' Association,
5 Copthall Buildings, London, E.C. 2.

June 28th, 1932.

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Your obedient servant.

(signed) G. BONNER

Chairman.

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(signed) G. Bonner.

DU CROZ DOXAT & Co.

G. E. DU CROZ.
P. J. DU CROZ.

Telegraphic Address :
LANARIUS-PHONE-LONDON."
Telephone No.—
METROPOLITAN 2764.

WOOL REPORT.

No. 2, MOORGATE BUILDINGS,

LONDON, E.C. 2, 31st December, 1930.

GENTLEMEN,

The past year has been a difficult and disappointing time for everyone connected with the wool trade, and in common with all other raw materials the fall in prices has been steadily downwards, until values are now well below pre-war rates.

With the one exception of the May Series, when there was a slight recovery in both merinos and crossbreds, the decline has been unbroken, and especially heavy during the last three months for all broad-haired qualities and inferior merinos, as well as on all classes of crossbreds.

During 1929 Merinos fell	25/30%
" " Crossbreds fell	20/25%
During 1930 Merinos (really fine) fell	10/15%
" " Merinos (other sorts) fell	35/40%
" " Crossbreds fell	50/55%

Considering the difficulties both here and in other countries, the heavy taxation and slackness of trade, and also the large number of men and women out of employment, it is indeed hard to see any early prospects of improvement. One can only hope that as values of the raw material are now on a very low basis, and retail prices are also being reduced, such purchasing power as is left may be stimulated and so give manufacturers a steadier and more constant demand.

The greatest difficulty of both growers and manufacturers is that standing charges increased considerably during the good years and are now in many cases double what they were in 1914.

It would seem that it is only by some drastic reduction in these charges that business can once more be placed on a profitable basis.

The close of the last Series was somewhat stronger than the opening, especially for crossbreds, but the carry forward is again very heavy, amounting to 66,000 bales, of which over 40,000 are crossbreds.

We give below short particulars of the six series held during the year :—

1st Series. 21ST JANUARY TO 6TH FEBRUARY.

Total offered 127,056 bales, carried forward 65,000 bales.

Merinos—15 to 20% lower.

Crossbreds—15 to 20% lower.

South African and Puntas—15 to 20% lower.

2nd Series. 18TH MARCH TO 9TH APRIL.

Total offered 141,396 bales, carried forward 60,000 bales.

Merinos—par to 5% lower.

Crossbreds—5 to 7½% lower.

South African—5% lower.

Falklands and Puntas—7½% lower.

3rd Series. 13TH MAY TO 30TH MAY.

Total offered 124,162 bales, carried forward 50,000 bales.

Merinos—7½ to 10% higher.

Crossbreds—5 to 15% higher.

South African—5 to 10% higher.

Falklands and Puntas—10 to 15% higher.

4th Series. 8TH JULY TO 23RD JULY.

Total offered 104,884 bales, carried forward 68,000 bales.

Merinos—5 to 10% lower.

Crossbreds—7½ to 10% lower.

South African—7½ to 10% lower.

Puntas—5 to 7½% lower.

5th Series. 16TH SEPTEMBER TO 7TH OCTOBER.

Total offered 165,373 bales, carried forward 80,000 bales

Merinos scoured—15 to 25% lower.

„ greasy—5 to 12% lower.

Crossbreds—15% lower.

South African—15% lower.

Falklands and Puntas—10% lower.

6th Series. 25TH NOVEMBER TO 13TH DECEMBER.

Total offered 126,321 bales, carried forward 66,000 bales.

Merinos extra fine—par to 5% higher.

„ good to medium—5 to 7½% lower.

„ inferior—15 to 20% lower.

Crossbreds—10% lower.

South African—7½ to 10% lower.

Puntas—10% lower.

QUANTITIES CATALOGUED DURING 1930.

	1st Series	2nd Series	3rd Series	4th Series	5th Series	6th Series	TOTALS
New South Wales	38,845	17,775	12,669	14,969	14,284	31,045	129,537
Queensland	17,206	16,984	8,324	9,393	28,986	21,636	102,929
Victoria	16,206	15,638	10,079	16,214	13,260	13,233	84,630
South Australia	5,610	8,155	5,616	2,838	4,760	3,585	30,564
West Australia	12,632	7,925	6,947	3,747	8,355	12,561	52,167
Tasmanian	—	907	2,414	569	1,284	57	5,231
New Zealand	26,308	40,787	42,805	38,937	62,638	32,929	244,404
South Africa	3,057	2,011	2,355	1,524	2,850	3,655	15,452
Kenya... ..	410	857	565	139	717	303	2,991
Falkland Islands	—	1,615	2,788	—	2,013	146	6,562
Punta Arenas & Patagonians	377	25,870	27,398	15,327	14,493	4,344	87,809
River Plate, etc.	2,398	514	490	488	411	978	5,279
English	2,731	1,406	409	4	2,001	1,026	7,577
Sundries	1,276	1,052	803	735	9,371*	823	14,060
TOTAL	127,056	141,396	124,162	104,884	165,373	126,321	789,192

* Including "Re-conditioned."

The dates of next year's sales have been fixed as follows :—

FIRST SERIES 20TH JANUARY.
 SECOND SERIES 10TH MARCH.
 THIRD SERIES 28TH APRIL.
 FOURTH SERIES 7TH JULY.
 FIFTH SERIES 15TH SEPTEMBER.
 SIXTH SERIES 24th NOVEMBER.

We remain,

Your obedient servants,

DU CROZ, DOXAT & CO.,

BROKERS.

Bank rate to 6th February	5%	} Average £3 Ss. 4d. %
.. .. 6th March	4½%	
.. .. 20th March	4%	
.. .. 1st May	3½%	
.. .. 31st December	3%	

DU CROZ DOXAT & Co.
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WOOL REPORT.

Telegraphic Address :
LANARIUS-PHONE-LONDON."
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METROPOLITAN 2764.

No. 2, MOORGATE BUILDINGS,

LONDON, E.C.2.

31st December, 1929.

GENTLEMEN,

The course of the wool market during the past year has been downward, with only one upward movement at the close, and the general level of values is now some 25 to 30% lower than twelve months ago for merinos and fine crossbreds, and about 20% lower for medium and coarse crossbreds.

The reason for this fall is mainly the poor demand for the ultimate product, both here and on the Continent, together with the large supplies of raw material. The almost continuous fall in values which has been in progress for nearly two years has seriously discouraged the operations of many firms who used to buy in large quantities and trade is becoming more and more of a hand-to-mouth character.

The outlook is even more uncertain than it was twelve months ago, as on the one hand there is only a moderate demand and on the other hand large supplies. The lower level of values should stimulate the demand, but so far it has not appeared to do so and probably one of the most favourable points is that users' stocks of raw material and semi-manufactures are now in moderate compass both in this country and on the Continent so that any improved demand might speedily affect values.

The unsold stock carried forward to next year (30,000 bales) is considerably more than the quantity brought in (12,000 bales) at the commencement of this year.

We give below short particulars of the six series that have been held during the past year :—

1st Series. 15TH to 30TH JANUARY. 11 selling days, average daily offering 9,350 bales.

Total available 103,200 bales, sold 83,000 (Home Trade 32,000, Continent 49,000, America 2,000) carried forward 15,000, of which 4,000 were not offered.

Merinos—5% lower, except inferior and faulty greasy, 5 to 7½% lower.

Crossbreds,—greasy, par to 5% lower, scoured and slipes, par.

South African—5% lower—Punta Arenas, par.

2nd Series. 6TH to 21ST MARCH. 11 selling days, average daily offering 9,000 bales.

Total available 114,000 bales, sold 83,000 (Home Trade 36,000, Continent 43,000, America 4,000), carried forward 28,000, of which 18,000 were not offered.

Merinos—good to super, par to 5%—average to good, 5%—inferior and faulty, 5 to 7½% lower.

Crossbreds—greasy—fine, 7½%—medium, 7½ to 10%—and coarse 5% lower.

Crossbreds—scoured, par to 5%—and Slipes, 5% lower.

South African, 5%—Falkland Islands and Punta Arenas, 5 to 7½% lower.

3rd Series, 30TH APRIL TO 15TH MAY. 12 selling days, average daily offering 9,493 bales.

Total available 127,000 bales, sold 91,500 (Home Trade 39,500, Continent 52,000, America nothing), carried forward 42,000, of which 26,000 bales were not offered.

Merino—scoured—super, par to $2\frac{1}{2}\%$ higher—other sorts, par to 5% lower. Greasy, 5 to $7\frac{1}{2}\%$ lower.

Crossbreds—greasy—fine, 10%—medium and coarse, par to 5% lower.

Crossbreds—scoured, par—slipe, par to 5% lower.

South African—snow-white, par to 5%—and greasy, 5 to $7\frac{1}{2}\%$ lower. Falkland Islands and Punta Arenas, 5% lower.

4th Series, 9TH TO 23RD JULY. 11 selling days, with an average daily offering of 9,198 bales.

Total available 127,500 bales, sold 75,000 (Home Trade 31,000, Continent 44,000, America nothing), carried forward 58,000, of which 41,000 bales were not offered.

Merino—scoured—good, 5 to 10%—average, 10%—inferior, 15% lower—greasy—good, 5 to $7\frac{1}{2}\%$ —average, $7\frac{1}{2}$ to 10%—inferior, 10% lower.

Crossbred—greasy—fine, 10%—medium, $7\frac{1}{2}$ to 10%—and coarse, 5% lower. Scoured fine— $7\frac{1}{2}\%$, medium and coarse—5 to $7\frac{1}{2}\%$ lower. Slipe—fine and medium combing, 10%—other sorts, 5 to $7\frac{1}{2}\%$ lower.

South African, 10%—and Puntas Arenas, 5 to 10% lower.

5th Series. 17TH SEPT. to 4TH OCT. 14 selling days, average daily offering 10,240 bales.

Total available 166,000 bales, sold 109,000 (Home Trade 45,000, Continent 59,000, America 5,000), carried forward 60,000, of which 40,000 were not offered.

Merino—scoured—super, 10 to 15%—average, 15 to 20%—inferior, 20% lower—greasy—super, 15%—average, 15 to 20%—inferior, 20% lower.

Crossbred—greasy—fine, 10 to 15%—medium, 10%—and coarse, 5% lower.

Crossbred—scoured—fine, 10 to 15%—medium and coarse, 5 to 10% lower. Slipe—fine and medium combing, 10 to 15%—other sorts, 5% lower.

South African, 15 to 20%—Falkland Islands and Punta Arenas, 10 to 15% lower

6th Series, 19TH NOV. to 4TH DEC. 12 selling days, average daily offering 10,536 bales.

Total available 137,000 bales, sold 108,000 (Home Trade 48,500, Continent 59,500, America nothing), carried forward 30,000, of which 19,500 were not offered.

Merino—scoured—super, 5 to $7\frac{1}{2}\%$ —average, 5%—inferior, par to 5% higher—greasy—super, 5 to 10%—average, 5%—inferior, par to 5% higher.

Crossbred—greasy—fine, $7\frac{1}{2}\%$ —medium and coarse, par to 5% higher.

Crossbred—scoured, par to 5% higher—Slipe—fine, 5 to $7\frac{1}{2}\%$ —and other sorts, 5% lower.

South African, par to 5% higher. Falkland Islands and Punta Arenas, 5 to $7\frac{1}{2}\%$ higher.

QUANTITIES CATALOGUED DURING 1929.

	1st Series	2nd Series	3rd Series	4th Series	5th Series	6th Series	TOTALS
New South Wales	27,253	8,805	9,474	14,856	18,528	24,824	103,740
Queensland	15,824	4,603	3,713	8,893	16,910	15,785	65,728
Victoria	12,700	11,560	12,040	12,918	20,223	13,708	83,149
South Australia	5,316	3,084	3,561	4,071	7,193	5,253	28,478
West Australia	11,888	7,114	7,244	3,732	4,350	10,318	44,646
Tasmanian	92	1,019	1,621	585	461	51	3,829
New Zealand	23,820	39,134	44,808	32,905	46,579	40,077	227,323
South Africa	3,527	2,911	2,506	1,727	3,130	4,141	17,942
Kenya... ..	80	751	382	360	687	462	2,722
Falkland Islands	70	1,080	2,472	—	2,835	696	7,153
Punta Arenas	829	18,634	25,085	19,943	21,640	1,770	87,901
River Plate, etc.	171	7	123	810	367	1,680	3,158
English	660	45	3	—	21	7,265	7,994
Sundries	603	253	389	388	470	345	2,948
TOTAL	102,833	99,000	113,921	101,188	143,394	126,375	686,711

The opening dates of the series for 1930 have been fixed as follows :—

FIRST SERIES 21ST JANUARY.
 SECOND SERIES 18TH MARCH.
 THIRD SERIES 13TH MAY.
 FOURTH SERIES 8TH JULY.
 FIFTH SERIES 16TH SEPTEMBER.
 SIXTH SERIES 25TH NOVEMBER.

We remain.

Your obedient servants,

DU CROZ, DOXAT & CO.,

BROKERS

Bank rate to February 7th ..	4½%	} Average 5½%
“ “ “ September 26th ..	5½%	
“ “ “ October 6th ..	6½%	
“ “ “ November 21st ..	6 %	
“ “ “ December 12th ..	5½%	
“ “ “ “ 31st ..	5 %	

(4)

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

21st February, 1931.

Dear Governor,

I have the honour to approach you on behalf of certain of the sheep farmers of this Colony, including this Company, on the subject of the present position of the sheepfarming industry and to appeal to you to grant some relief in taxation, in view of the extremely low prices which our produce is now realising.

Enc.

The yearly reports of our wool brokers for 1929 and 1930, which I enclose, ably summarise the position and I would specially bring to your notice that at the 31st December, 1929, the general level of values was 20/25% lower than twelve months previously for crossbreds and the total carry over that year increased from 12,000 to 30,000 bales, but at 31st December, 1930, crossbreds had fallen 50/55% and the total carry over increased to 60,000 bales of which 40,000 bales were crossbreds.

Values are now well below pre-war levels and there cannot be a Farm in the Colony but which is working at a heavy loss.

At the same time the drop in values of hides, skins and tallow is also exceptionally heavy, whilst a ^{recent} revision of the United States tariff will detrimentally affect our skins sales.

A few days before I left London in January last I was present at an interview between the Chairman

His Excellency

The Acting Governor,

Stanley.

of this Company, Mr E.B.Goddard, and a partner of Messrs. Du Croz Doxat & Co., our wool brokers. The prospects of any improvement in prices during 1931 was discussed and our brokers' considered opinion was that they saw absolutely no reason whatsoever to look for any improvement for the next twelve months; they did not care to express an opinion beyond that length of time.

Since then I have heard that a small parcel of Falkland Islands wool which was offered in the January sales fetched from 1½d to 6d per pound, which must be a record in low values.

I therefore have the honour to request that you will kindly consider if, in view of these exceptional circumstances, Government cannot grant the industry some relief by means of a part or whole suspension of the wool tax. This tax amounts to about £ 8,000 per annum and is a very heavy charge on the industry at a time such as this.

The finances of the Colony are now sound and permit of some material assistance being granted to its staple industry during this exceptional period of world wide depression.

I shall be pleased to give you any further information you may require, on hearing from you.

I have the honour to be,

Your Excellency's obedient servant,



Manager.

FALKLAND ISLANDS.

7

GOVERNMENT HOUSE,

STANLEY,

7th March, 1931.

Dear Mr. Young,

I have given careful thought to your letter of the 21st of February, 1931, and to the appeal which you put forward for some relief in taxation for the sheepfarming industry.

You will appreciate, I am sure, that in my acting position as Governor I am diffident of expressing a firm opinion in which I might not eventually be upheld and which might be considered nevertheless as having prejudiced the future action of the administration. I should be loathe, however, to seek refuge, as it were, behind this position in the absence of certain other aspects of the matter which present themselves to me.

Let me in the first place express my sympathy with local growers of wool in the hard times which they are experiencing at the moment in common with

their/

THE HONOURABLE
L. W. H. YOUNG,
MANAGER,
FALKLAND ISLANDS COMPANY, LIMITED,
STANLEY.

their fellows in other countries and in other industries. I am not so pessimistic, however, as to accept without question the postulate that an improvement will be indefinitely delayed. I cannot help feeling moreover that these lean years have been preceded by a number of fat years and that those farms which conduct their business on sound lines have had the opportunity of building up a reserve on which for a time to tide. Whatever then may be in store for us - and as to that speculation is of no avail - it seems to me that it is somewhat early to raise the issue in so acute a form, at any rate in respect of the current season, and that nothing will be lost therefore in the way of time by deferring its consideration until a new Governor is appointed and assumes duty.

In order that the Secretary of State and the new Governor may be aware in good time of the condition of affairs as represented in your letter I am sending a copy of this correspondence, confidentially, to the Colonial Office by this next mail.

On/

On a broad view of this question it is unnecessary no doubt for me to remind you that the burden of taxation, direct and indirect, in this Colony is not heavy and that public services are maintained on a basis which is at once economical and admits of little, if any, retrenchment. At the same time I realize that the sheepfarming is the sole industry, practically speaking, in the Colony and that it would be mistaken policy, given the circumstance, gravely to imperil it for the sake, say, of the immediate collection of a year's revenue.

I fear that this amounts to not much more than "wait and see" but at the least you may rest assured that the situation is being closely watched

Yours sincerely,



Acting Governor.

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ENCLOSURE NO. I TO FAULKLAND ISLANDS CONFIDENTIAL
DISPATCH of the 8th of March, 1931.

THE FAULKLAND ISLANDS COMPANY, LIMITED.

Stanley,
21st February, 1931.

Dear Governor,

I have the honour to approach you on behalf of certain of the sheep farmers of this Colony, including this Company, on the subject of the present position of the sheepfarming industry and to appeal to you to grant some relief in taxation, in view of the extremely low prices which our produce is now realising.

Enc.

The yearly reports of our wool brokers for 1929 and 1930, which I enclose, ably summarise the position and I would specially bring to your notice that at the 31st December, 1929, the general level of values was 20/25% lower than twelve months previously for crossbreds and the total carry over that year increased from 12,000 to 30,000 bales, but at 31st December, 1930, crossbreds had fallen 50/55% and the total carry over increased to 60,000 bales of which 40,000 bales were crossbreds.

Values are now well below pre-war levels and there cannot be a farm in the Colony but which is working at a heavy loss.

At the same time the drop in values of hides, skins and tallow is also exceptionally heavy, whilst a recent revision of the United States tariff will detrimentally affect our skins sales.

A few days before I left London in January last I was present at an interview between the Chairman of this Company, Mr. E. B. Goddard, and a partner of Messrs. Du Croz Doxat & Co., our wool brokers. The prospects of any

improvement/

HIS EXCELLENCY
THE ACTING GOVERNOR,
STANLEY.

improvement in prices during 1931 was discussed and our brokers' considered opinion was that they saw absolutely no reason whatsoever to look for any improvement for the next twelve months; they did not care to express an opinion beyond that length of time.

Since then I have heard that a small parcel of Falkland Islands wool which was offered in the January sales fetched from 1½d to 6d per pound, which must be a record in low values.

I therefore have the honour to request that you will kindly consider if, in view of these exceptional circumstances, Government cannot grant the industry some relief by means of a part or whole suspension of the wool tax. This tax amounts to about £3,000 per annum and is a very heavy charge on the industry at a time such as this.

The finances of the Colony are now sound and permit of some material assistance being granted to its staple industry during this exceptional period of world wide depression.

I shall be pleased to give you any further information you may require, on hearing from you.

I have, etc.,

(SGD.) L. W. H. YOUNG,
Manager.

FALKLAND ISLANDS.

GOVERNMENT HOUSE,
STANLEY,
7th March, 1931.

Dear Mr. Young,

I have given careful thought to your letter of the 21st of February, 1931, and to the appeal which you put forward for some relief in taxation for the sheepfarming industry.

You will appreciate, I am sure, that in my acting position as Governor I am diffident of expressing a firm opinion in which I might not eventually be upheld and which might be considered nevertheless as having prejudiced the future action of the administration. I should be loathe, however, to seek refuge, as it were, behind this position in the absence of certain other aspects of the matter which present themselves to me.

Let me in the first place express my sympathy with local growers of wool in the hard times which they are experiencing at the moment in common with their fellows in other countries and in other industries. I am not so pessimistic, however, as to accept without question the postulate that an improvement will be indefinitely delayed. I cannot help feeling moreover that these lean years have been preceded by a number of fat years and that those farms which conduct their business on sound lines have had the opportunity of building up a reserve on which for a time to tide. What-ever then may be in store for us - and as to that speculation is of no avail - it seems to me that it is somewhat early to raise the issue in so acute a

form./

THE HONOURABLE
L. W. H. YOUNG,
MANAGER,
FALKLAND ISLANDS COMPANY, LIMITED,
STANLEY.

form, at any rate in respect of the current season, and that nothing will be lost therefore in the way of time by deferring its consideration until a new Governor is appointed and assumes duty.

In order that the Secretary of State and the new Governor may be aware in good time of the condition of affairs as represented in your letter I am sending a copy of this correspondence, confidentially, to the Colonial Office by this next mail.

On a broad view of this question it is unnecessary no doubt for me to remind you that the burden of taxation, direct and indirect, in this Colony is not heavy and that public services are maintained on a basis which is at once economical and admits of little, if any, retrenchment. At the same time I realize that the sheepfarming is the sole industry, practically speaking, in the Colony and that it would be mistaken policy, given the circumstance, gravely to imperil it for the sake, say, of the immediate collection of a year's revenue.

I fear that this amounts to not much more than "wait and see" but at the least you may rest assured that the situation is being closely watched.

Yours sincerely,

(SGD.) J. M. BELLIS,
Acting Governor.

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GOVERNMENT HOUSE,

STANLEY,

8th March, 1931.

FALKLAND ISLANDS.

CONFIDENTIAL.

My Lord,

I have the honour to forward for Your Lordship's information, copies of demi-official correspondence exchanged between the Manager of the Falkland Islands Company, Limited, and myself on the subject of the possible grant of relief to the local sheepfarming industry by way of the suspension of the tax on the export of wool.

2. My own view of the matter is that it will be time enough to consider it when one or more of the farms makes actual default in payment of the tax, a contingency which I understand is not unlikely to arise if an improvement in the wool market is long delayed.

I have the honour to be,

My Lord,

Your Lordship's most
obedient, humble servant,

J. M. ELLIS.

RIGHT HONOURABLE
LORD PASSFIELD OF PASSFIELD CORNER, P.C.,
SECRETARY OF STATE FOR THE COLONIES.

FALKLAND ISLANDS.

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GOVERNMENT HOUSE,

STANLEY,

9th March, 1931.

Dear Sidebotham,

By this mail I am sending you a confidential despatch on the subject of an appeal for a relief in taxation for the local sheep-farming industry. Personally I think that the farmers are crying before they are really hurt and that the majority of them have small claim on this Government for sympathy. In any case it will do them no harm to feel the pinch a little before any concession is granted them, if it is to be granted at all.

Moreover I understand that the agitation is in part fostered by Harding, for many years Manager here for the Falkland Islands Company and a member of Council and now in retirement at home. It is suggested that Harding is endeavouring to make a job for himself as Secretary (paid) of the Falkland Islands Sheepowners Association and hopes

to

J. B. SIDEBOTHAM, ESQ.

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to consolidate his position by recording a striking success if Government can be induced to make a concession such as proposed.

No doubt times are hard but surely they must mend.

Yours sincerely,





FALKLAND ISLANDS.
CONFIDENTIAL.

DOERING STREET.
1 May
~~April~~, 1931.

Sir,

I have the honour to acknowledge the receipt of your Confidential despatch of the 8th of March forwarding copies of correspondence with the Manager of the Falkland Islands Company, Limited, on the subject of the possible grant of relief to the local sheep-farming industry by way of the suspension of the tax on the export of wool.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Signed) PASSFIELD.



THE OFFICER ADMINISTERING
THE GOVERNMENT OF
THE FALKLAND ISLANDS.



COLONIAL SECRETARY'S OFFICE
27 MAY. 1931
FALKLAND ISLANDS

Downing Street,

1 May, 1931.

Dear Ellis,

Many thanks for your letter to supplement your official despatch about the appeal for relief in taxation for the Sheep-farming industry in the Falklands. We quite agree with your view of the matter and hope that before long there will be an improvement in the price of wool which will make it unnecessary to consider the grant of any relief. We were interested to learn of the part taken by Mr. Harding in the agitation. I took the opportunity of making a few enquiries about Mr. Harding from Mr. Goddard of the Falkland Islands Company, London Office, recently in the course of conversation.

Yours sincerely,

J. M. Ellis

J. M. ELLIS, ESQ.

DU CROZ DOXAT & Co.
G. E. DU CROZ.
F. J. DU CROZ.

WOOL REPORT.

Telegraphic Address :
LANARIUS-PHONE-LONDON."
Telephone No.—
METROPOLITAN 2764.

No. 2, MOORGATE BUILDINGS,

LONDON, E.C. 2, 15th May, 1931.

GENTLEMEN,

The Third Series of Colonial Wool Sales for the current year, which opened on 28th April, closed to-day, the following quantities having been catalogued :—

New South Wales	21,417	Bales.
Queensland	6,716	"
Victoria	17,784	"
South Australian	6,136	"
Tasmania	1,936	"
West Australian.....	5,423	"
New Zealand	47,314	"
Cape, &c.	1,069	"
Kenya	278	"
Punta Arenas, etc.....	25,779	"
Falklands	2,742	"
Sundries	627	"
	<hr/>	
	137,221	Bales.

Of the above it is estimated that 115,500 bales have been sold, viz. :—53,000 bales to the Home Trade, 61,500 bales to the Continent, 1,000 bales to America, leaving 72,000 bales to be carried forward to next Series of which 58,300 bales were not offered.

The Series has occupied 14 selling days, with an average daily offering of 9,800 bales.

During the interval between the closing of the March and opening of the present Series, the market in Bradford had been gradually declining with very little new business passing, whilst reports from the Continent were also not encouraging. Some lower basis of values was, therefore, anticipated when the Series opened, and though the catalogues on the first day were almost entirely composed of crossbred wool the general idea was that merinos were 5%, with fine crossbreds 10%, and medium and coarse crossbreds 10 to 15% below closing rates of last Series. During the second week prices weakened somewhat, and it was then decided to curtail the Series by two days and close to-day. With the exception of some irregularities the basis of values showed no further change during the last week and the close was firm.

Large quantities of wools purchased in Australia for exchange purposes have again figured in the catalogues, and in many cases met a good market, but occasionally high limits have been imposed and much withdrawn which has tended to make a sale appear weaker than was really the case. Some lots of fine Queensland scoureds and extra fine greasy merinos have made close up to March rates, but such lots have been the exception and not the rule.

In **Crossbreds**, prices made at the opening could not be repeated towards the close of the Series, but competition has remained active and most of the offerings have been cleared.

Attendance of buyers has been good and well maintained throughout the Series, though Continental demand has been much less vigorous than in March.

WOOL REPORT.

In **Slipes**, half-bred lambs' wool shows the heaviest fall, other sorts being only moderately lower.

South African Wool has declined on about the same basis as Australian, but thorough greasies sold fairly well, scoureds were frequently withdrawn.

Punta Arenas and Falkland Islands Wool has felt the effect of the lessened Continental demand coupled with the increased offerings usual at this time of year.

As compared with closing rates of last Series we quote :—

Merino scoured	good to super (exceptional lots 5%)	..	5 to 10% lower
"	"	average to good	.. .. . 10 to 15% "
"	"	inferior and faulty	.. .. . 15 to 20% "
"	greasy	good to super	.. .. . 10% "
"	"	average to good	.. .. . 7½ to 10% "
"	"	inferior	.. .. . 7½ to 10% "
Crossbred	greasy fine	.. .. .	10 to 15% "
"	"	medium	.. .. . 15 to 20% "
"	"	coarse	.. .. . 15 to 20% "
"		scoured	.. .. . 15% "
"		slipe (½-bred lambs)	.. .. . 15 to 20% "
"		other sorts	.. .. . 5 to 10% "
South African	snow-whites	.. .. .	10 to 15% "
"	greasy	.. .. .	10% "
Falkland Islands and Punta Arenas		.. .. .	10 to 15% "

The opening dates for the remaining series for this year are :—

FOURTH SERIES 7TH JULY.

FIFTH SERIES 15TH SEPTEMBER.

SIXTH SERIES 24TH NOVEMBER.

We remain,

Your obedient servants,

DU CROZ, DOXAT & CO.,
BROKERS

Bank rate, 2½%.

PRICES CURRENT OF COLONIAL WOOL.

	Inferior	Medium	Good	Superior	Ex.Spr.		Inferior	Medium	Good	Superior	Ex.Spr.
Victoria.	d.	d.	d.	d.	d.	New Zealand.	d.	d.	d.	d.	d.
GREASY FLEECE	8	10	12	13	14½	GREASY FLEECE	7	9	10	11	12½
" PIECES, &c. ...	7	8	10	11	13	" PIECES, &c. ...	6	7	8	9	10½
SCOURED FLEECE	15	17	19½	—	—	SCOURED FLEECE	15	17	19	21	22
" PIECES, &c. ...	11	13	15½	—	—	" PIECES, &c. ...	12	15	16	18	20½
Queensland, and New South Wales.						Cross-bred (All Colonies)					
GREASY FLEECE	8	10	11	13	16	GREASY FINE 50/58s	7	8	9	10	11
" PIECES, &c. ...	7	8	9	11	12½	" MEDIUM 44/48s... ..	5	6	7	8	—
SCOURED FLEECE	15	17	20	24	26½	" COARSE 36/40s ...	5	6	7	—	—
" PIECES, &c. ...	11	14	17	18½	—	SLIP FINE	8	9	10	11	12
South Australia.						" MEDIUM	6	7	8	9	10
GREASY FLEECE	7	9	11	12½	—	" COARSE	6	7	8	9	—
" PIECES, &c. ...	6	7	8	10	11½	Lambs.					
SCOURED FLEECE	14	16	18	21	—	GREASY MERINO	5	7	9	12	14½
" PIECES, &c. ...	10	13	15½	—	—	" X-BRED	5	7	8	10	11½
West Australia.						Cape.					
GREASY FLEECE	7	9	11	12½	—	GREASY	5	7	9	11	—
" PIECES, &c. ...	6	7	9	10½	—	SNOW-WHITE	11	13	15	—	—
SCOURED FLEECE	14	16	18½	—	—	Falkland Islands and Punta Arenas.					
" PIECES, &c. ...	10	13	15	17	—	GREASY	5	7	8	10	11½

LONDON, 15th May, 1931.

Balfour Guthrie & Co. Ltd.
 15, Abchurch Lane, London, E.C. 4.
 Telephone: 3011.
 Telegrams: Balfour Guthrie & Co. Ltd.

The following prices have been realized during the week:-
 Queensland
 G.P. 18 19
 Gallanbong 12
 New South Wales
 Trawanna 15 18
 Springfield 15 18
 West Australia
 W.K.P. 11 14
 Victoria
 18 19

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DU CROZ DOXAT & Co.

G. E. DU CROZ.
F. J. DU CROZ.

Telegraphic Address
LANARIUS-PHONE-LONDON.
Telephone No.—
METROPOLITAN 2764.

WOOL REPORT.

No. 2, MOORGATE BUILDINGS,

LONDON, E.C. 2, 31st March, 1931.

GENTLEMEN,

The Second Series of Colonial Wool Sales for the current year which opened on 10th inst. closed to-day, the following quantities having been catalogued:—

New South Wales	23,759	Bales.
Queensland	17,999	"
Victoria	25,951	"
South Australian	6,955	"
Tasmania	1,777	"
West Australian.....	11,505	"
New Zealand	47,190	"
Cape, &c.	1,630	"
Kenya	700	"
Punia Arenas	18,239	"
Falklands	2,042	"
Other South American	332	"
Sundries	1,134	"
	<u>159,213</u>	Bales.

Of the above it is estimated that 151,500 bales have been sold, viz. :—80,000 bales to the Home Trade, 70,500 bales to the Continent, 1,000 bales to America, leaving 59,000 bales to be carried forward to next series of which 55,500 bales were not offered.

The Series has occupied 16 selling days, with an average offering of 9,950 bales.

During the interval, between the close of the first and opening of the present series, prices both in Bradford and on the Continent remained very firm, whilst values in Australian and New Zealand markets advanced with increasing competition and good clearance of offerings.

It was, therefore anticipated that the opening sale here would show a decided improvement over February closing rates, though the rise that actually occurred was probably more than was generally expected, just as the fall in January had been greater than anticipated.

Attendance of buyers was large and representative at the opening and has been well maintained to the close, whilst bidding has been spirited and demand active from all sections of the Trade. Continental buyers, whose operations were restricted especially during the first week in the January-February series, participated with great keenness during the past series and to this is due the marked rise in medium to good merino wools as well as all skirtings.

Merino wools opened at 15 to 20% over February closing rates, the best wools showing the least improvement and registered some further rise after the close of the first week.

Crossbreds, both greasy and scoured, were quoted 15% higher for fine and 20% for medium at the opening and improved about 5% more as the series progressed.

Slipe wools opened 15% higher for fine, with other sorts showing 10 to 15% improvement, and values hardened in conjunction with other cross-bred wools.

The series was a very satisfactory one as the programme was carried out with very slight alterations, offerings were cleared and prices maintained on a firm basis throughout, the close being strong with good competition. Merinos constituted the bulk of the Colonial offerings and with the increased competition from Continental buyers good prices were obtained, Tasmanian greasy selling up to 21d., New England greasy 20d. Queensland combing scoured 26½d., and clothing 28d. Geelong wools, though in excellent condition and of attractive appearance, did not make over 16½d., and in most cases 14d. was about top price, such wools seeming to be relatively the cheapest in the market.

South African wools were in small supply, but when of good length and in clean condition sold well at a similar improvement to Australians. The shorter and wasty descriptions were frequently withdrawn.

Falkland Islands and Punta Arenas offerings consisted mainly of new clip wools and therefore difficult to compare with those offered in January. They met excellent competition and practically all offerings were cleared. The Falkland Islands wool showed the result of the season and was not quite so light or clean as last year. As far as comparison can be made prices show an improvement of about 20 to 25%.

The outlook for the immediate future is somewhat uncertain, as the rise has been very sharp and with heavy arrivals of direct purchases during the next few months as well as another series opening in about four weeks' time, the market will need all its strength if values are to be maintained on the present basis. At the same time the selling season in Australia and New Zealand is now practically at an end except for the early clips in Queensland. Also old stocks in this market which have been a dead weight for so long have been considerably decreased.

As compared with January-February closing rates, we quote :—

Merino scoured superior	.. .. .	15% higher
" " medium to good	.. .. .	20 to 25% "
" " inferior	.. .. .	25% "
" greasy superior	.. .. .	15 to 20% "
" " medium to good	.. .. .	20 to 25% "
" " inferior	.. .. .	25% "
Crossbred " fine	.. .. .	20 to 25% "
" " medium and coarse	.. .. .	25 to 30% "
" scoured	.. .. .	20% "
" slipe	.. .. .	20 to 25% "
South African snow-white	.. .. .	15 to 20% "
" " greasy combing	.. .. .	20% "
" " " short and wasty	.. .. .	15 to 20% "
Falkland Islands and Punta Arenas	.. .. .	20 to 25% "

The opening dates for the remaining series for this year are :—

THIRD SERIES	.. .. .	28TH APRIL.
FOURTH SERIES	.. .. .	7TH JULY.
FIFTH SERIES	.. .. .	15TH SEPTEMBER.
SIXTH SERIES	.. .. .	24TH NOVEMBER.

We remain,

Your obedient servants,

DU CROZ, DOXAT & CO.,

BROKERS

Bank rate, 3%.

PRICES CURRENT OF COLONIAL WOOL.

	Inferior	Medium	Good	Superior	Ex. Spr.		Inferior	Medium	Good	Superior	Ex. Spr.
Victoria.	d.	d.	d.	d.	d.	New Zealand.	d.	d.	d.	d.	d.
GREASY FLEECE	9	11	13	15	16½	GREASY FLEECE	7	9	10	12	13½
„ PIECES, &c. ...	7	8	10	12	14	„ PIECES, &c. ...	6	7	8	9	10½
SCOURED FLEECE	15	17	20	22½	—	SCOURED FLEECE	15	17	19	21	24
„ PIECES, &c. ...	12	15½	—	—	—	„ PIECES, &c. ...	12	15	16	18	21½
Queensland, and New South Wales.						Cross-bred (All Colonies)					
GREASY FLEECE	8	10	13	16	20	GREASY FINE 50/58s.....	8	10	11	12	—
„ PIECES, &c. ...	7	8	10	12	14	„ MEDIUM 44/48s...	6	7	8	9	10
SCOURED FLEECE	15	17	20	24	28	„ COARSE 36/40s ...	6	7	8	—	—
„ PIECES, &c. ...	12	15	17	19	22	SLIPE FINE	9	10	11	13	14½
South Australia.						„ MEDIUM.....	7	8	9	10	11
GREASY FLEECE	8	10	11	13	15½	„ COARSE	7	8	9	—	—
„ PIECES, &c. ...	6	7	9	10	12½	Lambs.					
SCOURED FLEECE	14	16	18	21½	—	GREASY MERINO	5	7	9	12	18½
„ PIECES, &c. ...	11	14	16	18	20	„ X-BRED	5	7	9	11½	—
West Australia.						Cape.					
GREASY FLEECE	8	10	11	13	14	GREASY	5	7	9	11½	—
„ PIECES, &c. ...	6	8	9	10	11½	SNOW-WHITE.....	11	14	16	18	21½
SCOURED FLEECE	14	16	18	20	—	Falkland Islands and Punta Arenas.					
„ PIECES, &c. ...	11	14	16	17½	—	GREASY	6	8	9	11	12

LONDON, 31st March, 1931.

20

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.

20th August, 1931.

19

Sir,

I have the honour to revert to your letter dated the 7th March last, written in reply to my letter of the 21st February, in connection with the possibility of affording some relief in taxation for the sheep-farming industry.

2. Since then the March, May and July Sales have been held. March showed some improvement in prices, and the carry-over was 59,000 bales. In May there was a setback, the Continental demand declined during the second week, prices weakened, and the Series were curtailed by two days, the carry-over being 72,000 bales. In July, Falkland Islands wool sold at average prices ranging from 4½d to 6d, and the present outlook gives no reason to hope for an early improvement in the position.

3. I therefore request that you will kindly give this matter your consideration when framing the Budget for 1932.

4. A certain degree of relief would be afforded if the Government would permit the wool Export Tax

The Honourable

The Colonial Secretary,

Stanley.

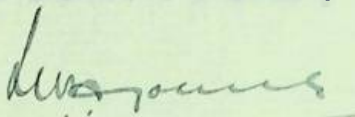
to be paid after the wool is sold, instead of at the time of shipment as at present. This would be of material assistance to farmers in financing their business during such difficult times as the present, and the concession would be greatly appreciated.

5. I enclose copies of Messrs Du Croz Doxat & Company's Wool Report covering the March and May Sales.

I am,

Sir,

Your obedient servant,



Manager.

6/2/31.

2nd September,

31

Sir,

In reply to your letter of the 20th of August, 1931, requesting that consideration may be given to the possibility of affording some relief in taxation to the sheep-farming industry, I am directed by the Governor to inform you that the matter has received the full consideration of His Excellency in Executive Council but that as at present advised His Excellency does not see sufficient cause either to remit or reduce the export tax on wool or to accept the alternative suggestion put forward by you for a postponement in payment of the tax until the wool has been actually sold.

2. I am to explain that in His Excellency's view, which view His Excellency trusts is not over-optimistic, the tendency now is for the wool market to improve towards stabilisation on the basis of a controlled output being offered for sale by producing countries and being sold at moderate prices. It would seem that Falkland Islands wool should stand essentially to benefit from such stabilisation. His Excellency considers it not unreasonable to hope furthermore that the demand will increase in the coming year on account of the restricted buying this year.

3./

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


- 2 -

3. I am to add, however, that if the price of wool fails to realize any improvement next year His Excellency will be prepared to give further consideration to the question raised.

I am,

Sir,

Your obedient servant,


Colonial Secretary.

Falkland Islands Sheepowners' Association,
5 Copthall Buildings, (Packe Bros)
London, E.C. 2

September 28th, 1931.

Sir,

We beg leave to inform you that a special meeting of the above Association was held to-day in order to draw attention to the condition of the sheepfarming industry in the Colony, and to invite His Excellency the Governor to give the following his serious consideration.

2. During the 5 years 1925/1929 the gross value of wool produced in the Colony averaged £232,000 per annum on an average weight of 4 million lbs; the gross value therefore was 1/4 per lb, or, after deducting 2d per lb for freight and marketing expenses, 1/2 per lb nett to the grower. Export tax @ 1/2d per lb represented 3 1/2% of that value. The present nett value to the sheepfarmer in the wool sales now proceeding in London is well under 4d per lb - a tax of 1/2d per lb is no less than 12 1/2%, a serious matter when wool is realising only very little over one-half the cost of production.

3. Export tax on whaling products on the other hand is regulated according to the value of the product; during this same 5 year period the tax has been adjusted so as to bear the same proportion to value as in more prosperous years. The existing tax of 2/- per barrel of whale oil represents about 3% of the market value.

4. Sheepfarmers are compelled to make drastic reductions

The Honourable

The Colonial Secretary,

STANLEY,

FALKLAND ISLANDS.

in their expenses, and such reductions proceed normally in the following order:-

- (i) importation of pedigree stock for maintaining the standard of their flocks
- (ii) amounts spent on maintenance and repair of buildings, plant and fencing
- (iii) wages

The value of wool started to fall in 1929, and as the decline continued farmers ceased all expenditure under No. 1, and curtailed that under No. 2 to necessities only (these reductions cannot continue for more than a couple of years without serious results) and are now faced with the question of reducing their wages bills.

There has been a tendency on the part of the Government in the last 2 or 3 years to increase import duties - the duty on spirits has been increased 50%, tobacco 33%, and a new tax placed on matches equal to some 80% of their invoice cost. All this enhances the cost of living and makes a reduction in the rate of wages more difficult. Even so, we think that the cost of living to employees on sheep stations is but little over pre-war figures, although actual wages are quite 25% higher.

We discussed whether we should inform our Managers and staff that they may be asked to accept an allround reduction of 10%, but as the financial situation in England is at the moment changing from day to day we do not propose to take any immediate steps in regard to this.

5. The foregoing economies are however insufficient to balance the loss on cost of production, and we are confronted with the prospect of either having to reduce the number of men employed, or employing them only during the 7 months of the year that their labour is remunerative. During the 5 months mid-April to mid-September the weather precludes outdoor work considerably, and most stations could dispense with half their men during that period. We should be very loth to have recourse to such a drastic measure, but will have no

option unless we are afforded some relief to balance losses.

We therefore ask His Excellency the Governor to recommend to the Secretary of State that the $\frac{1}{2}$ d per lb export tax on wool should be suspended until wool is paying the cost of production. Seeing that the Colony's surplus balances on December 31st last amounted to £23,228 (General account) plus £13,990 (Reserve fund), a total of over £37,000, it is evident that the Revenue can afford to forego the wool tax of about £9,000 a year for 2 or 3 years until values improve.

We may note here a remark in the Blue Book Report for 1929, page 7, that of the amount received from taxation, "approximately 42% was contributed by the sheepfarming industry, the remainder being collected from the community generally". We regard this statement as misleading, for it should be borne in mind that as sheepfarming is the sole industry of the Colony, all taxation must in the long run be met from sheepfarming products.

6. Economies and relief from Export tax will not suffice to carry sheepfarmers over the difficult times ahead, as farmers have not been able to place anything to reserve for the past two years, and wages bills cannot be met at existing prices. We understand that the Secretary of State has sanctioned loans to farms from the Land Sales Fund, but such loans are earmarked against "permanent farm improvements". We ask that this proviso should not be insisted upon and that loans be granted at a low rate of interest to enable farmers to carry on. The Fund amounted to £229,172 at the end of last year.

We are not suggesting that there should be any departure from the principle agreed upon many years ago that this fund should be kept intact in order to provide a permanent and constant revenue; loans would be repaid in time, and revenue would receive the interest upon loans in the same way that it now receives interest on Land sales fund investments.

7. We take the opportunity of urging that the general expenditure of the Colony should be reduced wherever possible. We notice with regret that although the Estimates for 1930 provided for an expenditure of £44,915, actually £55,989 was spent, an excess of £11,074. With a population of 2396, this represents over £23 per head, which is surely very excessive for purely administrative purposes, there being no naval or military expenditure and no interest on public debt to be met.

The actual salaries of officials do not represent the real cost to the Colony - many are provided with quarters and fuel allowances, and the grant of passages every 2½ years constitutes a very heavy burden. We notice that the cost of such passages was estimated at £2500 in 1929, but the actual expenditure was no less than £3977; 60% higher than the estimate.

8. We would now draw His Excellency's attention to our correspondence in 1928 on the subject of the annual contribution of the Dependencies towards the cost of central administration, which was fixed for a period of 3 years at £9,000. This period expires on December 31st next, and we ask His Excellency to urge strongly on the Secretary of State that this should be continued.

The apprehensions expressed in our letters of October 10th, 1928, paragraph 8, and January 3rd, 1929, paragraph 8 appear to have been amply justified, for since that date pelagic whaling has made rapid strides and has no doubt assisted to lower the value of whale oil. Whaling from land stations has apparently ceased to be remunerative, for such operations have been almost entirely suspended in the Dependencies, and no one can forecast when they will be resumed. As a result of this, the Dependencies' revenue must suffer considerably. We observe that in view of the large increase in the number of whales slaughtered annually,

now estimated at 40,000, the question is occupying the attention of the League of Nations, and it may well happen that whaling in the Dependencies will never be renewed.

In that case the Colony of the Falkland Islands will be left with all the Dependencies officials on its establishment, with liability to pensions, and we urge a more serious consideration of the appeal at the end of paragraph 8 of our letter to the Secretary of State of October 10th 1928 for the allocation of a fair sum from the accumulated Research fund, which amounted to £468,109 at the end of last year.

We suggested in that letter that a pension fund should be established, and we note from the accounts that a "Discovery Pension Fund" has been started - £2945 on December 31st last - but there is nothing to show whether the Dependencies officials participate in that fund, or whether it applies solely to the Discovery research staff.

It appears to us that the most ordinary prudence should recognise that an entire cessation of revenue from whaling in the Dependencies has reached the stage of probability, and should dictate that immediate steps should be taken to safeguard the Falkland Islands Government against the resultant expense that would be thrown upon it from the clearing up of the Government establishments in the Dependencies and the pensioning of officials whose occupation would be gone.

We appeal to His Excellency to give all the foregoing his earnest consideration, and to recommend to the Secretary of State :-

1. Suspension of the export tax on wool until wool again pays the cost of production.
2. Loans from the Land Sales Fund to farmers to enable them to meet the current expenses of the industry

3. Continuation of the contribution of £9,000 per annum from the Dependencies
4. Allocation of a sum from accumulated Research funds to meet the expenses of the possible abandonment of whaling in the Dependencies.

We are,

Sir,

Your obedient servants,

Geo. Rowland (Chairman)

Baillies & Stebbins Bernard Stebbins
Pachet Bros & Co Ltd. J. Goodhart (Chairman)

James Longrove Baldwin L^{td} J. W. Ploger. Chairman

H. M. Ltd. Blake L^{td}

Robert Blake (Managing Director)

Dean

George J. Dean

Stebbins Bros

Bentham & Fellon

Bonham

Douglas Station Ltd by E. Wilkman Director

Port San Carlos L^{td}

A. Keith Curran (Director)

Curran & Luxton

W. L. Lardner, for W. L. Luxton

Dean & Co

W. M. Dean

The Falkland Islands Sheepowners' Association,

c/o Packe Bros & Company Limited,

5 Copthall Buildings, London EC 2



September 28th, 1931.

Sir,

I have been requested by the above Association to forward to you the enclosed letter of even date on the subject of the condition of the sheepfarming industry in the Colony, submitting certain representations for the consideration of His Excellency the Governor,

I am,

Sir,

Your obedient servant,

W. Mardiey

Secretary

The Honourable

The Colonial Secretary,

STANLEY.



30

Might I ask that in sending acknowledgment or reply, your letter may bear address as above, or that it might be addressed W.A.Harding, Secretary, Sheepowners Association, ~~xxxx~~ 5 Copthall Buildings. The name of the Association has not yet been registered at 5 Copthall Buildings, and ~~if~~ letter is not addressed either to Packe Bros or W.A.Harding, it might miscarry.

WAH
—

C/2/31.

16th November,

31.

Sir,


I am directed by the Governor to acknowledge the receipt of the 10th of November, 1951, of your letter of the 28th of September, 1951, forwarding a letter from the Falkland Islands Sheepowners' Association on the subject of the condition of the sheepfarming industry in the Colony.

2. I am to say that the representations contained in this letter are receiving His Excellency's consideration and that in due course a further communication will be addressed to you.

I am,

Sir,

Your obedient servant,


Colonial Secretary.

W. A. Harding, Esq.,
Secretary,
The Falkland Islands Sheepowners' Association,
C/o Packe Brothers and Company, Ltd.,
5 Copthall Buildings,
London, E.C.2.

GOVERNMENT HOUSE,
STANLEY.

8th January, 1932.

FALKLAND ISLANDS.
CONFIDENTIAL.

Sir,

With reference to your Confidential despatch of the 1st of May, 1931, and to the previous correspondence, I have the honour to forward a copy of a letter with enclosure received by the Colonial Secretary from Mr. W. A. Harding as Secretary of the Falkland Islands Sheepowners' Association on the subject of the condition of the sheepfarming industry in the Colony together with a copy of the interim reply addressed by the Colonial Secretary to Mr. Harding.

Enclosure I.

Enclosure II.

2. I do not propose that the further communication envisaged in the Colonial Secretary's letter should be sent at any rate until the result is known of the March wool sales when the first of the new season's clip is offered on the London market. I trust that I am not over optimistic in expecting that the position as realised then will be considerably improved as compared with that depicted in the Association's letter.

3. Furthermore I consider that in any case the question of granting concessions such as the Association asks should be approached in the spirit of the utmost caution.

4. You will observe incidentally that no signature is appended to the Association's letter on behalf of the

Falkland/

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., F.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

Falkland Islands Company, Limited.

I have the honour to be,

Sir,

Your most obedient
humble servant,

JAMES O'GRADY.

C/2/51.

29th March,

32.

Sir,

In continuation of my letter, No. C/2/51 of the 16th of November, 1951, I am directed to inform you that the Governor has considered fully the representations made in the letter from the Falkland Islands Sheepowners' Association forwarded by you with the following conclusions.

2. His Excellency regrets that he sees no good ground, having regard more especially to the position of the Falkland Islands sheepfarming industry as compared with that of many primary industries in other parts of the British Empire, to grant the suspension of the export tax on wool for which the Association asks. His Excellency finds it difficult to accept the contention of the Association that wool is realising only very little over one-half the cost of production and is unable to see that the Association has adduced any evidence in support of this contention other than the statement that at the wool sales held in London in September, 1951, Falkland Islands wool was realising well under 4d per lb. nett, or, with an allowance of 2d per lb. for freight and marketing expenses, less than 6d per lb. gross. As the Association will be aware at the sales held in London in March, 1952, the average prices realised for Falkland Islands wool ranged from 7d to 9 $\frac{1}{2}$ d per lb. gross.

3. The Association will be aware, moreover, that the export tax on wool is virtually the sole contribution made

by/

W. A. HARDING, ESQ.,
SECRETARY,
THE FALKLAND ISLANDS SHEEPOWNERS' ASSOCIATION.

by its members to the revenues of the Colony and that this form of taxation, in lieu, for instance, of a tax on land, was adopted in the year 1923 at the expressed preference of the owners of farm property in the Colony. In this connection His Excellency does not propose to reply in detail to the Association's criticisms of this Government's economic policy except to point out, in so far as concerns the liability for any increase in the cost of living attributable to this Government's tariff of customs duties on import, that the only commodities subject to taxation of this nature are alcoholic liquors, including spirits, tobacco and matches and that the only alteration in the tariff effected in the two years 1930 and 1931 has been a reduction in the duty on spirits. His Excellency desires, however, to invite the attention of the Association to the fact that during the past year of declining trade and revenue this Government has been in the fortunate position owing to its most careful management of the Colony's financial resources to deal effectively with the serious problem of unemployment without imposing new or increased taxation and hopes to be able to continue so to deal with the problem both in the current year and in the future until the weight of the burden is eased by the re-absorption on to the sheep-farms of a part at least of the labour at present surplus and dependent on the Government for a livelihood. His Excellency would observe incidentally that the annual estimates for 1932 allow for an excess amounting to more than £1,000 of the revenue over the expenditure.

4. His Excellency regrets also that in existing circumstances he does not feel justified in recommending

to/

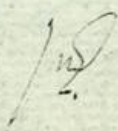
to the Secretary of State such an innovation of public policy as advocated in the Association's second request that loans should be made from the Land Sales Fund to enable farmers to meet the current expenses of the industry. His Excellency trusts that unless the depression becomes unexpectedly aggravated or prolonged the actual facilities for money will prove adequate against the emergency except, perhaps, in the case of any business which may not be conducted on a sound basis.

5. I am to add that a copy of this letter is being sent by His Excellency to the Secretary of State and that a copy of the Association's letter has been already sent. His Excellency anticipates that in due course he will receive the expression of the Secretary of State's views in respect of the last two requests contained in the Association's letter which relate to the contribution from the Dependencies and an allocation from the Research Fund.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

FALKLAND ISLANDS.

CONFIDENTIAL.

77
GOVERNMENT HOUSE,

STANLEY,

30th March, 1932.

Sir,

In duplicate.
In continuation of my Confidential despatch of the 8th of January, 1932, I have the honour to forward a copy of a letter addressed by the Colonial Secretary to Mr. W. A. Harding as Secretary of the Falkland Islands Sheepowners' Association in reply to his letter of the 28th of September, 1931, on the subject of the sheepfarming industry in the Colony.

2. As you are aware, the matter of the contribution from the funds of the Dependencies to the revenue of the Colony is receiving attention in separate correspondence.

I have the honour to be,

Sir,

Your most obedient,
humble servant,

JAMES O'GRADY.

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

Tyler

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" R.A.D.S.



31st May, 1932.

19

C/2/31.

Sir,

I have the honour to revert to the third paragraph of your letter of 2nd September, 1931, in which it is stated that His Excellency will be prepared to give further consideration to the possibilities of affording some relief in taxation to the sheepfarming industry if the price of wool fails to realise any improvement in 1932.

2. At the third series of Colonial Wool auctions which commenced in London on 12th April last, prices realised for Falkland Islands wool generally showed an average fall of about 15%, and in view of the decline in prices and consequent heavy withdrawals, the Sales were curtailed by four days and 97,000 bales were carried over.

3. The following table summarises the position:-

Falkland Islands Wool,

	1931.	1932.		(April, 1932)	
	May, Average per lb.	March Average per lb.	April Average per lb.	Lower than May, 1931.	Lower than March, 1932.
Fine	9d - 10½.	10d - 11.	8½d - 10.	5%	12%
Medium	7½ - 8½.	8½ - 9½.	7d - 8d.	6%	17%
Coarse	6d - 7d.	5d - 6d.	4½ - 5½.	23%	9%

4. As you are aware, it has been found necessary to

The Honourable

The Colonial Secretary,

Stanley.

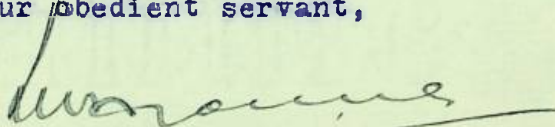
reduce farm wages, the importation of stud stock has ceased, and maintenance work on all farms has been reduced to a minimum. Practically every farmer appreciates the necessity for the most rigorous economy, as will be observed from the greatly reduced imports of stores of all descriptions, and it is feared that unless some improvement in prices is realised in the near future most farms will definitely go back, to the detriment of the staple industry of the Colony.

5. I therefore request that His Excellency may kindly give this matter his reconsideration, together with the proposal made in the 4th paragraph of my letter dated 20th August, 1931, to you, regarding the payment of the wool tax after the wool is sold, and not at the time of shipment as at present.

I am,

Sir,

Your obedient servant,



Manager.

(142)

GOVERNMENT HOUSE,
STANLEY.

9th June, 1932.

FALKLAND ISLANDS.

CONFIDENTIAL.

Sir,

With reference to my Confidential despatch of the 30th of March, 1932, and to previous correspondence on the subject of the representations made by the Falkland Islands Sheepowners' Association with a view to the grant of a relief from taxation to the local sheepfarming industry, I have the honour to forward a copy of a further letter received in the matter from Mr. L. W. H. Young, Manager in Stanley for the Falkland Islands Company, Limited. You will observe that Mr. Young asks for my re-consideration of the representations already made and more particularly of the proposal that the duty on wool should be collected after the wool is sold instead of on shipment from the Colony, as is the actual practice.

duplicate.

2. I do not consider that the question of any remission or suspension of the export tax on wool is to be entertained nor do I think that you will desire me to elaborate my reasons for this opinion. In brief I am not satisfied that the local sheepfarming industry is reduced to ^{an} extreme plight which alone could justify such a concession and, if such a concession is granted, I do not see how the revenues of the Colony can suffice to meet the demands against them, for instance in

reference/

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.F., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

reference to the measures which are necessitated by the increasing burden of unemployment. It is pertinent also for me again to remark that the duty on wool is virtually the sole contribution made by the owners of farm property to the revenues of the Colony and that this form of taxation was adopted in the year 1923 at their expressed preference in replacement of the then existent land tax.

3. I am not without some sympathy, however, for the farmers and I am mindful that the sheepfarming industry as the only industry of the Colony is deserving of such assistance as this Government may be in the position properly to afford it. I am advised that the cost to the revenues of the concession for the deferred payment of the tax is so slight as to be negligible and I understand at the same time that its grant would be of real value to the farmers and would be appreciated by them not only for its real value but also as a gesture of encouragement.

4. I have to recommend therefore that in the year 1933 the payment of the export duty on wool may be effected, instead of at shipment, on receipt in the Colony of the customs certificates covering the landing of the wool in the United Kingdom. It should be stipulated as a condition of this concession that in any event the full amount due in respect of any wool exported in the year 1933 must be paid before the end of the year. As the clip is all exported for practical purposes by the end of June or July in any one year no complication is likely

to/

to arise in this direction.

I have the honour to be,

Sir,

Your most obedient
humble servant,

JAMES O'GRADY.

C/2/31.

9th June, 32.

Sir,

I am directed to acknowledge the receipt of your letter No. C/2/31 of the 31st of May, 1932, asking that the Governor may give his re-consideration to the matter of a grant of relief from taxation to the local sheep-farming industry, and to inform you that His Excellency is laying your letter before the Secretary of State together with His Excellency's own recommendation.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

The Manager of the
Falkland Islands Company, Limited,
S T A N L E Y.

11000

Falkland Islands Sheepowners' Association,

5 Copthall Buildings, London, E.C. 2.

June 28th, 1932.



Sir,

The above Association desires me to acknowledge the receipt on May 4th of your letter of March 29th, and to submit the following observations.

2. The second paragraph of your letter bases the Colonial Government's inability to suspend the Export tax on wool on the grounds that (i) the sheepfarmers are merely in a similar plight to most primary producers in the British Empire, and (ii) their statements as to wool prices are misleading.

As regards (i) this argument may be adduced by other Colonial Governments in answer to appeals from other primary producers for relief from taxation, but we are for the moment concerned with our own predicament. As to (ii) the evidence of the wool sales speaks for itself. In our letter of September 28th we cited the sales of that month as the most recent data at that moment; we are of course aware that prices shewed an advance in March last, but the Colonial Government ignores the fact that the wool sold then was the most valuable of the annual clip, namely hogget wool which is clipped and marketed first. The average gross prices realised at the 3 sales which have taken place this year are 8.07, 6.18, and 5.32, a progressive decline, the average all round so far being 6.8 gross. The real test is the average price for the whole year, which is ascertainable by the Colonial Government from the returns furnished by exporters, and we have unfortunately every reason for anticipating that this average price of 6.8 gross, or 5d nett, will be diminished by the results of the remaining sales of this year. The statement in our letter of September 28th that

The Honourable

The Colonial Secretary

Port Stanley, FALKLAND ISLANDS.

wool is realising but little over one half the cost of production is therefore only too correct.

3. par. 3. We have pointed out that all the revenue of the Colony is really derived from the sheep's back; the form of taxation is immaterial to the argument, for if the produce of the sheeps' backs is insufficient to meet the cost of production, there is nothing from which to pay taxation in any form.

The Association is of opinion that generally speaking the cost of administering a Colony with a population of only 2400 persons is quite excessive; expenditure under the head of "Personal emoluments" in the years 1920, 1925 and 1930 being as follows:-

<u>Year.</u>	<u>Population.</u>	<u>Personal emoluments.</u>	<u>Average per head.</u>
1920	2271	£13,531	£ 6. 0. 0
1925	2252	17,513	7.17. 0
1930	2396	20,130	8. 8. 0

4. This paragraph(3) of your letter contains a suggestion or forecast that fresh or increased taxation might be required to meet the cost of unemployment until labour is re-absorbed by the farms. Increased taxation is exactly what would drive the farmers to reduce their hands still further through sheer inability to meet the wages bill, thus throwing more men on to the public funds and creating what is termed a vicious circle.

5. The Association does not understand why, if loans from the Land Sales Fund for permanent farm improvements are permissible, such loans are not much more so for the purpose of keeping the industry going.

We feel compelled to say that the Colonial Government does not appear to realise the gravity of the situation. They hope that "actual facilities for money will prove adequate"; the point is, where is it to come from? for a depressed industry in an obscure Colony 7000 miles away does not offer much attraction to people who are in a position to lend money.

The Association raised this question last September in order that some timely provision against financial stress might be made; the Colonial Government received that letter on the 10th November, but 4½ months elapsed before an answer was

(49)

completed the purchase of their land, would not derive any benefit from this; such stations however are now exempt from this annual liability.

6. DEPENDENCIES AND RESEARCH FUND.

We submit that the time has arrived for a re-consideration of the position of the Research fund, and we ask that the Association's correspondence with the Secretary of State commencing 10th October 1928 may be read with this. In the course of that correspondence the Association stated that they did not put forward any claim to participate in the profits from whaling, they pointed out that the commitments of the Falkland Islands proper had been enormously increased by the tacking-on to that Government of the regulation of whaling and the administration of the Dependencies, and expressed their concern at the effect on the Falkland Islands in the event of the whaling industry collapsing. The whaling industry does appear to have collapsed, certainly from the point of view of revenue producing. We understand that for the past two years the whales killed have been smaller, and land stations are largely superseded by pelagic whaling carried on by vessels capable of dealing with eight whales at a time. No revenue is derived from these and no further funds for research would seem to be forthcoming.

If whaling in the Dependencies is not resumed, the *raison d'être* of the establishment in South Georgia will cease, and a large proportion of the staff at Stanley will be redundant, for the work hitherto entailed in connection with whaling and the collection of revenue for the Research fund will disappear. The Falkland Islands, as a sheepfarming country, will no longer have any concern in whaling research, which has really become an international question, and the Colony's civil establishment, which is on a much more elaborate scale than a population of 2400 persons warrants, will have to be reduced to a more proportionate figure. It is realised that such a reduction requires a fairly long period, and in the meantime the cost of salaries of officials and relief of

unemployed has to be met.

The Research Fund amounted at the end of last year to £426,751, and it is improbable that funds will be forthcoming to augment this, or in fact to meet the expenditure to which the Research Committee is pledged. We repeat that whaling research has become an international matter, and the cost of such should be borne accordingly. It would be inequitable that this Fund should be expended without provision being made from it towards the cost of the Falkland Islands establishment reverting to its former proportions and provision made for future pensions. We urged this 3 years ago, and since then the capacity of the Colony for bearing the cost has diminished considerably.

7. The annual interest on the Fund would amount to presumably over £12,000, and some portion of this should be allocated at once to the needs of the Colony, especially for relief work for the unemployed, and moreover the bulk of this should be spent in the country districts. Hitherto, with but slight exceptions, the whole of the Public works expenditure has been confined to Stanley on work of necessarily unproductive nature. Work in the country districts, such as bridges, draining, and rough road or track making would be of permanent value. Such work is not practicable during the winter months, May to August inclusive, when relief would have to be given in Stanley.

If the above idea is entertained, a scheme of work in country districts during the other eight months of the year could be formulated.

8. We feel that the Colony has a very real claim on the Research Fund, and at the moment any help from it would safeguard the financial position of the Colony, which is entirely dependent upon being self-contained on account of its isolated geographical position.

I am, Sir,

Your obedient servant.

Geo. Rowne
Chairman.

P.S. In view of the statement in the last paragraph of your letter that a copy of this correspondence had been sent to the Secretary of State for the Colonies, the Committee concluded that there would be no objection to sending a copy of this letter to the Under Secretary of State direct, especially as some time would thereby be saved. This has consequently been done.

Geo. Bowyer

26th June 1932.

Dear Ellis

Before leaving the Islands I hoped to have a chat with you about the sheepfarming industry, to tell you the position as it affects Port Stephens . Without taking into consideration depreciation ~~on~~ capital expenditure ~~on~~ on improvements, I made a ^{Trading} loss of £ 900 in season 1929/30, £1950 in 1930/31, & this year the loss will be about £ 1800, by drastically cutting down the number of men to a minimum, reducing wages, & doing nothing to keep the plant in order. I charge the station no salary for myself.

Wool has dropped about 25% since early March, & is difficult to sell. Skins, Hides, tallow, are scarcely saleable owing to the glut. Eleven bales of skins realised £13 (thirteen pounds). There is no sign of any improvement.

What is the future for Port Stephens, with its poor camp & great size requiring a large staff to operate it ? No money has been spared in improving the place by fencing etc. & buying sheep to keep up the number owing to the heavy death rate .

I cannot find money indefinitely to finance the station . I see no way out of the difficulty but to take sheep off the bad camp so as to reduce the staff of men . If I cannot make ends meet it really looks as if I should have to take the sheep right off as is being done on the poor farms in Patagonia .

These conditions apply in some degree to most of the farms in the Islands. Under the circumstances I think the Government should do something substantial to help the farmers, either by making loans or by deferring payments of rent & purchase money instalments. Had I returned home through Stanley I should have discussed these facts with the Governor & yourself.

With kindest regards to Mrs Ellis & yourself.

Believe me

Yours sincerely

W. H. Dean

C/2/31.

29th August,

32.

Sir,

I am directed by the Governor to acknowledge the receipt on the 6th of August, 1932, of your letter of the 28th of June, 1932, submitting for His Excellency's re-consideration certain requests for relief on behalf of the Falkland Islands Sheepowners' Association.

2. I am to say that His Excellency has already made and is further making proposals to the Secretary of State for the Colonies in the matter which, if approved, in His Excellency's view will meet, in part at any rate, the situation as you have described it.

I am,

Sir,

Your obedient servant,

Colonial Secretary.

e Honourable George Bonner O.B.E., M.E.C.,
Falkland Islands Sheepowner's Association,
5. Copthall Buildings,
London E.C.2.



Stanley,

30th August, 1932.

Dear Mr. Jean,

Red 51-52.

I had your letter of the 26th of June by last mail and the present is the first opportunity for replying to it.

We too are sorry that a personal meeting in Stanley was not possible before your return home. However your letter puts the case very clearly and, I do not doubt, fairly so far as concerns Port Stephens.

We do feel a real concern for the farms in these difficult days and are considering more than one way of affording them substantial assistance : the need being shown, your suggestion as to the deferred payment of the land purchase instalments has much to commend it.

Far be it from me unduly to raise your expectations : I trust nevertheless that it will not be long before I shall be able to write to you



again in more positive terms. You will appreciate at the same time that we cannot move in the matter except in consultation with the Colonial Office.

Mollie joins me in the hope that Mrs. Dean and all of you are well.

With kind regards from us both,

Yours sincerely

[Handwritten signature]

FALKLAND ISLANDS.

CONFIDENTIAL.



DOWNING STREET,

16 July, 1932.

Sir,

Revs. 37-32

I have the honour to refer to your Confidential despatch of the 30th March and to state that I have been supplied with a copy of the letter of the 28th June addressed to the Colonial Secretary by the Falkland Islands Sheepowners' Association.

2. I have to ask that you will report to me generally your views upon the representations made in that letter.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(for the Secretary of State)

(Signed) R. W. HAMILTON.

GOVERNOR,

SIR JAMES O'GRADY, K.C.M.G.

etc., etc., etc.

GOVERNMENT HOUSE,

STANLEY.

23rd September, 1932.

FALKLAND ISLANDS.

CONFIDENTIAL.

Sir,

With reference to your Confidential despatch of the 16th of July, 1932, I have the honour to submit generally my views upon the representations contained in the letter of the 28th of June addressed to the Colonial Secretary by the Falkland Islands Sheepowners' Association. I enclose a copy of the interim reply which has been sent to this letter.

In duplicate.
Red 53.

2. I have given long and serious study to the requests made and in part at any rate they meet with sympathy. I am still of the opinion that there is no good ground to accede to the request for a suspension of the export tax on wool for the one reason amongst others that this tax is virtually the sole contribution made by the members of the Association to the revenues of the Colony. Incidentally no figures have been adduced hitherto on behalf of the Association to show the local cost of production of wool. I consider, however, that the measures suggested in the following paragraph of this despatch should serve substantially to ease the position as described. Furthermore such indications as have come to my knowledge are encouraging in regard to the prospect of an improvement in the market for wool in the coming season.

3. I have already recommended in my Confidential

despatch

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

despatch of the 9th of June, 1932, that in the year 1933 the payment of the export duty on wool should be effected, instead of at shipment, on receipt in the Colony of the customs certificates covering the landing of the wool in the United Kingdom. I now recommend in addition that the payment of the annual land purchase instalments should be suspended in respect of the year 1933, interest being charged at the rate of 3 per cent per annum on the amount unpaid and ownership rights remaining unaffected, and that up to a maximum term of three years the extension of a similar concession should be reviewed prior to the commencement of each of the two years 1934 and 1935. This concession will afford considerable relief to the sheepowners and will not materially affect the revenue, that is in excess of the amount deriving from the difference in the rate of interest between the 3 per cent proposed and the rate otherwise obtainable from the capital on investment, say 1½ per cent on £6,552 or approximately £100 per annum. I have asked also in my despatch, No. 163 of the 30th of August, 1932, that the matter may be re-considered of the grant of a preference on Falkland Islands wool imported into the United Kingdom.

4. With regard to the expenditure on personal emoluments I cannot but agree in the main contention that the cost of officials' salaries is heavy in its incidence on the Colony's finances. You will be aware, however, that this cost has fallen from the peak figure of £21,420 in 1929 to £19,986 in 1932 to which level it is being kept down in 1933. I am moreover watching carefully this aspect of the situation with the object of introducing such economies as can be made without/

without detriment to the public service, for example by the application, where possible, of the policy when an office on the permanent establishment becomes vacant either of retrenching it or of filling it at a reduced rate of salary. You will appreciate that the results of this policy are necessarily slow in realization.

5. I have been examining the practicability of providing work for the unemployed outside the vicinity of Stanley. Among other difficulties there arise the separation of the men from their families and dependants and the provision of accommodation for them away from their homes, the adequate supervision of their work and, so far as concerns the construction of bridges the expense to be incurred by way of materials and transport. Even if it should be found possible administratively to induce a number of the unemployed to leave Stanley in this manner I have grave doubts economically as to the wisdom of the plan. Again the work done would be on and for the benefit of privately-owned properties and the half-and-half basis on which assistance is to be granted in such circumstances to the farmers is clearly defined in the previous correspondence terminated in Lord Passfield's Confidential despatch (2) of the 19th of September, 1930, on the subject of the scheme for the improvement of tracks to the camp. All the schemes for the relief of unemployment hitherto approved or put forward, including that for the construction of ribbon tracks over suburban lands outlined in my despatch No. 172 of the 22nd of September, 1932, have been executed on Crown property for the advantage of the community/

community as a whole. It might be well asked if work is to be started in the camp is it to be started on all the farms simultaneously or which farm or farms is or are to be preferred.

6. Up to the present the necessary facilities for money to finance the sheepfarming industry have been provided by the Falkland Islands Company, Limited, and I have no reason to believe that these facilities have been or will be restricted at any rate in the case of those farmers whose business is conducted on sound lines. You will recollect that the Falkland Islands Company, Limited, owns approximately one-third of the total number of sheep in the Colony and is not a member of the Sheepowners' Association.

7. Finally I would join myself in the Association's request that with the view to ensuring against any contingency which may arise the question of the allocation to the funds of the Colony of a portion at least of the moneys standing to the credit of the Research and Development Fund may receive your serious and sympathetic consideration.

I have the honour to be,

Sir,

Your most obedient
humble servant,

JAMES O'GRADY.

DECODE.

TELEGRAM.

From The Secretary of State.

To The Governor.

Despatched : 8th November, 1932. *Time* : 12.15

Received : 10th November, 1932. *Time* : 11.00

Red 42. No. 65. Confidential. Your despatch dated 9th June confidential
Red 60. and your despatch dated 23rd September confidential I
approve proposed concessions regarding deferred payment of
duty and suspension of land instalments.

Secretary of State.

C/2/31.

12th November, 32.

Sir,

In continuation of my letter No. C/2/31 of the 29th of August, 1932, I am directed by the Governor to inform you that, with the sanction of the Secretary of State for the Colonies, His Excellency has been pleased to approve, during the year 1933, the grant of the undermentioned concessions for the relief of the sheepfarming industry :

- (1) Payment of the export duty on wool will be collected, instead of at shipment, on receipt at Stanley of the customs certificates covering the landing of the wool in the United Kingdom; and
- (2) Payment of the annual land purchase instalments will be suspended, interest being charged at the rate of 3 per cent per annum on the amount unpaid and ownership rights remaining unaffected.

2. I am to add that the grant of similar concessions in a future year will be reviewed in the light of the circumstances prevailing at the time, but that it is not contemplated that the suspension of the annual land purchase instalments will be extended in any event beyond a maximum period of three years, that is beyond the end of the year 1935.

3. I am to say that His Excellency trusts that the concessions granted will be of substantial assistance to the sheepfarming/

The Honourable George Bonner, O.B.E., M.E.C.,
Falkland Islands Sheepowners' Association,
5, Copthall Buildings,
LONDON, E.C. 2.

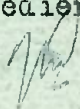
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sheepfarming industry in the present emergency.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

GOVERNMENT HOUSE,

STANLEY.

14th November, 1932.

FALKLAND ISLANDS.

CONFIDENTIAL.

Sir,

With reference to your telegram No. 65 Confidential of the 6th of November, 1932, I have the honour to transmit a copy of a letter addressed by the Colonial Secretary to the Honourable George Bonner, O.B.E., as Chairman of the Falkland Islands Sheepowners' Association, intimating the grant of the concessions in question for the relief of the sheepfarming industry.

In duplicate.

I have the honour to be,

Sir,

Your most obedient
humble servant,

JAMES O'GRADY.

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

Stanley.

14th November, 1932.

Dear Mr. Jones

I am glad now to be able to write to you as I anticipated in my letter of the 30th of August. I hope what I have to say will be satisfactory to you.

We have decided with the sanction of the Secretary of State to give the local sheepfarming industry assistance in the following ways: payment of the export tax will not be required at the time of shipment but will be collected on receipt in Stanley of the certificates covering the landing of the wool in England, and the land purchase annuities will be suspended on payment of interest on the amount unpaid at the rate of 3% per annum.

The grant of these concessions will be considered from year to year while the present emergency lasts but in any event it is not contemplated that the

suspension/

suspension of the land purchase annuities will be extended beyond a maximum period of three years.

We were glad to learn of the improvement in wool prices at the September sales; let us hope the tendency to stiffen will be emphasised when the new clip comes on to the market in March.

So far we have had a gloriously fine summer : indeed from the point of view of the gardens and, I suppose, of many parts of the camp it has been too dry. But for the Mount William waterworks there would have been a water famine in Stanley.

With best wishes for Christmas and the New Year from us both to Mrs. Dean, the family and yourself and with the wish also that we might have seen you all for the Centenary celebrations

Believe me,
Yours sincerely,

Wm. Dean Esq.



No. C/2/31.

MINUTE.

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

16th November, 19 32.

From

To The Local Auditor,

THE COLONIAL SECRETARY,

STANLEY.

Stanley, Falkland Islands.

I am directed to inform you that the Governor has been pleased, with the sanction of the Secretary of State for the Colonies, to approve of the following concessions for the relief of the local sheepfarming industry during the year 1933 :-

- (1) Payment of the export duty on wool will be collected, instead of at shipment, on receipt at Stanley of the customs certificates covering the landing of the wool in the United Kingdom.
- (2) Payment of the annual land purchase instalments will be suspended, interest being charged at the rate of 3 per cent per annum on the amount unpaid and ownership rights remaining unaffected.

Colonial Secretary.

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FALKLAND ISLANDS.

CONFIDENTIAL. (2)



DOWNING STREET,

10 November, 1932.

Sir,

I have the honour to refer to my Confidential telegram No. 65 of the 8th November and to transmit to you a copy of a letter which has been sent to the Falkland Islands Sheepowners' Association.

Red. 61.

To F.I.S.A.
9 .11. 32.

2. Arrangements should be made as early as possible to put into effect in 1933 the proposed concessions to the sheep farmers in respect of the method of payment of the export tax on wool and in respect of the suspension of the land purchase instalments. I shall be glad to receive in due course your views on the question of the continuance of these concessions in 1934.

3. In reply to the last paragraph of your Confidential despatch of the 23rd September I have to inform you that I am not prepared to reopen the question of the allocation of the moneys standing to the credit of the Research and Development Fund.

I have the honour to be,
Sir,
Your most obedient,
humble servant,

(Sgd.) P. OUNLIFFE-LISTER.

GOVERNOR,

SIR JAMES O'GRADY, K.C.M.G.

etc., etc., etc.

69
9 November

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96130/32

Sir,

With reference to the letter from this Office of the 19th July I am directed by Secretary Sir Philip Canliffe-Lister to inform you that the Governor of the Falkland Islands has reported that he is unable to see his way to recommend the remission or suspension of the export duty on wool. He has however recommended that in the year 1933 the payment of the export duty might be effected, instead of at shipment, on receipt in the Colony of the customs certificate covering the landing of the wool in the United Kingdom. This concession is to apply only to wool exported during the year 1933 and will be subject to the condition that the full amount of duty due in respect of wool exported during that year is paid before the end of the year.

2.

THE CHAIRMAN,

FALKLAND ISLANDS SHEEP OWNERS' ASSOCIATION.

2. The Governor has further recommended that the payment of annual land purchase instalments should be suspended in respect of the year 1933, interest being charged at 3% per annum on the amount unpaid and ownership rights remaining unaffected. The question of extending this concession up to a maximum term of three years will be considered prior to the commencement of each of the years 1934 and 1935.

3. Sir Philip Cunliffe-Lister has approved these recommendations.

I am,

Sir,

Your obedient servant,

(Sd.) R. DARNLEY

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Colony of the Falkland Islands.

Wool. Certificate of Landing.

(Schedule B of Customs (Export) Regulations, 1923).

To be delivered to the Collector of Customs, Stanley, Falkland Islands, within six calendar months from the date of clearance of the exporting vessel.

Exporting Vessel..... Master's Name.....

Port and Date of Shipment..... Port and Date of Discharge.....

Sheep Station from which wool is consigned.....

Name and Address of Consignee.....

QUANTITY OF WOOL DISCHARGED.

Station Mark on Bales	...	...	...	...	.....
Number of Bales	...	...	...	...	.....
Gross Weight in lbs.	...	...	...	...	.....
Tare in lbs.	...	...	...	...	.....
Net Weight of wool in lbs.	...	...	...	...	.....

For wool exported

Total weight of wool in lbs. landed.....

I solemnly declare that the foregoing particulars are to the best of my knowledge and belief true and accurate, and that I have fully described and set forth all the wool liable to export duty on export from the Colony of the Falkland Islands, and shipped on board the S.S. "....." at..... on the..... day of.....19....., and declared to by me as the Exporter, under section 31 of the Customs Ordinance, 1903.

(Sgd.).....

Date.....19.....

Exporter or Agent.

I certify that the above is a correct statement of all the wool landed or discharged at this port, from the above mentioned vessel, and bearing the station mark shown hereon.

(Sgd.).....

Senior Customs Officer.

In case of a Port outside the United Kingdom.

I certify that the above is the signature of the.....
Customs Officer at the Port of.....

(Sgd.).....

British Consular Officer.

Regulations made by the Governor in Executive Council under Section 63 of the Customs Ordinance, 1903.

—:o:—

1. These Regulations may be cited as "The Customs (Export) Regulations, 1923." Short Title.

2. The exporter of any whale oil, seal oil or wool, shall, within six calendar months from the date of the clearance of the exporting vessel, deliver to the Collector of Customs, Stanley, a Certificate in the form prescribed (that is in the case of oil, in the form of Schedule A hereto and in the case of wool in the form of Schedule B hereto) and shall make and subscribe a declaration to the truth of the said Certificate. Certificate of Landing to be delivered to the Collector.

Provided that the said Certificate may be delivered by a duly authorized agent for and on behalf and at the risk of the exporter; and further, it shall be lawful for the Collector, when it shall not be reasonably possible, in the opinion of the Collector, for the exporter to deliver the said Certificate within the period above prescribed, to grant an extension of the period within which the said Certificate shall be delivered. Collector may grant extension of the period required for delivery of Certificate.

3. The Certificate shall, in the case of oil, state clearly the number of barrels or drums landed, the quantity of oil in gallons contained therein, the quantity of bulk oil in gallons and the total quantity of oil in gallons, landed; and in the case of wool, the station mark on the bales and the number of bales landed, with the gross weight, tare and net weight in lbs., and the total weight of wool in lbs. landed. Particulars required to be shown on Certificate.

4. If any whale oil or seal oil is landed or discharged from the exporting vessel at more than one port outside the Colony a separate Certificate shall be required in respect of each port of landing or discharge. No certificate in respect of a consignment of wool shall cover wool from more than one station. Separate Certificates required in certain cases.

5. If the exporter of any whale oil, seal oil, or wool shall fail to comply with any of the foregoing requirements he shall be liable to the penalty of Five Pounds for each day's default prescribed by article 31 of the Customs Ordinance, 1903. Penalty.

6. The Regulations made by the Governor in Council on the 10th day of March, 1921 are hereby repealed. Repeal.

Made by the Governor in Executive Council at a meeting held on the 19th of December, 1923.

[N.B. In the case of any false or inaccurate declaration the shipper, in addition to the penalty prescribed in Section 5 of the above Regulations, is liable under the provisions of section 8 of Ordinance 1 of 1900 to a fine not exceeding £50.]

C/2/31.

20th December, 32.

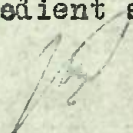
Sir,

I am directed by the Governor to inform you that, with the object of granting relief to the local sheepfarming industry, His Excellency has been pleased to approve, with the sanction of the Secretary of State for the Colonies, that during the year 1933 payment of the annual instalments for land purchases will be suspended, interest being charged at the rate of 5 per cent per annum on the amount unpaid and ownership rights remaining unaffected.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
S T A N L E Y.

C/2/31.

20th December, 32.

Sir,

I am directed by the Governor to inform you that, with the object of granting relief to the local sheep-farming industry, His Excellency has been pleased to approve, with the sanction of the Secretary of State for the Colonies, that during the year 1933 the payment of the export duty on wool will be required on receipt in the Colony of the Customs certificate covering landing of the wool in the United Kingdom instead of at shipment from the Colony as in the normal course.

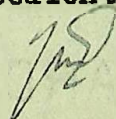
2. I am to make it clear that in any case and notwithstanding anything contained in the preceding paragraph the full amount of the export duty due in respect of wool shipped from the Colony during the year 1933 will have to be paid on or before the 31st of December, 1933.

3. I am to add that it will still be necessary for you to file on shipment the usual Customs export entries giving details of marks, quantities and weights of wool.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
S T A N L E Y.

C/2/31.

20th December, 32.

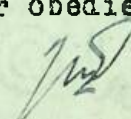
Gentlemen,

I am directed by the Governor to inform you that, with the object of affording relief to the local sheepfarming industry, His Excellency has been pleased, with the sanction of the Secretary of State for the Colonies, to approve that during the year 1933 the annual instalments for land purchases will be suspended, interest being charged at the rate of 3 per cent per annum on the amount unpaid.

I am,

Gentlemen,

Your obedient servant,


Colonial Secretary.

The Crown Agents for the Colonies,
4, Millbank, Westminster,
LONDON, S.W. 1.

THE HOUSE OF REPRESENTATIVES
U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.
TELEPHONE 345

December 1932

Dear Ellis

Recd. 66

Many thanks for your letter of Nov. 14th

The concessions to the sheepfarmers are great
reliefs & will help their finances a great
deal. Unfortunately the American Debt question
has unsettled everything & there is now no hope
of reduction of taxes here. Until people see
some real light ahead there will be no real
expansion of trade which is the only thing
that will lift commodity prices to a paying
level. N.Z. wools & F. I. wools held their own
last sales owing to their being knitting wools,
for which there is a great craze. N. Zealand
wools feel heavily & are now weaker.
We shall be lucky if the prices hold this

season. The opinion of the principal shapmen of Australia is that good prices are not to be expected for some years & profits can only be made by getting the costs of production down. I am pleased to hear the spring has been good, I hope ^{the weather} it will favour the Centenary festa. I expect you will have a very busy & exacting time.

Mr. Dean & I send our kindest regards to you wife & self.

Yr sincerely
 Wm Ham Dean

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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 R.A.D.



Stanley

22nd December, 1932.

Sir,

I have to acknowledge receipt of your two letters No. C/2/31 dated 20th instant and note with thanks the action taken by Government to afford some relief to the sheepfarming industry.

2. I note that payment of the annual instalments for land purchases will be suspended during 1933, that interest at 3% will be charged on the amount unpaid and ownership rights remain unaffected.

3. Also that the export duty on wool exported during 1933 will be payable on receipt of the United Kingdom Customs Landing certificates but that such payments must be completed by 31st December 1933, and that it will be necessary to file the usual Customs Export entries on shipment.

I am,

Sir,

your obedient servant,

A handwritten signature in dark ink, appearing to be "W. J. ...", written over a horizontal line.

Manager.

The Honourable

The Colonial Secretary.

Stanley.

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Falkland Islands Sheepowners' Association,
5 Copthall Buildings, London, E.C. 2.

November 30th, 1932.

Sir,

I am requested by the above Association to acknowledge with thanks the receipt of your letter of the 9th instant.

2. The Association desires me to express its appreciation to the Secretary of State for sanctioning the postponement of payment of the annual instalments for Land purchase, but to say at the same time that the decision not to grant any relief as regards the export tax on wool is very disappointing.

3. Your letter deals with the first 5 paragraphs of our letter to the Colonial Secretary of June 28th, and the Association looks forward to receiving shortly a reply to the three concluding paragraphs of that letter on the subject of the contribution of £9,000 per annum from the Dependencies to the Colonial Revenue, and of the allocation of a sum from the Research Fund. In the 10th paragraph of the Colonial Office letter of 30th November 1928 it was stated that the Secretary of State agreed to the maintenance of the direct contribution at its then present level for a period of 3 years "at the end of which time the question can again be subjected to review".

4. That time has now arrived, and during the interval the capacity for taxation of the sheepfarming industry has declined steadily to its lowest level in the 100 years history of the Colony, the industry being now in fact carried on at a loss. Since the commencement of the Whaling industry in the Dependencies the charge on the Colony as a whole for administration, passages, and pensions has increased enormously, and the request for the renewal of the Dependencies contribution is not only reasonable but of vital importance, for during the past few years, so far from there having been any economy, the total cost of administration shews a large increase. As pointed out in the 3rd paragraph of our letter of June 30th "personal

The Under-Secretary of State for the Colonies,
Downing Street, S.W.1.

emoluments" alone have risen by £2. 8. 0 per head of the population between 1920 and 1930- figures for 1931 are not available. Most farms have already brought down the rate of wages, but the workmen in Port Stanley strongly objected to any reduction of their wages unless the Government Officials shared in similar reductions and unless the general expenditure were curtailed.

We offer the strongest criticism on the recent grant of free passages to England and back every 2½ years to officials and their families, which is a very heavy charge on the Colony for which we see no adequate reasons. Such grants in the case of African colonies are necessary for climatic reasons, whereas the climate of the Falkland Islands is one of the healthiest of all British colonies, and the existing rates of official salaries are on a sufficiently high scale to enable the officials to pay their own travelling expenses. It would seem that in the case of some of the minor officials the grant of leave passages must represent a very large addition to the substantive salary. The Colonial Government must, and we venture to say, does realise the very strong feeling amongst the local working classes on this particular matter. The only local newspaper is run under the auspices of the Government, and there is consequently no means of ventilating public opinion, a decided anomaly in a Colony populated entirely by whites, of whom over 95% are British.

5. We may mention a few other specific instances in which economy could be exercised without delay.

COLONIAL SECRETARY'S DEPARTMENT.

We would ask the Secretary of State to consider whether an appreciable retrenchment should not be effected here. Salaries of most Government officials have been very much increased of late years, and we cannot think that an Assistant Colonial Secretary at £500 a year is necessary in so small a Colony.

MILITARY DEPARTMENT.

We are of opinion that this should be considerably reduced, for no reasonable person would contend that the Volunteer force could ever be of any military value whatever. It may be anomalous

but we may say that the very defencelessness of the Colony is really its strongest defence, for any show of opposition would result in reprisals, and what possible chance could 80 to 100 Volunteers have? The expenditure, estimated at £700, for a machine gun is an unnecessary and useless extravagance.

VETERINARY SURGEON

We recommend that this office should be abolished at the earliest possible date. What the Colony requires is an Inspector of Stock at about one-third or one-quarter of the cost of a Veterinary Surgeon, which must be costing the Colony not less than £1,000 a year, when quarters, horse allowance, and free leave passages are considered. We believe that a suitable Inspector of Stock could be found locally.

6. Generally speaking, we believe that in every other Colony drastic reductions in the emoluments and in the personnel itself have had to be made, and it is patent that unless the Dependencies contribution of £9,000 per annum is continued, either in its entirety or at a reduced figure, the loss to the revenue of the Falkland Islands proper under that head must be made up by reduction of expenditure, for the sheepfarming industry cannot bear any further taxation as it is now being carried on at a loss.

As we have frequently pointed out, all revenue collected in the Falkland Islands proper is derived ultimately from sheepfarming, and if it is contemplated that that industry must make up the deficiency, it means that farmers cannot continue to pay the present amounts in wages. We have said above that local opinion is very seriously exercised by the fact that the working classes are called upon to make all the sacrifices, and unless the Government expenditure is very appreciably cut down, it will not be a matter for surprise if those classes make a demand for representation on the Legislative Council and some voice in the control of public expenditure.

I am, Sir,

Your obedient Servant,

(Signed) GEO: BONNER
Chairman.

Falkland Islands Sheepowners' Association,
c/o Packe Bros & Company Limited,
5 Copthall Buildings, London,
January 14th, 1933.

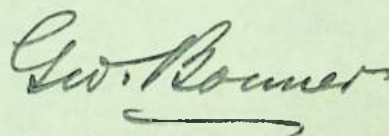
Sir,

The Committee of the above Association desires me to acknowledge with thanks the receipt of your letter of November 12th last, and to take the opportunity of enclosing a copy of a letter addressed to the Secretary of State for the Colonies on November 30th on the subject of the taxation of the sheepfarming industry in the Colony.

I am,

Sir,

Your obedient servant,



Chairman.

The Honourable
The Colonial Secretary
Port Stanley
Falkland Islands.

C/2/31.

9th June, 35.

Sir,

With reference to your letter dated 20th May, 1933, relative to annual payments in respect of the purchase of Country lands, I have the honour to inform you that relief from payment applies only to 1933, but have to add that the grant of similar concessions in a future year will be reviewed in the light of the circumstances prevailing at the time.

2. The rate of 3% at simple interest is chargeable only from the date the instalment of purchase money is normally due and not on the total balance of purchase money outstanding. In the case of your Estate you will require to pay £3. 3. 3. interest on the 27th July, 1934, plus the instalment of £105. 8. 0. due for 1933, and the instalment of £105. 8. 0. due for 1934. If, however, the concession is extended to 1934, then interest at 5% will be charged on £210.16. 0. from the 27th July, 1934. The interest is required to be paid when due and will not be added to the instalments outstanding.

I am,

Sir,

Your obedient servant,

M. Gurji Kallhota
Acting Colonial Secretary.

W. G. Benney, Esq.,
Saunders Island,
WEST FALKLAND ISLAND.



Saunders Island
West Falklands
May 20/1933

The Hon Colonial Secretary

Stanley

Dear Sir,

I understand the Falkland Islands Government have decided in cases where landowners so desire, to suspend the annual payments of land purchase instalments for three years at 3% interest.

Will you kindly inform me if this is simple or compound rate of interest & whether it is chargeable ^{only} on the instalments which would be due during the next three years or on the whole amount of purchase money still owing from 1932.

My reason for this enquiry is that I want to be quite clear as to the liability one would incur, before deciding whether or not to avail myself of the Government's offer.

I am

Yours respectfully
W. E. Beatty

Q1131

(85)

Saunders Island
West Falkland
June 26/33

The Hon A. Craig-Haskell,
Acting Colonial Secretary,
Stanley.

Sir,

In reply to your letter of the 9th inst, for which I thank you.

It appears I have mis-interpreted the terms of the Government's agreement to allow a suspension of the annual instalments of land purchase.

I understood that the suspension would be allowed for three years at 3% interest, thereby extending the completion of purchase for a period of three years, whereas, by your explanation it appears this suspension is only for one year, which would necessitate the payment of double the usual amount (plus interest on one year's instalment) the following year.

If I have understood you correctly, I am of the opinion that in this way, instead of relieving the burden this method would increase it, because in view of the low prices now obtaining it would naturally be more difficult to

to pay two instalments, than one, in a year.

Therefore, while thanking you for your courtesy in the matter, I have decided, for the present, to continue the payments relating to this Station as usual.

I am

Yours respectfully

W. C. Beatty

6/2/31.

25th July,

33.

Sir,

I am directed by the Acting Governor to acknowledge the receipt of your letter dated the 26th June last and to explain that although the suspension of Land Sales payments applies only to the year 1933, it is extremely unlikely, even with an improvement in the Sheep Farming Industry, that Farmers will be required to pay two instalments in the one year. It is recognized that under present circumstances such an arrangement would constitute an unfair burden.

2. The method of payment referred to in paragraph 2 of Mr. Craigie-Halkett's letter of the 9th June, was given on the assumption that the position of the Sheep Farming Industry would have in the meantime returned to normal, but failing this it is highly improbable that Farmers will be required to pay in 1934 the instalment due for this year.

3. I am to say that the question will again be reviewed by the Secretary of State, and in view of the low prices for wool still obtaining the periods for payment will no doubt be extended and will be confined to the payment of only one instalment a year.

I am,

Sir,

Your obedient servant,

W. G. Benney
for Colonial Secretary.

W. G. Benney, Esq.,
Saunders Island,
WEST FALKLAND.

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.

25th August, 19 33.

Sir,

*Reads
723*

I have the honour to revert to your letter No. C/2/31 dated 20th December last, advising that the payment of the Annual instalments for Land purchases would be suspended during 1933, and to request that this concession may be continued for 1934.

Although Wool Prices shewed a slight improvement in the July Sales, the prices realized at the March and May Sales, at which the bulk of the Colony's clip were sold, were most disappointing and the position of farmers is, if anything, worse than a year ago when this concession was first conceded.

I am,

Sir,

Your obedient servant,

[Handwritten Signature]

The Honourable,

Manager.

The Colonial Secretary,

Stanley.

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 PORT STANLEY VIA RADIO.

25th August, 19 33.

Sir,

*Recd
7-3*

I have the honour to revert to your letter No. C/2/31 dated 20th December last, advising that during the year 1933 the payment of the Export duty on wool will be required on receipt in the Colony of the Customs Certificate covering landing of the wool in the United Kingdom instead of at shipment from the Colony as in the normal course and to request that this concession may be continued for 1934.

This concession has materially assisted the financing of farmers during a very trying period, which has not yet ended and its continuance for a further period would be very greatly appreciated.

I am,

Sir,

Your obedient servant,

[Handwritten signature]

The Honourable,

Manager.

The Colonial Secretary,

Stanley.

C/2/31.

31st August, 33.

Sir,

I am directed by the Acting Governor to acknowledge the receipt of your letter of the 25th of August, 1933, on the subject of the payment of the annual instalments for land purchases during the year 1934, and to inform you that the matter will be referred to the Secretary of State for his consideration at an early date.

I am,

Sir,

Your obedient servant,

9-88

for Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

G/2/31.

51st August, 55.

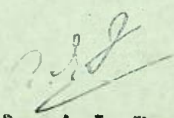
Sir,

I am directed by the Acting Governor to acknowledge the receipt of your letter of the 25th of August, 1953, on the subject of the payment of export duty on wool during the year 1954, and to inform you that the matter will be referred to the Secretary of State for his consideration at an early date.

I am,

Sir,

Your obedient servant,



For Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

GOVERNMENT HOUSE,
STANLEY.

8th November, 1933.

FALKLAND ISLANDS.

CONFIDENTIAL.

Sir,

I have the honour to refer to your Confidential despatch dated the 10th of November, 1932, and to previous correspondence on the subject of the grant during the year 1933, of certain concessions for the relief of the Sheepfarming industry.

2. I have to report that the position of the Sheepfarming industry is still far from satisfactory. Although the London Wool Sales showed some improvement in July and September, the prices realized at the March and May Sales, when the bulk of the Colony's clip was sold, showed no advance over the prices obtained in 1932, with the result that the position of the industry has in no way improved.

3. I therefore recommend that the concessions granted to sheep farmers in respect of payment of the export tax on wool and in respect of the land purchase instalments, should be continued during the year 1934.

I have the honour to be,
Sir,

Your most obedient
humble servant,

M. CRAIGIE-HALKETT.

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

DECODE.

TELEGRAM.

C/2/31.

From THE SECRETARY OF STATE FOR THE COLONIES.

To THE GOVERNOR. FALKLAND ISLANDS.

Despatched: 20th December, 19 33. *Time:* 12.40

Received: 21st December, 19 33. *Time:* 11.00

Redq. No. 74. Confidential. Your despatch of 8th November Confidential.

I approve.

Secretary of State.

C/2/51.

28th December, 53.

Sir,

With reference to your letter dated the 25th August, 1953, and to previous correspondence, I am directed by the Acting Governor to inform you that the Secretary of State has been pleased to sanction the continuance during the year 1954, of the relief granted to the local sheepfarming industry during the year 1953, as regards the suspension of the payment of annual instalments for land purchases.

2. I am to add that interest will continue to be charged at the rate set out in Mr. Ellis's letter to you No. C/2/51 of the 20th December, 1952.

I am,

Sir,

Your obedient servant,

C. J. J.

for Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

C/2/31.

23th December, 33.

Sir,

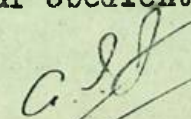
With reference to your letter dated the 25th August, 1933, and to previous correspondence, I am directed by the Acting Governor to inform you that the Secretary of State has been pleased to sanction the continuance during the year 1934, of the relief granted to the local sheepfarming industry during the year 1933, as regards the payment of export duty on wool on the receipt in the Colony of the landing certificates.

2. I am to add that such relief will be under the conditions set out in Mr. Ellis's letter No. C/2/51 of the 20th December, 1932, and that the full amount of the export duty due in respect of wool shipped from the Colony during the year 1934, will have to be paid on or before the 31st of December, 1934.

I am,

Sir,

Your obedient servant,


for Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

95

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.

29th December, 1933.

Sir,

I have to acknowledge receipt of your two letters C/2/31 both dated 28th instant, contents of which are noted with thanks.

The extension of these concessions for a further year are much appreciated by us and will be of material benefit to all farmers.

I am,

Sir,

Your obedient servant,

W. J. ...

Manager.

The Honourable,

The Colonial Secretary,

Stanley.

COPY.

Falkland Islands Sheepowners' Association,
c/o Messrs. Packe Bros. and Co.,
5, Copthall Buildings, E.C.2.
January 9th, 1934.

Sir,

With reference to your letter No. 96130/32 of November 9th 1932 I should be glad to know whether any decision has been arrived at as regards the annual land purchase instalment for the year 1934, that is to say whether its suspension for 1934 has been definitely sanctioned.

I understand that these deferred payments will not in any way affect the final purchase of the freeholds, beyond extending the period, over which the payments are made, to 31 or 32 years as the case may be, instead of 30 years as provided for in the Land Ordinance of 1903.

I am, etc.,
(Sgd.) Geo. Bonner.
Chairman.

The Under Secretary of State
for the Colonies,
Downing Street,
S.W.1.

11 January 4

39203/34.

Sir,

I am directed to acknowledge the receipt of your letter of the 9th January, and to inform you that the Secretary of State has approved a recommendation by the Officer Administering the Government of the Falkland Islands for the extension for the year 1934 of the concession granted for 1933 with regard to the annual land purchase instalments.

I am,

Sir,

Your obedient servant,

(Signed) H. T. ALLEN.

THE CHAIRMAN,
FALKLAND ISLANDS SHEEPOWERS'
ASSOCIATION.

Reference to previous correspondence:-

Secretary of State's Despatch No..... of the
Governor's

A
1

.....19.....

FALKLAND ISLANDS.

No. 8.

DOWNING STREET,

.....15th January.....19.34.

Sir,

I have the honour to transmit to you the papers noted below on the subject of the extension for the year 1934 of the concession granted during the year 1933 with regard to the annual land purchase instalments, for the relief of the Sheepfarming industry.

I have the honour to be,

Sir,

Your most obedient, humble servant,

Plymouth
(for Secretary of State)

THE OFFICER ADMINISTERING
THE GOVERNMENT OF THE FALKLAND ISLANDS.

Date.	Description.
9th January, 1934	From the Falkland Islands Sheepowners' Association.
11th January, 1934	To the Falkland Islands Sheepowners' Association.

99

FALKLAND ISLANDS.

Downing Street,

CONFIDENTIAL. (v)

29 December, 1933.



Sir,

I have the honour to confirm my telegram No. 74 of the 20th of December, in which I approved the recommendations in your Confidential despatch of the 8th November, for the continuation during the year 1934 of the concessions granted for 1933 to sheep-farmers in respect of the payment of the export tax on wool and in respect of the land purchase instalments.

Rec. 92

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Sgd.) P. CUNLIFFE-LISTER.

THE OFFICER ADMINISTERING
THE GOVERNMENT OF
THE FALKLAND ISLANDS.

FALKLAND ISLANDS.

STATEMENT SHEWING AMOUNTS OF INTEREST TO BE PAID IN RESPECT OF LAND PURCHASE INSTALMENTS DUE IN 1933.

Purchaser.	Date interest is due.	Amount of Interest.		
		£.	s.	d.
1 Douglas Station Co, Ltd; (per Messrs Jacomb Hoare & Co)	1934 2nd January	✓ 12.	13.	5.
2 Estate T. Robson (per Falkland Is. Co, Ltd)	2nd January	✓ 4.	16.	6.
3 Pitaluga Brothers -do-	5th January	✓ 8.	1.	4.
4 Exors of W.K. Cameron -do-	13th January	✓ 8.	11.	11.
5 Baillon & Stickney -do-	6th February	✓ 15.	6.	11.
6 Stickney Brothers -do-	9th February	✓ 12.	3.	4.
7 Port Stephens & Port Edgar (per W. Carpenter & Sons)	15th February	✓ 32.	3.	9.
8 J.L. Waldron, Limited.,	26th March	✓ 28.	11.	-
9 Est. A. Morrison (per Falkland Is. Co, Ltd.,)	21st April	✓ 3.	4.	-
10 Estate W.D. Benney -do-	27th July	✓ 3.	3.	3.
11 Anson & Luxton -do-	5th August	✓ 20.	2.	3.
12 Falkland Is. Co, Ltd., (Fitzroy)	1st October	✓ 17.	12.	4.
13 Packe Bros. & Co, Ltd., (per Falkland Is. Co)	24th December	✓ 19.	14.	-
14. Smith Bros, Johnson's Harbour -do-	31st December	✓ 7.	7.	5.
Total.....£		193.	11.	5.

Arthur Deane
for Colonial Treasurer.

Colonial Treasury,
Stanley, Falkland Islands,
21st February, 1934.

c/2/51.

27th February, 34.

Sir,

With reference to Mr. Ellis's letter to you No. c/2/51 of the 20th December, 1933, regarding the suspension during the year 1933 of the annual instalments for land purchases subject to interest being charged at the rate of 3 per cent per annum on the amount unpaid, I am directed to transmit the accompanying statement showing the amounts of interest due during the year 1934, and to request that you will be good enough to pay the several amounts as they fall due.

I am,

Sir,

Your obedient servant,

MCH

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

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.

1st March, 1934.

No. C/2/31.

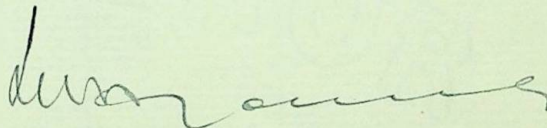
Sir,

I beg to acknowledge receipt of your letter dated 27th February, 1934 enclosing statement of amounts of interest due during the year 1934 for land purchases by ourselves and several of our Clients. Payment of these amounts will be made as requested as they become due.

I am,

Sir,

your obedient servant,



Manager.

The Honourable

The Colonial Secretary.

Stanley.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

Stanley

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" RADIO.

8th August, 1934.

Sir,

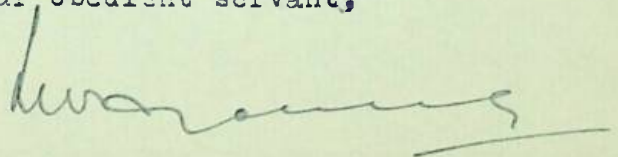
I have the honour to revert to your letter C/2/31 dated 28th December last advising that during the year 1934 payment of the export duty on wool will be required to be made on the receipt in the Colony of the Customs Certificates covering landing of the wool in United Kingdom instead of on shipment from the Colony.

This concession is of material assistance in the financing of farmers during such time as the present low level of wool prices continues and I have the honour to request that His Excellency may kindly see his way to recommend its continuance during 1935.

I am,

Sir,

your obedient servant,



Manager.

The Honourable

The Colonial Secretary.

Stanley.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)
REGISTERED 1902.

Stanley

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" RADIO.

8th August, 1934.

Sir,

I have the honour to revert to your letter No. C/2/31 dated 28th December last advising that payment of the annual instalments for Land purchases would be suspended during 1934, and to request that this concession may be continued for 1935.

Although wool prices showed some improvement at the March sales there was a fall in May and a further fall in July. The present position is most obscure in view of internal conditions in Germany which country usually buys a considerable quantity of Falkland Islands wool. German purchases are limited by their exchange difficulties and prospects of an early improvement are not yet apparent.

I have discussed this matter with Mr G. Bonner, Chairman of the Falkland Islands Sheep Owners Association and he desires to associate himself with these views.

I am,

Sir,

your obedient servant,

[Handwritten signature]

Manager.

The Honourable
The Colonial Secretary.
Stanley.

GOVERNMENT HOUSE,

STANLEY.

14th August, 1934.

FALKLAND ISLANDS.

CONFIDENTIAL

Sir,

I have the honour to refer to your despatch Confidential (2) of the 29th of December, 1933, and to enclose copies of two letters received from the local manager of the Falkland Islands Company, Limited, requesting the further continuation during the year 1935 of the concessions granted for 1933 and 1934 to sheep-farmers in respect of the payment of the export tax on wool and in respect of the land purchase instalments.

2. I have to recommend that the request be granted in either case for the reasons advanced by Mr. Young.

5. It is to be regretted that the marked improvement shewn at the March wool sales has not been sustained sufficiently to enable sheep-farmers to recover from the effects of the preceding years' depression.

I have the honour to be,

Sir,

Your most obedient
humble servant,

J. M. ELLIS.

THE RIGHT HONOURABLE
SIR PHILIP CUNLIFFE-LISTER,
G.B.E., P.C., M.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

C/2/31.

14th August, 54.

Sir,

I am directed by the Acting Governor to acknowledge the receipt of your two letters of the 8th August, 1934, requesting the continuance during the year 1935 of the concessions granted for 1933 and 1934 to sheep-farmers in respect of the payment of the export tax on wool and in respect of the land purchase instalments.

2. I am to say that His Excellency is referring both requests to the Secretary of State together with his favourable recommendations.

I am,

Sir,

Your obedient servant,

MCH

Acting Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

107



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

A. 592.

4, MILLBANK,
LONDON, S.W.1

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

2nd August, 1934.

Sir,

I have the honour to inform you that the Falkland Islands Company paid to us on the 27th July the sum of £105. 8s. Od in respect of the amount due from the Estate of W.D. Benney towards the purchase of Saunders Island, Falkland Islands.

2. We understand that the Estate does not wish to take advantage of the continuation of the concession granted to the sheep farming industry in respect of the land purchase instalments.

3. The sum of £105. 8s. Od has been credited to the Land Sales account and transferred to the colony's General account for the month of August.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

The Colonial Secretary,
Falkland Islands.

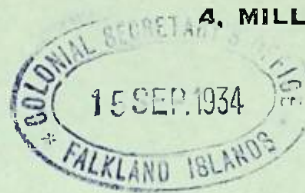
108



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

A.644

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



A, MILLBANK,
LONDON, S.W.1.

8th August, 1934.

Sir,

In continuation of our letter dated the 2nd August I have the honour to inform you that the Falkland Islands Company paid to us on the 4th August the sum of £670. 7. 9d. in respect of the amount due from Messrs. Anson & Luxton towards the purchase of Chartres Station, West Falkland Islands.

2. We understand that Messrs. Anson & Luxton have written from Falkland Islands instructing the Company to make this payment, apparently not desiring to take advantage of the continuation of the concession granted to the sheep-farming industry in respect of the land purchase instalments.

3. The sum of £670. 7. 9d. has been credited to the Land Sales account and transferred to the Colony's General account for the month of August.

I have the honour to be,

Sir,

Your obedient servant,

for Crown Agents.

The Colonial Secretary,
Falkland Islands.

46.

DECODE.

109

TELEGRAM.

From The Secretary of State.

To His Excellency the Governor.

Despatched: 4th October, 19 34. *Time*: 16.40.

Received: 5th October, 19 34. *Time*: 11.00.

No. 63. Confidential. Your despatch of 14th August
Confidential I approve extension for 1935.

Red 105

SECRETARY OF STATE.

C/2/51.

9th October, 34.

Sir,

With reference to your letter dated the 8th of August, 1934, and to previous correspondence, I am directed by the Acting Governor to inform you that the Secretary of State has been pleased to sanction the continuance during the year 1935, of the relief granted to the local sheepfarming industry during the year 1934, as regards the payment of export duty on wool on the receipt in the Colony of the landing certificates.

2. I am to add that such relief will be under the conditions set out in Mr. Ellis's letter No. C/2/51 of the 20th December, 1932, and that the full amount of the export duty due in respect of wool shipped from the Colony during the year 1935, will have to be paid on or before the 31st of December, 1935.

I am,

Sir,

Your obedient servant,

for Colonial Secretary.

The Manager,
Falkland Islands Company, Limited,
STANLEY.

C/2/31.

9th October, 34.

Sir,

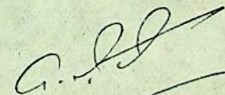
With reference to your letter dated the 8th of August, 1934, and to previous correspondence, I am directed by the Acting Governor to inform you that the Secretary of State has been pleased to sanction the continuance during the year 1935, of the relief granted to the local sheepfarming industry during the year 1934, as regards the suspension of the payment of annual instalments for land purchases.

2. I am to add that interest will continue to be charged at the rate set out in Mr. Ellis's letter to you No. C/2/31 of the 20th December, 1932.

I am,

Sir,

Your obedient servant,



for Colonial Secretary.

The Manager,
Falkland Islands Company, Limited.,
STANLEY.

112.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY". RADIO.

Stanley.

13th October, 1934.

Sir,

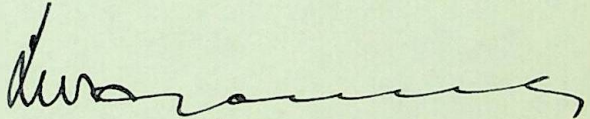
I have to acknowledge receipt of your letters Nos. 125/34 dated 21st ultimo and Nos. C/2/31 dated 9th instant (2), contents of which are noted.

Reas 110 + 111

I am,

Sir,

Your obedient servant,



Manager.

The Honourable,

The Colonial Secretary,

Stanley.

COLONIAL SECRETARY
~~21 NOV 1934~~
8/12/34

14

FALKLAND ISLANDS.

CONFIDENTIAL.

Downing Street,

6 October, 1934.

Sir,

Red 105
Red 109

I have the honour to refer to Mr. Ellis's Confidential despatch of the 14th August and to confirm my telegram No. 63 of the 4th October, in which I expressed my approval of the recommendations for the extension for the year 1935 of the concessions allowed for 1933 and 1934 with respect to the land purchase instalments and the payment of the export tax on wool.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Sgd.) P. CUNLIFFE-LISTER.

THE OFFICER ADMINISTERING

THE GOVERNMENT OF

THE FALKLAND ISLANDS.

COPY.

Falkland Islands Sheepowners' Association,
c/o Packe Bros. & Company Limited,
5, Copthall Buildings, E.C.2.

October 1st, 1934.

Sir,

The Committee of the above Association desires me to address you on the subject of the suspension of Land purchase instalments for another year.

2. In the 2nd paragraph of his letter of November 12th, 1932 the Colonial Secretary at Port Stanley wrote:-

"the grant of similar concessions in a future year will be reviewed in the light of the circumstances prevailing at the time, but it is not contemplated that the suspension of the annual land purchase instalments will be extended in any event beyond - - - the end of the year 1935".

The circumstances existing at present are that the rise in the value of wool in the early part of this year has not been maintained, and that values obtained at the sales of the past fortnight have receded to the level of the years 1932 and 1933 as will be seen from the following table:-

1932.	Average value in London per lb	6.63 pence
1933	"	7. "
1934	" January 73 bales	9.01 "
	March 2426 "	12.81 "
	May 1175 "	9.86 "
	July 975 "	7.47 "
	September 1704 "	6.63 "

When

The Under Secretary of State for the Colonies,
Downing Street,
S.W.1.

When marketing expenses, about $1\frac{3}{4}$ to 2d per lb., and the export tax of $\frac{1}{2}$ d per lb have been deducted from these figures, the residue to the farmer is far below the cost of production.

3. Although therefore the average value for 1934, about $9\frac{1}{2}$ d gross, is an advance on the 2 previous years, most farms, we do not say all farms, are still in a serious position as they have not been able to wipe out the losses of past years.

The Committee therefore appeals for the suspension of payment of land purchase instalments for the ensuing year.

4. This appeal is made with the concurrence of the Chairman of the Association, Mr. G. Bonner, who is expected to return from the Falkland Islands in the early part of 1935.

I am, etc.,

(Sgd.)

?

Secretary.

114

October 4

39203/34.

Sir,

I am directed by Secretary Sir Philip Cunliffe-Lister to acknowledge the receipt of your letter of the 1st October, and to inform you that, on the recommendation of the Officer Administering the Government of the Falkland Islands, he has approved the extension for the year 1935 of the concession granted for 1933 and 1934 with respect to the land purchase instalments.

I am,

Sir,

Your obedient servant,

(Signed) H. T. ALLEN.

THE SECRETARY,

FALKLAND ISLANDS SHEEPOWNERS ASSOCIATION.

117

A
1

Reds 96-98

Reference to previous correspondence:-
Secretary of State's Despatch No. 8..... of the
Governor's

15th January, 1934
.....19.....

FALKLAND ISLANDS.

No. 135.....

DOWNING STREET,

.....15th October.....1934..

Sir,

for your information, copies of
I have the honour to transmit to you/the papers

noted below on the subject of the extension for the year
1935 of the concession granted for 1933 and 1934 with
respect to land purchase instalments.

I have the honour to be,

Sir,

Your most obedient, humble servant,

THE OFFICER ADMINISTERING

THE GOVERNMENT OF THE FALKLAND ISLANDS.

P. CUNLIFFE - LISTER.

Date.	Description.
1st October, 1934	From the Falkland Islands Sheepowners Association.
5th " "	To " " " " " "

FALKLAND ISLANDS.

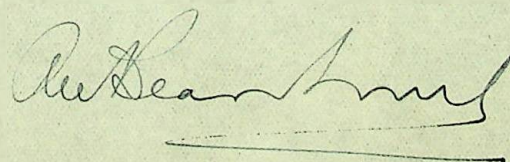
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STATEMENT SHEWING AMOUNTS OF INTEREST TO BE PAID IN RESPECT OF
LAND PURCHASE INSTALMENTS DUE IN 1933 and 1934.

Purchaser	Date interest is due.	Amount of Interest.		
		£.	s.	d.
	1935			
1. Douglas Station Co, Ltd.,	2nd January.	25.	6.	10.
2. Estate T. Robson	2nd January	9.	13.	-
3. Pitaluga Brothers	5th January	16.	2.	8.
4. Exors of W. K. Cameron	13th January	17.	3.	10.
5. Baillon & Stickney	6th February	30.	13.	10.
6. Stickney Brothers	9th February	24.	6.	8.
7. Port Stephens & Port Edgar	15th February	64.	7.	6.
8. J.L. Waldron, Ltd.,	26th March	57.	2.	-
9. Estate A. Morrison	21st April	6.	8.	-
10. Estate W.D. Benney (a)	27th July	3.	3.	3.
11. Anson & Luxton (b)	5th August	20.	2.	3.
12. Falkland Is. Co, Ltd., (Fitzroy)	1st October	35.	4.	8.
13. Packe Bros. & Co, Ltd.,	24th December	39.	8.	-
14. Smith Bros., Johnson's Harbour	31st December	14.	14.	10.
	Total	£	363.	17. 4.

10. Note (a) Instalment due in 1934 paid. Interest chargeable only on the 1933 instalment still outstanding.

11. Note (b) Instalment due in 1934 paid. Interest chargeable only on the 1933 instalment still outstanding.



for Colonial Treasurer.

Colonial Treasury,

Stanley, Falkland Islands,

16th January, 1935.

C/2/31

18th January,

35

Sir,

With reference to my letter of the 9th of October, 1934, regarding the suspension during the year 1934 of the annual instalments for land purchases subject to interest being charged at the rate of 3 per cent per annum on the amount unpaid, I am directed to transmit the accompanying statement shewing the amounts of interest due during the year 1935, and to request that you will be good enough to pay the several amounts as they fall due.

I am,

Sir,

Your obedient servant.

C. J. J.

for Colonial Secretary.

The Manager,

The Falkland Islands Company, Ltd.,

STANLEY.

(120)

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" RADIO.

Stanley.

21st January, 1935.

Sir,

I beg to acknowledge receipt of your letter No. C/2/31 dated 18th instant enclosing statement of amounts of interest due during the year 1935 on the annual instalments for land purchases suspended during 1934, which is having my attention.

I am,

Sir,

your obedient servant,



Manager.

MC.

The Honourable
The Colonial Secretary,
Stanley.

9431

(121)

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

21st December, 19 35.

Sir,

With reference to the instalments for Land Purchase for the year 1935, I have been requested by Messrs Estate W.D. Benney to pay to the Colonial Government the sum of £105. 8. -. in respect of Saunders Island.

The instalment was due on 27th July last and is usually paid by my Head Office in London to the Crown Agents for the Colonies, in order to include the present payment in 1935 accounts I should be obliged if you would sanction a settlement being made locally through the Treasury.

I am,

Sir,

Your obedient servant,

[Signature]
Manager.

The Honourable
The Colonial Secretary
Stanley.

C/2/31.

28th December, 55.

Sir,

Red 121

With reference to your letter dated the 21st of December 1935, I am directed to inform you that the Treasury will accept payment of the sum of £105. 8s. 0d. in respect of the land purchase instalment payable by Estate W.D. Benney.

2. Interest at the rate of 5% will be payable from the date payment was due to the date of actual payment of the instalment.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

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