

C.S.

FINANCIAL  
ACCOUNTING.

WAR/W2H/2#13

19<sup>39</sup>.

No.

165/39.

COLONIAL SECRETARY

SUBJECT.

19<sup>39</sup>

SEPTEMBER 5th

Previous Paper.

NIL

FINANCIAL ARRANGEMENTS TO MEET MILITARY  
AND OTHER UNFORESEEN EXPENDITURE CONSEQUENT  
ON THE WAR.

MINUTES.

Y.E.

Submitted. Y.E. mentioned that a special warrant should issue for £5,000 to meet Military and other expenditure on the outbreak of war. A block vote would not I think meet the requirements of the Colonial Regulations, that is if control and a proper record of all expenditure is required. It would appear that the Military and other Depts incurring additional expenditure should apply for additional funds to carry them to the end of this year.

2. The question arises of payment to Officials on the permanent establishment who are serving with the Military. During the last war such officers were not paid from Military funds. This simplified matters considerably as it avoided additional work required in making adjustments. Non Govt. Officers and members of the Force were paid from Military funds.

Subsequent Paper.

3. I should be glad to receive Y.E's instructions regarding the matters referred to in para's 1 and 2 above.

MCH

C.S.  
5th Sepbr 1939.

The House of Commons make a  
block vote in the first instance  
and that is not enough for us  
By the end of the month <sup>the</sup> provide  
militiamen <sup>others</sup> may be able to make  
detailed estimates.

2. For the present officers in  
the permanent establishment can  
be paid under the Estimates

3. <sup>Leg.</sup> Council should be summoned  
at 9.30 am and vote  
to meet here tomorrow and vote  
£5000 for military expenditure

~~THAT~~ 7/9/39

Members of Leg Co. notified.  
They have seen the minutes  
of the last meeting of  
Leg Co. MCH

ed.  
7.9.39.

(1)

C.S.O. No. 165/39

Inside Minute Paper.

Sheet No. ....

Hon. Treas.

The Lcg. Co. this day  
voted the sum of £5,000  
for expenditure necessary for  
Defence etc. It would be  
preferable to open a new  
Head say "Military and  
Emergency War  
Measures"

And you may consider  
suitable.

2. Depts: incurring  
expenditure under the  
vote will do so by Financial  
Requisitions covering their  
estimated requirements to  
the end of October 1939

MCH  
ES  
8.9.39

Honors

I suggest "Military  
and War Expenditure" as the  
Head.

Every assistance will  
be rendered to Depts in the  
preparation of Financial  
Requisitions.

*Edw. J. P. C.*

S.W. No 25/29 for £5,000.  
Signed by H.R. the Governor  
MCH  
C.S.

Hon. Treas.

To note minute. (2)

MCH  
CL

9. 9. 39

~~Handled~~

Noted. Thank you  
W.D.P.  
P.C.S.  
11/9/39

Note

For report to S of S.  
MCH

Minute from O.C. Army Service  
Corps. 14/9/39.

O.C. Treasury.

For your observations  
regarding the Requisition applied  
for. £5000 only was voted  
by Lt. Colonel and the O.C.  
A.S.C. was aware of this.  
In my case nothing is left  
for other Depts!

2. Please give number  
of new Head.

MCH  
CL

15. 9. 39.

~~Hon. CS~~

Submitted

① I have seen Capt. W.D.P.  
I explained to him that Requisitions  
cannot exceed the Block Vote of £5000;  
he has therefore agreed to amend

C.S.O. No. 165/39

Inside Minute Paper.

Sheet No. 2

the Requisition forwarded under cover of his minute of today's date (read herein).

② At the same time I voiced my belief that the block vote included provision for extraordinary expenditure under Electrical & other services - No doubt Capt Ellis will take this into consideration when amending the Requisition noted above.

No requisition has yet been received from the Supervisor of C & T Services, but one for £103 from the Police Dept is already on hand in the Treasury this purports to cover salaries of Special Constables replacing permanent officials at present on military service.

③ It would be of inestimable value to the Treasury, in the performance of its duties, if action as envisaged in para 1 of His Excellency's minute of 7/9/39, could be brought into operation immediately, please.

W.D. Foot  
15/9/39

P.C. Army Service Corps

Referred please.

M.C.H.  
C.S.

How to be Sec.

15.9.39.

Annexed G.R. submitted.

W.D. Foot

o/c A.S.C.

18/9/39

Hon. Treas.

Refused please.

Went  
CS  
20. 9. 59

Hon CS

I have the honour to forward herewith the under-noted Requisitions

- ① From O.C. Asst for £4478-12-6.
- ② " Port Marine Dept £315 - -
- ③ " Police Prisoners £103 - -
- Total £4896 12. 6.

- (i) With reference to Transport, (vide ①, and ③ above) it is observed that hire of boats for A. S. & B. services account for £195. Is it possible to effect economy in this direction, please, especially in view of the estimate for transport services under ① (£300) & extra fuel for "Alert" under ② (£20); (or a total of £515 for six weeks' transport, excluding wages.)
- (ii) I was under the impression that expenditure in respect of "Detraining & Clothing of Prisoners" as well as extraordinary expenditure in connection therewith, though it was at first to be brought to account as an Advance for eventual recovery from the U.K. Govt. - Is this still operative, please?
- (iii) I indicate these points as considerable expenditure in respect of staff & Electrical services has yet to be provided for.

I should be glad to have your instructions in the above matters before signing the Requisitions, please

Went  
for CS  
20/9/59

F.R. for £315.

Submitted. The cost of water transport for the Defence Force seems extraordinarily high - particularly here of "keel" - £250.

F.R. for £4479.

2. No details are given of building materials £700 and miscellaneous and hardware £225. In addition blankets, re and barbed wire has been ordered from Mounties, also medical stores and gas oil for the 1st Station and Electric light.

As only £103 will be left of the original vote of £5,000 another vote will be required.

F.R. for £103

3. This is to pay special Constables employed in the place of Constables on military service.

W. H. C. J.  
10.9.39

It is for the Treasurer to examine all these claims in detail with the officers applying. Obviously we cannot go on with expenditure on this scale and drastic



reductions will be necessary.

2. I will for the present sign requisitions only ~~to~~ to carry on to the end of the present month.

3. The cost of living help seems excessive and it would be a great deal cheaper to requisition the fortnight I will speak to S.N.O. about this.

4. What does ~~type~~ "Wages" for 110 men for 8 weeks mean?

This military pay

5. Why should a Constable Secretariat cost £28.12.6 and how does that come under (Captain Weir).

6. There are a number of other questions which arise and a very close hand has to descend. It is obvious that Mr. Jones as Chief Officer cannot attend to this and the best solution appears to be that you should forthwith take control of the Treasury and the whole financial management of the situation. You will of course receive the 1½ pay in accordance with Regulations and shall be paid if you can make the time.

I have seen S.N.O. and Kellie has my cost £675 debited and need scarcely be employed further ~~utter~~

The Officer responsible must give you full details. Special Constables 1st not e.g. near was the 2.12.6 & work.

20/9/38

Imperial e.g. maintenance of prisoners & local must be separated from



- 4 Minute to O.C. Defence Force 21/9/39  
 5 Minute to Harbour Master 21/9/39

YH

With reference to para:  
 6 of YH's minute of 20<sup>th</sup>  
 Sep<sup>r</sup>, I since asked that  
 Mr Jones should be relieved  
 from the duties of Cypher  
 Officer in order that he  
 could devote his whole time  
 to Treasury work. YH approved  
 the application and arrangements  
 have been made for Mr  
 Jones to return to the  
 Treasury.

2 If YH desires it  
 I am quite prepared to  
 act as Treasurer (unpaid)  
 in order that Mr Jones'  
 allowance will not be  
 interfered with in any way.  
 In my case we have  
 worked together since May  
 1938. Mutual assistance  
 has been given freely at  
 all times on both sides.  
 This will continue even

though I may become temporarily  
the Head of the Treasury.

WCH

23.9.59

Thank you.

A few minutes I wish appoint as  
Treasurer (unpaid) in addition to your  
other duties published. As Treasurer  
you have certain powers and duties  
under Co. Reg. n. and much  
more authority than an O.C. has  
I wish you to exercise them to the  
full particularly in relation to  
Military Expenditure.

Mr. Jones should retain his authority.

It would perhaps be well to do  
as much as you can by sending for officers  
when checking or reflecting exposed items  
to avoid minute work

23/9/59

O.C. Treasury,

To note. I made you  
fully aware of H's wishes and  
explained there was no the  
slightest reflection on you. H. considers  
that in present circumstances a  
senior officer should be temporarily  
Treasurer. There is nothing for me

Extract filed in M.P. 9/9.

C.S.O. No. 165/39

Inside Minute Paper.

Sheet No. 5

to add except to say that  
I know that I can count  
upon your assistance at  
all times in this emergency.

MCH

CS

23. 9. 39

Hon. CS

Noted - Thank you.

I appreciate deeply the  
contents of your minute  
under reply, and would  
confirm that, as always, my  
whole energy, loyalty, and  
such ability as I may possess  
are at the disposal of the  
Administration.

CS

25/9/39.

Special Warrant submitted for  
£5000.

MCH

CS

Signed by H.R.

Amended H.R.'s sent in by  
OC Army Service Corps and  
Harbour Masters.

OC Army Service Corps Shoken.  
Informed expenditure incurred  
before H.R.'s submitted.

MCH

26. 9. 39.

Yh.

Draft despatch submitted regarding the £5,000 voted by the Legislative Council for military services. I estimate that a further sum of at least £5,500 probably more will be required for the rest of the year. The present weekly average payment is £440. If however a certain number can be returned to civil employment the expenditure will be reduced.

MCH  
C.S.  
6. x. 39.

Draft approved

~~11/10~~ 6 Oct '39

Despatch No. 115 of 6.10.39 to S. of S.

(6-7)

Yh.

Despatch submitted for signature.

MCH  
C.S.  
7. x. 39.

~~11/10~~ 7/10

Yh. I submit the following  
Financial Requisitions. All accounts  
and purchases have been  
carefully examined and other  
requisite particularness obtained  
to enable approval to be  
recommended or otherwise: -

J.R. Items under  
Army Service Corps £4,800.

J.R. Item to pay  
Special Constables  
while permanent  
officers are on  
military duty £49-5-10

2. Advances Internees  
£550.

3. Yh raised the  
question of pay of Special  
Constables. These men are  
being paid at the rate  
usually paid based on  
wages of £10 per month plus  
the value of house and fuel.  
When the men were engaged  
I instructed the Chief Constables  
to pay them at the usual  
rate.

MCH  
es.

18.8.39

H.C.

I R. is the first signed.

I am still inclined to hold  
that £10 a month without allowances  
should suffice for Special Constables  
as there is no reason why they sh<sup>d</sup>. get  
more than men in military service.  
They are however not I think  
Special Constables but Acting  
Constables - in that case the  
pay is the same as it has always  
been in the past and the description  
sh<sup>d</sup>. be amended.

19/1/39

Description in I.R. amended.  
MCH

H. Advance Warrant Submitted.

MCH  
19. x. 39.

19/1

Minute from Hon. Col. Treasurer of 24.10.39. B.

Treasurer.

You are authorised to make  
payments pending the issue of a  
further Special Warrant.

MCH  
24. x. 39.

~~Notes~~

Noted - Thank you.

Apropos our conversation of this morning, I understand that payments, pending the issue of a further special warrant, shall be restricted to "Pay & Allowances", which in the light of available information amount to approximately £650, as detailed hereunder:—

Military Pay due	
26/10/39	£301
DDV wages	
(Defence works)	£50
(due 26/10/39)	
Ration all'ce	approx £200.
due 21/10/39	
Total	£ <u>651</u>

*[Signature]*  
26/10/39

⑨ Minute from Sup. Ex L, of 24.10.39.

Treasury.

Will you please check the balances shown on the attached FR's.

FR's are not required as the charges should be made against the Departments vote and where necessary a S.W. taken out.

Presumably a S.W.



for £260 will be required under 2. maintenance and one for £160 under 3. Telephones. There appears an adequate balance under 5. Electric lighting to meet cost of gas oil so no S.W. would be required.

Will you please see the hq. Sup<sup>y</sup> about these matters.

met CS

25. X. 39.

Stan. CS

The undersigned have considered the question of Special warrants for the under-noted Subheads with the following results: —

<u>Head</u>	<u>Subhead</u>	<u>1939 Estimate</u>	<u>Actual Expend. to date</u>	<u>Commitments</u>	<u>S.W. needed for</u>
<u>VII Est.</u>	<u>2 Mice</u>	<u>£400</u>	<u>£387</u>	<u>£260</u>	<u>£260</u>
<u>-do-</u>	<u>3 Telephones</u>	<u>£100</u>	<u>£131</u>	<u>£128</u>	<u>£160*</u>

\* It is understood that of the £128 required under this subhead £100 is recoverable from Lt. Greenhields. This sum when received, if in the current financial year, ~~will~~ will be credited to the Vote accordingly.

With regard to VII Est. 5 Electric Light, as far as can at present be seen there are sufficient funds available to meet requirements to the end of the year.

Special warrants will be submitted within a day or so.

W.D. Frost

Francis  
Ag. Sup. Est.

1/11/39.

War Expenditure

£5,000 provided on the outbreak of war was insufficient to meet military pay and allowances up to the 4<sup>th</sup> November by approximately £1100. This was due to heavy expenditure for food supplies, building materials, transport, coal and "Libby" petrol. The hire of "Libby" for evacuation services cost £484 of which £187 was for insurance of the vessel.

MCH  
19. XI. 39.

Statement of Expenditure incurred and estimated to the end of the year prepared.

Yh.

I showed the attached Statement to Yh.

I submit a S.W. for £5,000.

MCH  
17. XI. 39.

Tues

18/11

See ref 11  
C/12/39  
in

Treasury.

In S.W.'s from the Supervisor  
Elec. Dept. Has the amount  
due from Captain Greenshield  
been paid.

MCH

21. XI. 59

Hence.

Special Warrants submitted  
herewith.

No payment has yet been made  
by Capt Greenshield. but I am going  
to understand by the "Ag. Supervisor that  
two sets have yet to be assembled.

EDGP 22/11/39

S.W.s. 299-303/39 passed to Treasury. 24/11/39.

MCH

PA  
29.11.39

Extract from Minutes of Meeting of the Legislative  
Council held on the 5th of December, 1939.

The Resolution was adopted.

(10)

MCH

for Clerk of the Legislative Council.

H.

Drat despatch submitted.

MCH

14. XII. 59.

MCH 14/12

11. Despatch No. 3 to S. of S. of 8. 1. 40.

Yh. Despatch submitted.  
MCH  
C.P.  
9. 1. 40

P.H.  
9/1/40.

9/1

(12) Minute from Hon. Col. Treasurer of 17/1/40.

Yh. Special Warrant for  
£ 2000 Submitted in  
respect of 1939 Expenditure  
on Military. The expenditure  
proved somewhat lower than  
was anticipated.

MCH  
C.P.  
19. 1. 40

21/1/40

P.H.  
23/1/40.

(13) S. of S. desp. no. 1 of 5/1/40  
to F.S.

MCH  
C.P.  
15. 3. 40

1. 1. 40  
to note  
14/1/40  
9/1/40  
noted  
10/1/40

N. t. S.

Noted.

10/12

7.5. 14. 3/40.

PH  
15/3/40.

Minute from O/C, F.I.D.F., of 27/3/40.

(14)

To F.S.

McH. 21.

28.1.40

A.C., F.I. Finance Force

Please prepare sp. wt. for £650 for consideration. Some copies are required.

2. Can you quote savings to cover the amount now required?

10/12

7.5. 28. 3/40.

Honourable Financial Secretary.

Special warrant in triplicate enclosed please.

2. I regret there are no savings to help cover at all.

W.S. P.C.D.F. 27. 3. 40.

N. t. S.

Sp. wt. for £650. submitted.

2. Unfortunately the F.I. is unable to quote any savings to offset the amount asked for.

3. It appears that the expenditure was not made when the Annual Estimates were settled.

4. As this item of expenditure exceeds £250, the prior approval of the Secy. of State is required. Please see Financial & Stores Rep. 1939-40 Vol. I. No. 35 - (1) at (2).

Yh

*[Signature]*  
F.S. 30. 40.

Submitted. This expenditure will require to be reported to the S. of S. for approval?

*[Signature]*  
30. 5. 40

Yes please for despatch  
If F.S. 30 advises an A.W.  
for £250 could issue now

*[Signature]* 1/6/40

F.S.

For your advice

*[Signature]* 1.14.40

H. C. S.

Financial Reg. No. 35 (2). is as follows:

"Should any item of such expenditure exceed £250. or involve commitments of a recurrent nature, the prior approval of the Secretary of State is required".

2. Under the circumstances I do not advise approval of Sp. Wt. for £250. until the Secy. of State's pleasure is known. If the total amount of £650. is approved, the expenditure can be restricted to several individual Sp. Wt. of lesser amounts.

*Y/E.*  
7.5.40.

Minute from O.C. Defence Force, 13/4/40. 15.  
Detailed Statement of Expenditure - F.I.s. Defence Force. 16.  
Excerpt from Minute from H.E. the Governor of 12.2.40. 17.  
Y/E.,

The Special Warrant is not for the moment submitted to you, and the apparent "hold-up" is due to the fact that the Financial Secretary and myself have been discussing the whole question of the financing of War Expenditure. This necessitated the completion of certain figures and unfortunately his illness has prevented our reaching suggestions which we intended to submit to you. As no result has for that reason been arrived at I cannot say what the Financial Secretary's opinion is; but my own idea is roughly as follows, an idea put forward at this moment because of the ~~marked~~ appointment of a Senior Officer Commanding.

Firstly, I am loth to meet expenditure, such as the War entails, immediately out of either General Revenue or Reserves. It has of course/



course some time or other to be met, but once paid out of either G.R. or R, the money is lost. The longer payment can be made out of cash - by which I mean all cash - the more Reserves and other deposits will earn interest. Indeed various adjustments may be possible in a general settlement with the W.O., Admiralty or other State Department, and so our resources would be less depleted.

Moreover if this is not done it is quite conceivable that the whole of our financial reserves and resources may be used up and since defence is absolutely necessary we should at the end of the war be in debt.

To avoid this loss, I would tentatively put forward the proposals :

- (a) All war expenditure to be treated for the time being as an "Advance Recoverable";
- (b) All investments at present held, in no matter what fund, be considered and those well over par and over their cost price be realised and re-invested to the par or redemption value of the original investment cost.
- (c) The interest on all funds as well as the profits made in (b) to be invested in short loan securities so that these can be readily realised.

The question of cash for payment is really only one for payments made outside the Falkland Islands. Here, as mentioned above, all cash can continue to be treated as Government cash. This is what actually takes place to-day in practice: e.g. Savings Bank or Remittances; and possibly the running of the Post Office finances could be cited as an analogy.

I do not wish to submit figures with the Financial Secretary away, but the picture at the end of the war would be something after this :

5 years @ £20,000 = £100,000., an

Advance, against which there would be an increase

of/

of investments to the extent of the figures obtained from (c).

At that date your <sup>development</sup> plan would have been set in financial ~~array~~ and a loan could and probably would have to be floated. This could then be made to <sup>Cover</sup> ~~cover~~ the War Expenditure and reduce <sup>the</sup> ~~the~~ Advances; and by then there may have been approved a change of financial mind in London, allowing a Colony to invest in its own holdings.

Without being facetious I must say that not being allowed to finance one's own development might argue a lack of confidence in the success of ones' development.



Colonial Secretary.  
23. 4. 40.

The present situation is that the S.S. has directed that war expenditure be financed as far as possible from revenue and that additional taxation be imposed to meet the cost. See the plan war taxation. You will observe therefore that the S.S. decided that it would be sufficient if the ~~that a supplementary~~ <sup>the</sup> half the additional ~~taxation~~ <sup>expenditure</sup> was defrayed from revenue this year the balance being met from reserves. Any alteration in the method of financing our war effort would prove an entire departure from Colonial practice but I am quite prepared to put your scheme up. Meanwhile however the A.C. reports that a number of accounts are being held up and a <sup>Special</sup> ~~Special~~ Warrant is inevitable. We cannot await approval of the S.S. before paying the accounts. I will <sup>therefore</sup> sign a S.W. for £250 and explain to the S.S.   
tltlt 22/4/40

O.C. Defence Force,

To note and will you please submit a Special Warrant in the sum of £250.

C. J. J.  
for C.  
23/4/40

Honourable Colonial Secretary

S.W. for £250 Subhead Fuel & lighting  
Submitted herewith as instructed.

2. In view of the amount of the S.W. it is hardly worth while endorsing "Contingencies" with about £150 expended therefrom for "Coal & oil" as originally proposed; but, Contingencies vote is exhausted & in view of all the circumstances I am submitting a S.W. for £100 for this Subhead now as the two matters are so intermixed.

C.W. O.C.D.F. 25. IV. 40.

Y.E.

Two S.W. submitted for approval & signature

C.W. 26/IV/40

S.W. for Coal & oil signed  
Why is the S.W. required for  
Contingencies now to be endorsed  
with £150

26/IV/40

E.E.

Please submit explanation of these requirements.

AD 30/11/40.

I understand that had a s.w. of £650 been possible, that sum would have enabled you to refund the amount spent on fuel to from the contingency vote. Not having got the £650 the contingency vote requires this s.w. of £100. Am I right?

AD 30/11/40.

Honourable Colonial Secretary.

That is so.

W.F. 2.1.40.

Y.E.

The explanation asked for is that given in my minute 30/11 to E.E. above.

AD 4/12/40.

Telegram No. 48 to S. of S. of 6. 5. 40.

(18).

Y.E.

Draft despatch submitted.

Also s.w. for the £100 for contingency. Please see the minute above on this page.

Signed

AD 7/12/40

7/12

Despatch to S. of S. No. 60 of 7. 5. 40.

(19).

Y.E.

Despatch for signature, please

AD 8/12/40

8/12/40

1.A  
9/12/40

20. Telegram from S of S. of 10.5.40.  
 cc C.C. D. 7.

Please submit the S.W. for £400 -  
 you have had one for £250.

*[Signature]* 13/5/40

Honorable Colonial Secretaries.

S.W. for £400 herewith as requested please.

*[Signature]*

14.5.40.

To Hon F.S.

*[Signature]*  
 C.C. D. 7.  
 12/5/40

Notes

noted.

*[Signature]*  
 16/5/40

Y.E.

This is the final S.W. approved by S. & S.  
 in (20) for your signature, pl.

*[Signature]* 17/5/40

*[Signature]* 17/5

P.A.  
*[Signature]* 17/5/40

(21) Minute from C.C. F.I.S.F. of 6.6.40.

E.E.

Before submitting this request for a S.W. L.H.E., I think you had better see me some time so that I can be quite clear on the points raised.

*[Signature]* 12/11/40

Honorable Colonial Secretary.

As I explained to you a S.W. for £300 should enable building liabilities to be met ~~at~~ till the end of the year on the assumption that His Excellency has not any further major schemes in mind which I believe to be the case.

I anticipate that a S.W. for "transport" will shortly have to be applied for.

May I be informed please to what head of expenditure the barked work & pickets & landing charges for same are to be charged. No provision was made for these items as far as I can see.

*[Signature]*

24. VI. 40.

E.E.

Prepare the S.W., pl.

*[Signature]* 28/11/40

Honorable Colonial Secretary

S.W. herewith please.

Wise you say as to 3rd para. above

*[Signature]*  
1. VII. 40

E.E.

I am afraid this matter is becoming unduly protracted, chiefly due to my not understanding the details of his expenditure.

P.W. are not usual expenditure, though they may

be necessary to cover essential & unforeseen payments.

It is the rule (not always capable of being observed) that no moneys may be spent or debts incurred except by a warrant <sup>general or special</sup>. Thus if a new structure is ordered, before any expenditure may be incurred, an estimate of the cost should be submitted for approval together with a requisition for a special warrant for the necessary amount.

This routine has tended to become neglected; but as you will readily understand one cannot run the finances <sup>of a colony</sup> without a clear view of possible expenditure.

∴ Please submit for H.E.'s information a detailed account of the proposed expenditure.

*[Signature]* 3/11/40

Inform the Colonial Secretary.

Minute attached please.

22-25.

*[Signature]* O.C.D.F. 8.VII.40.

O.C.D.F. 7

Thanks. Please make out all your S.W.s which I will then forward to H.E.

As regards the £15,000 pay & allowances which you & I agreed some time ago would suffice, I note that your estimate now as stated on Saturday (6th) is one which would be in the neighbourhood of £16,007 or with 1939 expenditure subtracted £15,443. This extra £443 will be further reduced if you keep your weekly pay down to £195. by £130 - & surely in the long day-life period the remaining £313 could be still further reduced, e.g. the camp at £120 <sup>Heads xv. Item 11 - for these</sup> No provision was made in the estimate

you could very properly ask for another S.W.



for the barbed wire, pickets &c. These, I understand, were proposed under the Def. Scheme. You will have to get a S.W. to cover this expenditure.

*[Signature]* 8/VII/40

Your S.W. ... are I think:-

Head xv.	- Item 11	-	£120
"	"	-	19 - £300
"	"	-	17 - £250

+ your anticipated over-expenditure on Item 16 is now reduced to £193, which surely you can save.

*[Signature]* 8/VII/40

Honourable Colonial Secretary

Thank you very much: 3 S.W.s as suggested attached please.

2. I cannot quite reconcile your figures on Pay & Allowance. I submit the £564 left over from last year cannot be ignored as you suggest as it has actually been paid. I submit the following alternative.

Total estimate as per rd (22) £16,007

Deduct Camp item £120 . 0 . 0

Withdraw Navy Pt.

forthwith & save 428 . 15 . 0

Reduce Canopus &

Sapper Hill to half

Strength on 1st Oct: £20 . 0 . 0

10682 . 15 . 0

Giving an amended <sup>estimated</sup> total expenditure of £14,938 . 5 . 0

3. There appears in estimate Subhead 18 Field equipment. I do not know what was intended under this head but feel the barbed wire & pickets could as far as possible be paid therefrom. Will you please say as the local freight charges have to be met now but full cost is not yet known.

4. In Submitting S.W.s to His Excellency may his confirmation be asked in connection para. 1. rd. (24) please.

*[Signature]* O.C. Df.  
9. VII. 40.

Y.E.

S.W. submitted.

If you agree to the £300 for buildings, S. of S. will have to be informed &amp; asked for his approval.

The O.C. Def. 7. did not quite understand my analysis of the 1939 expenditure - but his proposal in the last minute is a better suggestion than mine.

The whole of the subject-matter on which the requisition for these S.W. is founded is covered or rather summarised in the minutes as from 1. vii. 40

£ 25

14/11/40

I have signed the S.W. for  
£ 250 and £ 120

With respect to the third  
I have no power to sign an S.W.  
for a larger amount than £ 250  
I have reduced the amount accordingly  
Either the payments in the vote  
have to be adjusted by transfer to  
other appropriate head and a defalc  
must be to the S.W. Over  
£ 750 has been spent or  
or is being charged to the vote already

14/7/40

O.S.O.7.

Please see above minute from H.E. - can  
you adjust payments by transfer?

13/11/40

Honourable Colonial Secretary.

Submitted that a portion at least of the cost of new buildings could be transferred to XV. 18 Field Equipment on the grounds that the new works included field equipment such as ammunition lockers Control points etc. As a suggestion we could pay £220 out of the new S.W. & the balance of £30 could be retained for any further bona fide building there. The rest of the accounts could be paid as suggested from XV. 18? Would you please say if you agree?

*W.S. recd. 16.VII.40.*

Despatch No. 33 to S. & S. of 2/5/40. (26)

A.C.S. I think there is another file in which there is a complete statement of 1939 Exp<sup>re</sup>.

*AD 17/11/40*

M.C.S.

Is it not Red 16 herein please?

*C. 18  
17/11/40*

Hon. C.S.

① Actual Expenditure in 1939 under Head XXI Military War amounted to £11985-10-6. This sum was covered by S.W. as follows:—

(a)	Sec. 25.	£5000	Voted by Leg Co on 8/9/39.
(b)	" 28	£5000	" — on 5/11/39
(c)	" 33	£5000	Not yet voted.

② The expenditure appears under sub-head in the schedules of Additional Provision for the Quarters ended 30/9/39 & 31<sup>st</sup> Dec 1939 respectively. The latter shows the total additional provision for both quarters. Does Red 16 mean that a more detailed analysis than this is required, please? so a really stupendous task awaits us. *W.S. 19/VII/40*

A

Y.E.

Returned as requested.

The final accounts will be ready after the passing of the Supplementary Appropriation B.t. - but the S. & S. asks for "some" detail, which I don't understand as it might mean either 'little' or 'large'

AB 19/11/40

The S & S was dealing only with def. (10) as it appears herein

Please attach file with despatch forwarding schedules as at 'A' opposite

TTTT 20/7/40

Y.E.

Reas 9-10 and 16 of m.p. 79/39  
referred.

C.S.O.  
22/7/40

~~Below~~ The amounts set forth in (16) in m.p. 79/39 sh. be voted by Leg. C. <sup>when not already done</sup> as soon as possible and the schedule sent to S & S. This with (10) and a short note will suffice for a reply

TTTT 28/7/40

P.A.

Copy of Despatch No 101 to Secy. of 22/8/40 27-28.

P.H.

LEGISLATIVE COUNCIL.

RESOLUTION.

WHEREAS a state of war exists between His Majesty King George the VI and Germany and whereas it has become necessary to provide additional funds for the Defence of the Colony and other emergency measures.

NOW, THEREFOR, this Council Resolves, that the additional sum of Five thousand pounds (£5,000) shall be expended on this service during the year, 1939, over and above the sums provided in the estimate of expenditure for the year 1939.

---

Stanley, 8th September 1939.

No. **165/39.**

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

MINUTE.

**8th September, 19 39.**

From **The Colonial Secretary.**

To The Adjutant, F.I.D.F.,  
The Sup. E. & T., Dept.,  
The Director of Public Works,  
The Officer Commanding, R.A.S.C.,  
The Port & Marine Department,

Stanley, Falkland Islands.

STANLEY.

I am directed by the Governor to inform you that a new Head of Expenditure has been opened styled "Military and War Expenditure". Funds required by your Department for Military or War purposes must be applied for by way of financial requisition.

2. A financial requisition should be taken out covering estimated financial requirements to the 31st October, 1939. Forms and any advice required may be obtained at the Treasury.

3. Requisitions must contain particulars of the expenditure for which the approval of the Governor is sought.

*McH*  
Colonial Secretary.



3

165/39

No.

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

MINUTE.

14th September. 1939.

From Officer Commanding

To The Honourable,

Royal Army Service Corps.

Colonial Secretary.

Stanley, Falkland Islands.

Submitted, estimate of expenditure under "Military and War Expenditure" to the 31st of October, 1939.

2. This can be approximate only and a sum up to £1500 in excess of this amount might be required.

*Danven*  
O/C. Royal Army Service Corps.

No. I65/39

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

MINUTE.

September 21st 19 39

From Colonial Secretary.  
Stanley.

Stanley, Falkland Islands.

To The Officer Commanding,  
Army Service Corps  
Stanley.

With reference to the attached Financial Requisition, I am directed to inform you that H.E. the Governor will for the present sign requisitions only to carry on to the end of the present month. I have to request that you will submit an amended requisition accordingly. Details must also be furnished by separate Statements regarding the various items. Wages should presumably be Military pay and allowances?. If labour has been employed for Military works then another item should be shown as "labour for Military work"

mch  
21.9.39

(5)

No. I65/I939

MINUTE.

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

September 21st 19 39

*From* Colonial Secretary  
Stanley.

*To* The Acting Harbour Master .

Stanley, Falkland Islands.

With reference to the attached Financial Requisition, I am directed to inform you that H.E. the Governor will for the present sign requisitions only to carry on to the end of the present month. I have to request therefore that you will submit an amended requisition. Details should as far as possible be shown on a separate statement regarding the items in the Requisition.

  
C.S.

(7)

GOVERNMENT HOUSE,  
STANLEY,  
6th October, 1939.

PAKLAND ISLANDS.  
No. 115.

Sir,

With reference to your telegram dated the 3rd of September, 1939, informing me that war had broken out with Germany, I have the honour to inform you that in accordance with the terms of the Proclamation issued by me on that date the Pakland Islands Defence Force was called out for active service.

2. Additional funds were immediately required to meet the cost of erection of quarters for the Military guards which have been stationed at gun positions and various outposts in accordance with the Defence Scheme, and for Military pay, supplies and transport services.

3. At a Meeting of the Legislative Council held on the 8th of September the appropriation from Public Funds of a sum of £5,000 for Military purposes was approved. Expenditure at the initial stages of mobilisation was unavoidably heavy due in the main to the purchase of constructional material, and the fitting out of outpost quarters; these items however will not be recurrent.

4. Military expenditure at present incurred averages £440 a week. This represents Military pay and victualling allowances but does not include possible contingencies. On this basis it

is/

RECORDED  
STANLEY, 10/10/39

is estimated that a further sum of £5,500 will be required in addition to the £5,000 already voted, to cover expenditure to the end of the current year. This estimate is based on the assumption that it will be found possible to return to civil employment in the near future of a certain number of men called up for Military service.

5. It is expected that surplus balances will be sufficient to meet the additional expenditure incurred this year as a result of the war. Existing taxation however will be reviewed with a view to meeting the estimated Military expenditure (£21,000) in 1940.

6. I trust that you will be able to sanction the additional expenditure now reported.

I have the honour to be,

Sir,

Your most obedient,  
humble servant,

No.

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

## MINUTE.

24th October, 19 39.

From The Colonial Treasurer,

To The Honourable

The Colonial Secretary,

Stanley, Falkland Islands.

STANLEY.

I have the honour to submit herewith an abstract of Commitments and Actual Expenditure under the Head 'Military & War', authorised by Special Warrant No.25 of 1939, up to and including the 23rd inst.

It will be observed that of the £5000 voted £364. 15. 6. remains unexpended. It is believed that upwards of £600 will be required to meet 'Pay and Allowances' due at the end of this, and beginning of next, week. I have, therefore, to seek authority for the payment of the vouchers when presented.

ABSTRACT OF COMMITMENTS AND ACTUAL EXPENDITURE  
UNDER HEAD " MILITARY AND WAR" UP TO  
AND INCLUDING 23RD OCTOBER, 1939.

Amount voted £5000. Special Warrant 25/39.

Sub-Head.	Commitments for which Vouchers have been received by the Treasury.	Actual payments as at 23/10/39.
Provisions.	423. 12. 9.	-
Misc. Stores.	221. 6. 2.	8. 14. 6.
Uniforms.	37. 7. 6.	-
Buildings & Materials.	535. 2. 4.	40. - -
Purchase and Requisition of vehicles.	81. 19. 9.	-
Transport.	96. 6. 11.	6. - -
Pay & All'ces.	2755. 4. 4.	2665. 19. 4.
Defence Works. (Wages)	149. 5. 5.	149. 5. 5.
Cleaner, Secret- ariat.	7. 17. 6.	7. 17. 6.
Evacuation Services.	327. 1. 10.	-
TOTALS.	£4635. 4. 6.	£2877. 16. 9.

*W. R. Jones*  
for Colonial Treasurer.

165/39.

(9)

No.

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

MINUTE.

19

From Ag. Supervisor

E. & T. Dept.

Stanley, Falkland Islands.

To Hon. Colonial Secretary

Stanley,

F. I.

*Red 2*

In accordance with Minute 165/39 8/9/39, I beg to forward details of financial requisitions required under Head VII, Subheads 2 3 and 5, for His Excellency's approval.

Subhead 2. Transmitter and engine spares have already been requisitioned telegraphically from U. K. Receiving valves and batteries required for maintenance continuous receiving watch. 1000 gallons Gasoil requisitioned and received from Montevideo. 1000 gallons Diesel Oil and 120 Gallons Paraffin requisitioned from South Georgia.

Subhead 3. Ericsson Telephone instruments received from Montevideo. Telephone Dry Cells required to replace depleted stocks issued for Military purposes. Accumulators and Windchargers recommended for Defence Force Radiotelephone Stations.

Subhead 5. 1000 gallons Gasoil received from Montevideo.

*J. Mercer*  
Ag. Supr.  
24/10/39.



LEGISLATIVE COUNCIL.

R E S O L U T I O N.

WHEREAS a state of war exists between His Majesty King George the VI and Germany and whereas it has become necessary to provide additional funds for the Defence of the Colony and other emergency measures.

NOW, THEREFORE This Council Resolves, that the additional sum of Five thousand pounds (£5,000) shall be expended on this service during the year 1939, over and above the sum of Five thousand pounds (£5,000) voted by this Council on the 8th September, 1939, and the sums provided in the estimates of expenditure for the year 1939.

-----

STANLEY,  
December, 1939.  
M.P. No. 165/39.

GOVERNMENT HOUSE,

STANLEY,

8th January, 1949.

FALKLAND ISLANDS.

No. 3.

Sir,

*Redy.*  
I have the honour to refer to my despatch, No. 115 of the 6th of October, 1939, regarding the appropriation from public funds of a sum of £5,000 for Military purposes.

2. As foreshadowed in paragraph 4 of that despatch a further sum of £5,000 is required to meet Military expenditure and this was approved at a Meeting of the Legislative Council held on the 5th of December, 1939.

*M.P. 135/39.*  
3. As stated in paragraph 3 of my despatch No. 135 of the 8th of December, the total Military expenditure up to the 31st of December, 1939, is estimated at £13,150. When the actual expenditure for the year has been ascertained the Legislative Council will be invited to vote the further excess.

4. I trust that you will sanction the additional expenditure now reported.

I have the honour to be,

Sir,

Your most obedient,  
humble servant,

(Sd) H. HENNINGHAM-HEATON

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

Treas. File 20/39.

No.

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

# MINUTE.

4th December, 19 39.

From The Colonial Treasurer,

To The Honourable

The Colonial Secretary,

STANLEY.

Stanley, Falkland Islands.

With reference to my Minute dated 24th October, 1939, I have the honour to submit an Abstract of Actual Expenditure, and known commitments, as shown by the Treasury records up to and including 2nd December, 1939, in respect of the under-noted Head :-

## HEAD XXI MILITARY AND WAR.

Amounts voted £10,000 (Special Warrants 25 and 28/1939)

Sub-Head.	Actual Expenditure, Up and incl: 2nd Dec/39.	Vouchers awaiting payment in Treasury.	P.W.D. Stores.	TOTAL.	% (Calculated on amount)
Provisions.	433. 3. -	12. 12. -		445. 15. -	5.06
Buildings &c.	737. 6. 11.	39. 11. 11.	£446.--.	1222. 18. 10.	13.88
Misc. Stores.	489. 15. 10.	11. 4. 10.		501. - 8.	5.68
Uniforms.	37. 7. 6.			37. 7. 6.	.42
Defence Work.	623. 16. 7.			623. 16. 7.	7.08
Secretariat Cleaner.	7. 17. 6.			7. 17. 6.	.09
Pay & All'ces.	5038. 11. 11.			5038. 11. 11.	57.17
Transport.	206. 15. 7.	11. - -	£122.--.	339. 15. 7.	3.86
Requisitioning Vehicles.	29. 5. -	65. 18. 9.		95. 3. 9.	1.08
Rent of Bldgs.	5. - -	10. - -		15. - -	.17
Evacuation Service.	483. 14. 2.			483. 14. 2.	5.49
Misc. Exs.	1. - -	10. -		1. 10. -	.02
<b>TOTAL</b>	<b>£8093. 14. -</b>	<b>150. 17. 6.</b>	<b>£568.--.</b>	<b>8812. 11. 6.</b>	

Note:- Figures for P.W.D. stores in respect of November, 1939, are not yet available.

It will be observed that of the sums voted £1187. 8. 6. remains unexpended.

for Colonial Treasurer.

No.

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

## MINUTE.

14th December, 1939.

From The Colonial Treasurer,

To The Honourable

The Colonial Secretary,

STANLEY.

Stanley, Falkland Islands.

With reference to my Minute of the 4th December, 1939, I have the honour to submit a further abstract of Actual Expenditure, and known commitments, as shown by the Treasury Records up to and including the 13th instant, in respect of the under-noted Head :-

HEAD XXI MILITARY AND WAR.

Amounts voted £10,000 (Special Warrants 25 and 28 of 1939)

13/12/39		Other			
Sub-Head.	Actual Expend: up to and incl.	Vouchers awaiting Payment in Treasury.	P.W.D. Stores.	Known Commit- ments.	TOTAL.
Provisions.	£445.15.0.	-	-	-	445. 15. -
Buildings.	737. 6.11.	101. 3. 3.	446.--.--	-	1284 10. 2.
Misc.Stores	490.11. 4.	129.18.10.	-	-	620. 10. 2.
Uniforms.	37. 7. 6.	-	-	-	37. 7. 6.
Defence Work.	706.11. 4.	-	-	-	706. 11.4.
Secretariat Cleaner.	7.17. 6.	-	-	-	7. 17. 6.
Pay & All'ces.	5650.11.-	56. - -	-	120.--.--	5826. 11. -
Transport.	217.15.7.	9. - -	192.--.--	400.--.--	818. 15. 7.
Vehicles.	34. 5.--	60.18. 9.	-	-	95. 3. 9.
Rents.	5. --.	10. --.	-	-	15. --.
Evacuation Service.	483.14.2.	- . - . - .	-	-	483. 14. 2.
Misc.Exs.	1.--.	10.--.	-	-	1. 10. -
TOTAL. £	8817.15.4.	367.10.10.	638.--.--	520.--.--	£10343. 6. 2.

It is estimated that upwards of £1500 will be required to meet Pay and Allowances up to the 30th instant, excluding payments to personnel in Camp Districts. No allowance has been made for local purchases during the current month, nor for transport charges during the same period.

I should be grateful ~~for xxxxxx £5000~~ if arrangements could be made for the issue of a Special Warrant for say £3000, in order that current expenditure may be covered.



for Colonial Treasurer.

No. Treas.20/39.

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

# MINUTE.

17th January, 1940.

From The Colonial Treasurer,

Stanley, Falkland Islands.

To The Honourable

The Colonial Secretary,

STANLEY.

With reference to my minute dated 14th December, 1939, I have the honour to submit a statement of Actual expenditure, extracted from the Treasury records, in respect of Head XXI Military and War for the period ended 31st December, 1939 :-

## HEAD XXI MILITARY AND WAR.

Amounts Voted £10,000 (Special Warrants 25 and 28 of 1939).

Sub-Head.	Amount.			P.W.D. Unallocated Stores.			TOTAL.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.
Defence Works.	883.	5.	2.				883.	5.	2.
Pay & All'ces	7061.	14.	9.				7061.	14.	9.
Secretariat									
Cleaner.	7.	17.	6.				7.	17.	6.
Building									
Materials &c	1343.	4.	3.	106.	14.	9.	1449.	19.	-
Transport.	652.	9.	10.	111.	9.	5.	763.	19.	3.
Misc.Stores.	692.	19.	2.	98.	1.	11.	791.	1.	1.
Provisions.	344.	3.	7.				344.	3.	7.
Evacuation									
Services.	556.	17.	4.				556.	17.	4.
Uniforms.	37.	7.	6.				37.	7.	6.
Purchase and									
Requ'n of motor									
vehicles.	43.	4.	-				43.	4.	-
Rent of Build-									
ings.	21.	10.	-				21.	10.	-
Misc.Expenses.	1.	10.	-				1.	10.	-
TOTAL.	£11646.	3.	1.	£316.	6.	1. *	£11962.	9.	2.

\* P.W.D. Unallocated Stores Account for October, November, and December, 1939.

I should be grateful if arrangements could be made for the issue of a Special Warrant to cover the expenditure in excess of the amount already voted; say £2000, please.

*[Signature]*  
for Colonial Treasurer.

FALKLAND ISLANDS.

NO. 1.



Downing Street,

5 January, 1940.

Sir,

*Recd 7*

I have the honour to acknowledge the receipt of your despatch No. 115 of the 6th October reporting that it is estimated that a further sum of £5,500 will be required in addition to the £5,000 already voted to cover expenditure for military purposes to the end of the current year and to convey to you my approval of this additional expenditure being met from surplus funds.

I have the honour to be,

Sir,

Your most obedient,  
humble servant,

(Sd) HERBERT HENNIXER BEATCH, M.C.M.G.

GOVERNOR

SIR HERBERT HENNIXER BEATCH, M.C.M.G.,

etc., etc., etc.,

No.

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

MINUTE.

27th March, 1940.

From Officer Commanding,

Defence Force.

Stanley, Falkland Islands.

To The Honourable,

The Colonial Secretary.

In discussing with His Excellency the problem of any further economies on the Military vote, the question of the item "Contingencies" came under review. I reported that at date this vote was almost exhausted and that pro rata a Special Warrant for about £900 would be needed to complete the year. The biggest drain has been for Coal and Oil and His Excellency instructed me to make application for a Special Warrant for these items and to credit Contingencies with the amount so far expended on them.

For the months of January and February expenditure is estimated as;

Oil	13.	8.	0.
Coal	132.	14.	6.

£146. 2. 6. or pro rata for one year £876. 15. 0. With the withdrawal of certain posts and the peat supply cut by the others now becoming usable, I am hopeful that the cost of coal will be considerably reduced month by month, but oil with the longer days will be more used.

After careful consideration I consider £650 Special Warrant should cover coal and oil for the whole year. May this be issued please?

*Rushbrooke*

Major.,  
Officer Commanding,  
Falkland Islands Defence Force.



No.

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

MINUTE.

13th April, 1940.

From Officer Commanding,

Defence Force.

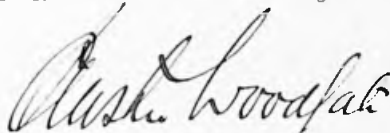
Stanley, Falkland Islands.

To The Honourable,

The Colonial Secretary,

STANLEY.

In view of the fact that Public Works and other local firms' accounts are at present held up pending the provision of funds, I would be grateful if approval to the Special Warrant submitted on the 29th March could be expedited as early as possible, as coal, lighting and other expenses are of necessity being incurred weekly.



Major.,  
Officer Commanding,  
Falkland Islands Defence Force.

# Larkana to Defence Force

	XV. Military 1939 1st Sept - 30 Dec.	XVI. Military & War. 1/9/39 - 31/12/39	Stores Ordered & Supplied 1939 BUT NOT PAID FOR	Ordered BUT NOT RECEIVED	Further Estimate of Requirements 1940.	Estimated Total 31/12/40.
<u>Capital Exp:</u>						
Small Arms Ammunition (1)	262 - 8			1534 - -	570	2366 - 8
Artillery Ammunition (2)			170	3286 - -	158	3564 - -
Uniforms & Equipment (3)	3 - 16 - 3	37 - 7 - 6	802	1500 - -	-	2343. 3. 9
Signal Stores (4)	36. 3. 11				50	86. 3. 11
Defence Works		883 - 5 - 2				883. 5. 2
Buildings, Materials etc.		1699 - 19 -			1000	2699 19 .
Misc Stores		791 - 1 - 1		1094		1885 1 1
Purchase of New Guns					500	500 . .
Field Equipment					150	150 . .
<u>TOTAL</u>	302 - 10	3411 - 12 - 9	922	7414	2428	14477. 13. 7.
<u>Recurrent</u>						
upkeep 6" Guns	5. 19. 5					5. 19. 5
Capitalisation Grants	200 . .				240	440 . .
Pay & Allowances		7069 - 12 - 3			20300.	27369 - 12 - 3
Transport		763 - 19 - 3			500	1263. 19. 3
Provisions		344. 3. 7.				344. 3. 7.
Evacuation Service		556. 17. 4				556. 17. 4
Acquisition of Vehicles		43. 4 -				43. 4 .
Rent of Buildings		21 10 .				21 10 .
Misc Expenses		1 10 .				1 10 .
Cost of Guns					36.	36 . .
Life Range					25.	25 . .
Rent					25	25 . .
Contingencies					250.	250 . .
<u>TOTAL REC</u>	205 - 19 - 5	8800. 16. 5	-	-	21386	30392 15. 10
<u>GRAND TOTAL</u>	508 - 3	12212. 9. 2	922	7414	23814	44870 - 9 - 5

## Summary

Capital  
Actual 1/9/39 - 31/12/39 £3713 - 13 - 7.  
Commitments £8336 - -  
Prospective £2428 - -  
Total (a) £14477 - 13 - 7.

Recurrent  
Actual 1/9/39 - 31/12/39 £9006 - 15 - 10.  
Prospective £21386 - -  
Total (b) £30392 - 15 - 10

(a) £14477 - 13 - 7.  
(b) £30392 - 15 - 10  
TOTAL  
TO 31/12/40 £44870 - 9 - 5

N.B. ① Items 1, 2, 3 & 4 are included in Capital expenditure in that they are not here expensable annually, and excepting in unforeseen circumstances, may remain in store indefinitely.  
② No provision has been made for the supply of an additional 6" Gun with equipment or ammunition surplus.

M C H  
C.I.

Excerpt from Minute from H.E. the Governor of 12. 2. 40,  
from M.P. S/2/40.

.....

You will observe that I am not accepting the figure of £20,300 for pay and allowances.

The amount will have to be reduced to the £15,000 shewn in the Estimates and the O/C., Defence Force will be required to make his dispositions accordingly - unless he can convince me that the safety of the Colony will be imperilled.

(Ilt'd). H. H. H.  
12. 2. 40.

DECODE.

TELEGRAM.

*From* His Excellency the Governor,

*To* Secretary of State for the Colonies.

---

*Despatched:* 6th May, 19 40. *Time:* ...

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

No. 48. Owing to shortage and bad quality of peat it is necessary to make provision for fuel for the Defence Force outposts. The estimated cost will be £650 for this year. Please telegraph approval Special Warrant for this amount. Despatch follows.

GOVERNOR.

18

GOVERNMENT HOUSE,  
STANLEY,  
7th May, 1940.

FAULKLAND ISLANDS.  
No. 60.

Sir,

I have the honour to confirm my telegram,  
No. 48 of the 6th of May, which decoded read as  
follows :-

*Recd 18*

"Owing to shortage and bad quality of peat  
"it is necessary to make provision for  
"fuel for the Defence Force outposts. The  
"estimated cost will be £650 for the year.  
"Please telegraph approval Special Warrant  
"for this amount. Despatch follows."

2. This sum of £650 is the estimated  
amount required by the Military Department to  
cover the cost of coal and lighting for the  
year 1940. It had been anticipated that peat  
would have been available but unfortunately the  
season has been one of the worst for peat ever  
known and it was possible to dry and transport  
only a minute portion of the quantity required.  
This of course could not have been foreseen.

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

DECODE.

TELEGRAM.

No. 70 From Secretary of State, London,

To His Excellency the Governor, Falkland Islands.

---

Despatched: 10th May 19 40 Time: 13.35.

Received: 19 Time:

No. 46 Your telegram No. 48 Fuel I approve.

G.T.C.

ABSTRACT.

No. ;

TOTAL.

Vr.	£	s.	d.	Vr.	£	s.	d.	Vr.	£	s.	d.	Vr.	£	s.	d.	Vr.	£	s.	d.	Vr.	£	s.	d.
-----	---	----	----	-----	---	----	----	-----	---	----	----	-----	---	----	----	-----	---	----	----	-----	---	----	----

Head.  
XXI Military & War.

Abstract of Actual Expenditure up to & inc. 8/11/39  
and. Commitments pending, together with  
Estimated Expenditure to 31/12/39.



# DAILY

# ABSTRACT.

No. XXI Military War

DATE		ACTUAL												HEAD OF ESTIMATE,												XXI Military War																		
19		Sept			Oct			Nov			Total Actual to 8/11/39			Pro pending in Col Treasury			Known Commitments			Estimated			Estimated			Estimated			Estimated			Estimated			Estimated			Estimated						
Sub head		Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.	Vr.	£	s. d.				
Repairs works			46	10	5		19	18	5		76	12	11		319	4	9																											
Fuel & oil			153	4	8		5		188	0	4		1		301	16	6																											
Wages - seasonal			7	17	6																																							
Building materials			5				50	1	1			9	8	6		515	19	7																										
Transport							75	1	11			21	5			96	6	11																										
Misc stores							203	10	10			22	3	5		225	14	3																										
Provisions							321	1	5			71	9	4		412	10	9																										
Consumables							327	1	10			327	1	10																														
Uniforms							32	1				5	6	6		37	7	6																										
Postage & light of other articles												3	15			3	15																											
Rent of buildings																																												
ACTUAL EXPENDITURE			1593	19	4		3536	10	7		511	17	2		5662	7	1																											

\* Pro D issue of stores Dept Oct 1939  
\* -- do -- do --

## Recapitulation

- (1) Total Expenditure - Actual to 8/11/39 5662 7 1
  - (2) Pro pending in Col. Treasury at -- 311 16 8
  - (3) Known Commitments -- 725
  - (4) Additional provision, as estimated by Agric Dept (A.S.G.), required for stores to end of year 6699 3 9
- Total 6450
- Total 13149 3 9

Hon. C.S.

Submitted with reference to my minute of 21/10/39.  
(1) Figures of Actual expenditure extracted from Treasury Abstracts.  
(2) Vouchers pending payment in Treasury.  
(3) Information furnished by Exod Agric Dept.  
(4) Estimates furnished by Agric Dept.

11/11/39

# -Recapitulation-

(1) Total Expenditure - Actual	to 8/11/39	566,71
(2) Total pending in Col. Treasury	at --	311,168
(3) known commitments	--	750
		<u>£ 669,39</u>

(4) additional provision, as estimated by Agric Dept (ask), required for service to end of year

Total £ 6450  
£ 1314939

Hon. C.S.

Submitted with reference to my minute of 24/10/39.

- (1) Figures of actual expenditure extracted from Treasury Abstracts.
- (2) Total pending payment in Treasury.
- (3) Information furnished by F.W.D. Agric Dept.
- (4) Estimates furnished by Agric Dept.

*cc: [signature]*  
11/11/39

Additions to the Defence Force will still further increase war expenditure. New uniforms and equipment will cost about £1,000. Cost of increasing ammunition output for 6" guns, purchase of 4 8" guns and cost of outfit for one 12 Pdr. gun is estimated at £2332. To add cost of M.B. (large) trucks. Ammunition stored in Ag. Treas. 11. 11. 39.

No.

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

MINUTE.

6th June, 19 40.

From The Officer Commanding,

F. I. D. F.,

Stanley, Falkland Islands.

To The Honourable

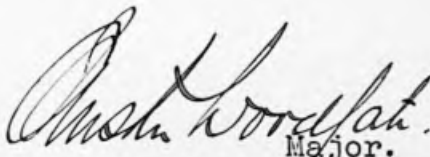
The Colonial Secretary,

STANLEY.

I have the honour to report that the sum of £500 provided by Special Warrant No. 4/40 under XV. MILITARY, 19. Buildings, is practically exhausted, and to request that I may be granted permission to submit a further Special Warrant. Public Works store accounts for the period February to May inclusive totalling approximately £170, and local Firms' accounts for the month of May, amounting to £82, have to be met.

The original S/W. covered new living quarters at Arrow Point, new hut at Mount Low and improvements Mullet Creek: The last mentioned was not executed, but instead the accommodation at Navy Point and Tussac Point has been doubled, extensive reconstruction effected at Canopus and minor improvements at W/T. Guard Quarters carried out.

Further expenditure has been incurred during the current month in providing accommodation for the Town Guard, and future incidental expenses throughout the remainder of the year under this same sub-head must be anticipated.

  
Major.  
Officer Commanding,  
Falkland Islands Defence Force.

No.

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

MINUTE.

6th July, 1940.

From Officer Commanding,

Defence Force.

Stanley, Falkland Islands.

To The Honourable,

The Colonial Secretary,

STANLEY.

Your helpful minute of the 3/7/40 has been duly noted and in future I will rigidly adhere to the procedure laid down. His Excellency has from time to time ordered me to do certain things involving expenditure and I have accepted the order not only as such but as the requisite authority as well.

The following notes of the financial situation under Head XV. 19. Buildings is given as requested in amplification of my minute of the 6th June (red 21). The original S. W. for £500 was based on the following estimate, no provision having been made in the Estimates (M. P. 131/39, Reverse of Sheet 1).

1. Arrow Point Hut, Control, Magazine etc.	£250.
2. New Hut Mount Low.	50.
3. Reconstruction Mullet Creek Huts.	150.
4. New Hut Sapper Hill.	<u>50.</u>
	£500.
	=====

Nos. 1. 2. & 4 were executed. As Mullet Creek was withdrawn this work was not proceeded with but I was instructed to remodel Canopus and Sapper and improve Navy Point and Tussac Point. Since then W/T. Guard quarters have also been improved, quarters provided for Town Guard, and many incidental expenses incurred such as the purchase of new corrugated iron, odd timber etc. Only part of Sapper Hill reconstruction has been done but commitments over and above the original £500 S. W. amount as at 31/5/40 to £252. It is confidently anticipated that £48 will cover accounts for June when these are received, and a special warrant for £300 is therefore submitted.

24

I was yesterday instructed by His Excellency to provide look-out Sentry boxes for Navy Point, Sapper Hill, Mount Low, Tussac and Arrow Points, similar to that at Canopus. I estimate the cost of this work at about £100. This is not included in the S. W. now asked for and no funds are available. May either an additional S. W. be granted or the amount added to that above.

TRANSPORT.

As forecast in para. 2. of my minute of the 24/6/40 on Sheet 13 in this M. P. the £500 allowed under Subhead 17. Transport is now exhausted. During the first half of the year numerous heavy non-recurrent items have had to be met such as:-

Hire of Ratcliffe's motor boat during November and December, 1939.	£13.	1.	3.
Transport of Mount Low Gun.	14.	0.	0.
Passages & Expenses B. A. Contingent.	15.	13.	9.
Freight on Fruit & Eggs sent to Defence Force from B. A.	6.	14.	8.
Passages of West Falkland Gun Crew.	49.	0.	9.
Transport for West Falkland Outposts per "Gentoo".	6.	7.	6.
Return passages of Evacuees.	10.	15.	1.
Transport of Peat to Outposts.	17.	18.	6.
Freight to M. L. H. per "Prefecto Garcia" in 1939.	5.	0.	0.
Hire of Horses for Striking Force.	9.	0.	0.
Freight on Prams from South Georgia.	13.	12.	6.
	£161.	4.	0.

as well as recurrent Public Works labour charges up to the 30th June, amounting to

211.	16.	6.
£373.	-.	6.
=====		

Recurrent expenditure under this head is:-

1. Cost of requisitioned motor cycles. The number was reduced on 30th June to four at 25/- each per month. Previously five had been employed.
2. Public Works labour charges for transport, and
3. Petrol and Oil. With reorganisation of system of storing, leave etc. lorry hire is now reduced to two trips per week to each

of/

23

Canopus and Sapper Hill Batteries. The W/T. Guard is now stored and transported by the car which does Admiralty duty and is charged to Advances, Admiralty.

On the amended basis above, the following forecast of recurrent expenditure is given:-

Requisitioned Motor Cycles.

June.	1 month @ £6.	5.	0.	£6.	5.	0.
July-December.	6 months @ £5.	30.	0.	0.		

Public Works Labour Charges.

June-December.	Average weekly expenditure £2.	27 weeks @ £2.	54.	0.	0.
----------------	--------------------------------	----------------	-----	----	----

Petrol & Oil.

April-December.	Average weekly expenditure £2.	39 weeks @ £2.	78.	0.	0.
			£168.	5.	0.
			=====		

To this must be added the expenditure for hire, freightage and transport to and from Douglas Station and Mount Low of the Citroen tractor, transport charges in connection with the camps on East and West Falklands, upkeep of motor cycles and hire of alternative transport in the event of breakdown.

In making a request for a Special Warrant for £250 therefore I trust you will see that it will only be by the exercise, if possible, of still stricter surveillance of every tiniest item of expenditure that one will avoid further application during the present year, and despite this some unforeseen item may completely upset all one's careful calculations.

PAY AND ALLOWANCES.

In view of red 17. in this M. P. and following our discussion yesterday, unless Navy Point is withdrawn and Sapper Hill and Canopus Batteries reduced to cadre strength it will be impossible to comply with His Excellency's wishes expressed therein. While I could agree that Navy Point being withdrawn would not affect the safety of the Colony I could not agree in the case of the two batteries until at least there are longer hours of daylight.

The/



The following forecast is given for the subhead:-

Expenditure to 12th June, 1940.				£7547. +
Wages w/e. 15/6/40.	£239.	8.	7.	
" " 22/6/40.	199.	4.	5.	
" " 29/6/40.	195.	7.	5.	634.
Estimated wages for remainder of year: 26 weeks at say £200 per week.				5200.
Estimated monthly wages June-December. 7 months at say £150 per month.				1050.
Ration Allowances June-December. 7 months at say £190 per month.				1330.
Drill Allowances April-December. 4 months at say £9, and 5 months at say £18.				126.
Bonus West Falkland Camp.				34.
Bonus East Falkland Camp.	Say			30.
Victualling both Camps.	say			56.
				£16007.
				=====

+ This includes approximately £564 for accounts for 1939 received during present year from camps on East and West Falklands for Coastwatchers.

In dealing with the major points I find you still have not ruled as to the 3rd para. of my minute 24/6/40 re cost of pickets and wire.

*Arthur Woodgate*

Major,  
Officer Commanding,  
Falkland Islands Defence Force.



165/39

(2)



FALKLAND ISLANDS.

Downing Street,

No. 33.

2 MAY 1940

Sir,

I have the honour to acknowledge the receipt of your despatch No. 3 of the 8th January requesting my approval of the appropriation from public funds of a sum of £5,000 for Military purposes.

2. You will by now have received my despatch No. 1 of the 5th January which, in effect, sanctions the expenditure during 1939 of £10,500 for Military purposes.

3. I note that the Legislative Council will be invited to vote a further sum to cover excess expenditure up to the end of last year. When this is reported for my covering approval I shall be glad if I may be afforded particulars in some detail of the items on which the excess expenditure during the year has been incurred.

I have the honour to be,

Sir,

Your most obedient,

humble servant,

(Sgd.) MALCOLM MacDONALD

GOVERNOR

SIR HERBERT HENNIKER HEATON, K.C.M.G.,

etc., etc., etc.

Red (11)

Red (13)  
✓

COPY.

FALKLAND ISLANDS.

No. 101.

GOVERNMENT HOUSE,

STANLEY,

22nd August, 1940.

My Lord,

I have the honour to forward herewith a Schedule of additional provision required to meet expenditure in excess of the estimates for the year 1939, for the period 1st October to 31st December.

In duplicate.

2. In this connection I would refer to Mr. Secretary MacDonald's despatch, No. 33 of the 2nd of May, and would explain that the total Military expenditure during 1939 due to the outbreak of war amounted to £11,985. 10s. 6d. Of this sum £5,000 was voted at a meeting of the Legislative Council held on the 8th of September and a further £5,000 at a meeting on the 5th of December. Copies of the Resolutions passed at these meetings are enclosed.

3. The Legislative Council will be invited to vote the further excess of £1,985. 10s. 6d required at an early date.

4. It will be observed that the main expenditure has been on pay and allowances (£6,992), Buildings materials (£1,451) and Stores and Defence Works labour (£1,728). It was considered desirable to keep all posts fully manned for the first 3 months of the war and expenditure was necessarily heavy in regard to pay allowances, stores, labour, etc.

Furthermore/

THE RIGHT HONOURABLE  
LORD LLOYD, G.C.S.I., ETC.,  
SECRETARY OF STATE FOR THE COLONIES.

Furthermore quarters had to be erected at all posts for the guards and the cost of transporting materials both by land and sea heavy.

I have the honour to be,

My Lord,

Your Lordship's most  
obedient humble servant,

(Sgd.) H. Henniker-Heaton.