

CONFIDENTIAL.

1932.

~~1929.~~

C.S.

No.

C/7/32.

Colonial Secretary.

SUBJECT.

~~1932~~
1932.

8th April.

WHALING OPERATIONS OF MESSRS. CHR.
SALVESEN & COMPANY, during the 1930-1931
Season.

Previous Paper.

Contains M.P. D/14/30.

MINUTES.

SEE INSIDE.

Subsequent Paper.

D.

Licences
No. D 14/30

1930
~~1925~~

Messrs
Chr. Salvesen

SUBJECT.

1930

15/7/30

Previous Paper.

D 9/29

Messrs C. Salvesen & Co
apply for Licences 1930-1 in
respect of Salvestria & Sanagossa

MINUTES.

1-4 Letter from Messrs Salvesen 15/7/30
5 " " " " 17/5/30
PA 17. 10. 30.

6 Telegram from Magistrate SG 13/7/30
7 " " " " 14/7/30

heads of transferred to D 11/29

6. Telegram to Magistrate, South Georgia. 7th October, 1930.

7. Telegram from Magistrate, South Georgia. 11th October, 1930.

For correspondence regarding return of
licences by Messrs Salvesen & Co. see Reeds. 4 to 11
of M. P. D/21/30. W. H. P. 17
17 Oct 1930.

Subsequent Paper.

PA 17/x/30

O. of O. despatch No. 34 of 16 March, 1931.

8-12.

Y/B.

Submitted

C. J. J.
24/4/31.

Offl. Let.

Draft telegram to Maj. S.S. asking

for certain information which is ready, please.

2. Please see Mr. Riches at Dreekin
ascertain
at whether any of this information can be
supplied by them or possibly whether they
can throw any light on the matter.

3. In particular please ascertain where
the "Salvadora" "Saragosa" and "Sourabaya"
operated during the past season i.e. inside
or outside the Ballal G. sector.

Y/B

25.4.31.

Telegram to Magistrate, Dorella Georgia 25/4/31.

13.

Report from Mr. S.H. Riches, 28th April, 1931. 14-15

16. Telegram from Magistrate, South Georgia. 28/4/31.

17. Extract from report on whaling operations South Shetlands, 1930-1931 season.

Y.E.,

I have interviewed Both Mr. Riches and Mr. Brechin and attach reports in writing from each of them.

C. J. J.

4 May, 1931.

Off. Sec.

Rank ya : draft

deputh hresille for fairij,

please.

2 The Papers of G. G.

Answers to see.

J. J.

Y. 5. 31.

18-19. Despatch to D. of D. No. 102 of 8th May, 1931.

Hon. Treasurer WCH 31.
Hon P. M. O. J. M. 13.V.31
To see.

G. S. D.
11/5/31.

P. A.
13/8/31

Confidential despatch from
Secretary of State of 25 Feb 1932. 20-27.

Hon. Treasurer WCH
9.4.32

Hon P. M. O. WPC 11/4/32.
To see

WCH
3

7.4.32.

WPC

11.4.32

29 BERNARD STREET, LEITH.
94 HOPE STREET, GLASGOW.
CUSTOM HOUSE BUILDINGS, GRANTON.
TELEGRAPH ADDRESS, "SALVESEN, LEITH."
TELEPHONES, LEITH NO. 811 (5 LINES.)

CHR. SALVESEN & CO.
ESTABLISHED 1846.

F. G. SALVESEN.
T. E. SALVESEN.
N. G. SALVESEN.

719
29 Bernard Street.

Leith

15th February 1930.

Sir,

We have the honour to enclose applications for whaling licenses for the season 1930/31 in respect of our floating factory steamers "Saragossa" and "Salvestria" or substitute.

It is possible that we may dispose of the "Salvestria" which is the reason why we have adopted this wording. With regard to whale catchers to be employed, we regret that it is not possible to decide at this early date the actual distribution of these vessels. We shall be glad, therefore, if it can be left to the Crown Agents to fill in the names. It is intended to use the same type of vessels as those employed during the present season.

We have the honour to remain,

Sirs,

Your obedient servants,

THE SOUTH GEORGIA CO. LTD

Chr. Salvesen & Co.

Managers

The Colonial Secretary,

Stanley F.I.



29 BERNARD STREET, LEITH.
94 HOPE STREET, GLASGOW.
CUSTOM HOUSE BUILDINGS, GRANTON.
TELEGRAPH ADDRESS, "SALVESEN, LEITH."
TELEPHONES, LEITH NO. 811 (5 LINES.)

CHR. SALVESEN & CO.
ESTABLISHED 1846.

F. G. SALVESEN.
T. E. SALVESEN.
N. G. SALVESEN.

29 Bernard Street.
Leith 15th February 1930.

Sir,

Referring to the Whaling Regulations, 1921, we have the honour to apply for a licence for the season 1930/31 in respect of our floating factory s.s. "SARAGOSSA".

The following are the particulars required under Regulation 4.

1. Directors.

Frederick Gulov Salvesen, Shipowner, 29 Bernard Street, Leith.

Theodore Emile Salvesen, " " " " "

Noel Graham Salvesen, " " " " "

Harold Keith Salvesen, " " " " "

2. Names of vessels to be employed.

Four - names not yet decided.

3. 8 open boilers of 768 cubic feet capacity each

20 pressure boilers whereof 4 of 460 cubic feet capacity
16 of 570 " " " "

2 Hartmann apparatus.

4. The carrying capacity of the "Saragossa" is at least 30,000 barrels in tanks and 5,000 barrels in drums.

With regard to evidence of command of sufficient working capital to ensure the proper working of the licenses applied for, we beg to refer to certificate issued by the Royal Bank of Scotland of this date enclosed.

We have the honour to remain,

Sir,

Your obedient servants,
THE SOUTH GEORGIA CO. LTD

Chr. Salvesen & Co.
Managers

The Colonial Secretary
Stanley, F.I.

29 BERNARD STREET, LEITH.
94 HOPE STREET, GLASGOW.
CUSTOM HOUSE BUILDINGS, GRANTON.
TELEGRAPH ADDRESS, "SALVESEN, LEITH."
TELEPHONES, LEITH NO. 811 (5 LINES.)

CHR. SALVESEN & CO.
ESTABLISHED 1846.

F. G. SALVESEN.
T. E. SALVESEN.
N. G. SALVESEN.

29 Bernard Street
Leith 15th February 1930.

Sir,

Referring to the Whaling Regulations 1921, we have the honour to apply for a license for the season 1930/31 in respect of our floating factory t.s.s. "SALVESTRIA" or substitute.

The following are the particulars required under Regulation 4.

1. Directors.

Frederick Gulov Salvesen, Shipowner, 29, Bernard Street, Leith.
Theodore Emile Salvesen, " " " " "
Noel Graham Salvesen, " " " " "
Harold Keith Salvesen, " " " " "

2. Names of vessels to be employed.

Four - names not yet decided.

3. 14 Hartmann apparatus.

19 pressure boilers of ^{about} 700 cubic feet capacity each.

4. The carrying capacity of the "Salvestria" is estimated at 66,000 barrels ^{in bulk.}

With regard to evidence of command of sufficient working capital to ensure the proper working of the licenses applied for, we beg to refer to certificate issued by The Royal Bank of Scotland of this date enclosed.

We have the honour to remain,

Sir,

Your obedient servants,
THE SOUTH GEORGIA CO. LTD

Chr. Salvesen & Co.
Managers

The Colonial Secretary,
Stanley, F.I.

(4)

Royal Bank of Scotland

2 BERN STREET

Leith 18th February 19 30

The Colonial Secretary
Falkland Islands Government
Stanley, F.I.

Dear Sir,

I have pleasure in certifying that
Messrs Chr. Salvesen & Co. are of the highest
respectability and standing and possess ample
capital for the carrying on of their whaling
ventures in the Antarctic.

For Royal Bank of Scotland

Robert Mathewson
Agent

D/14/50.

17th May,

30.

Gentlemen,

With reference to your letters of the 15th of February, 1950, applying for the renewal for the season 1950-1951 of your whaling licences for the South Shetlands and Graham's Land, I am directed by the Governor to inform you that the following licences have been forwarded to the Crown Agents for the Colonies for delivery to you on payment of the fees indicated.

Principal Licence No. 107 of the 15th of May, 1950, for the floating factory 'Saragossa' and two whale catchers - Fee £200.

Licences Nos. 111A and 112A of the 15th of May, 1950, for two additional whale catchers to be operated in conjunction with the 'Saragossa' - Fees £200.

Principal Licence No. 108 of the 15th of May, 1950, for the floating factory 'Salvestria' and two whale catchers - Fee £200.

Licences Nos. 113A and 114A of the 15th of May, 1950, for two additional whale catchers to be operated in conjunction with the 'Salvestria' - Fees £200.

2. I am to add that the Crown Agents have been requested to ascertain from you and insert in the licences the names of the whale catchers to be employed.

I am,

Gentlemen,

Your obedient servant,

Colonial Secretary.

Chapman and Co.,
Nard Street,

H

DECODE.

TELEGRAM.

From Colonial Secretary.

To Magistrate, South Georgia.

Despatched: 7th October, 1923. *Time:* 1230.

Received: 192 *Time:*

Salvesen and Company have decided not to take up licences for Saragossa Sevilla and attendant catchers for the present season. Please inform Riches.

Secretary.

D/14/30

DECODE.

TELEGRAM.

From.....Magistrate, South Georgia.

To.....Colonial Secretary.....

Despatched: 11th October, 19230. *Time*: 2000.

Received: 12th October, 19230. *Time*: 1100.

Your telegram of 7th October Riches has been informed accordingly.

FALKLAND ISLANDS.

NO. 24.



DOMINGO STREET,

16 March, 1931.

Sir,

With reference to Mr Hodson's despatch No. 263 of the 1st December, 1930, I have the honour to transmit to you the accompanying copy of correspondence with Messrs C. Salvesen and Company with regard to their whaling operations in the Falkland Islands Sector.

Red 51
D/47/28

Fr. Salvesen and Co.
6/6/30.
Fr. do. 16/7/30.
To do. 29/7/30.

2. I observe that Messrs Salvesen and Company have decided not to take out the licences issued in their favour in respect of the waters of the South Shetlands and Graham's Land for the season 1930/31 and it is stated in the Company's letter of the 6th June that the tonnage concerned has been let to another Company on time charter, but I have no information as to the name of this Company. According to "Lloyd's Register", the "Salvestria", the "Saragossa" and the "Sourabaya" are owned by the South Georgia Company Limited (Managers - Messrs C. Salvesen and Company).

3. I shall be glad if you will furnish me with a report upon the whaling operations of Messrs C. Salvesen and Company, and their associated concerns indicating to what extent these operations have been conducted

THE OFFICER ADMINISTERING
THE GOVERNMENT OF
THE FALKLAND ISLANDS.

52
11

conducted in accordance with the Agreement of 1929,
and with the local Law and Regulations, and, in the
event of there having been any infractions thereof,
in what manner you would recommend that they should
be dealt with.

I have the honour to be,

Sir,

Your most obedient,
humble servant,

(Signed) PASSFIELD.

002

(159)

CHR. SALVESEN AND COMPANY.

COPY.

29 Bernard Street,
Leith

6th June, 1930.

Sir,

We have the honour to acknowledge receipt of your letter No.76751/30 dated 27th May and to inform you that it has been decided in view of the serious disadvantages from which our expeditions have suffered during the past two seasons to discontinue operations under the South Shetland licenses and that the tonnage concerned has now been let to another company on time charter.

We have, etc.

(Sd.) Chr Salvesen and Co.

The Under Secretary of State,
COLONIAL OFFICE,
London, S.W.1.

COPY.

CHR. SALVESEN AND COMPANY.

29 Bernard Street,

Leith

16th July, 1930.

Sir,

We have the honour to refer to your letter No.76767/30 dated 22nd May, in which you informed us of the decision to grant our Company permission to employ one spare catcher for use as a buoy and tow boat in respect of our land station at South Georgia. In the absence of information to the contrary, arrangements are being made on the assumption that the permission to operate six whale-catchers during the season 1929/30 will be continued for next whaling season and that the permission to employ a spare catcher in the manner above described is an additional concession. We should be much obliged if you would confirm that this view is correct.

We have, etc.

(Sd.) Chr. Salvesen and Company.

The Under Secretary of State,
COLONIAL OFFICE,
London, S.W.1.

COPY.

Downing Street,
29th July, 1930.

76755/30.

Gentlemen,

I am directed by Lord Passfield to acknowledge the receipt of your letter dated the 16th of July, and to inform you that, as intimated in the letter from this Department dated the 20th of June 1929 (No.66755/29) in relation to the whaling season for 1929-30, your Company will be at liberty to employ six whale-catchers, during the season, 1930-31, in respect of your operations at South Georgia. Moreover as you were informed in the letter from this Department dated 22nd May 1930, your Company will be permitted to employ one spare catcher as a buoy and tow-boat in respect of the land station leased by you in that Dependency.

I am, etc.

(Sd.) J.B. SIDEBOTHAM.

MESSRS C.SALVESEN AND COMPANY.

DECODE.

TELEGRAM.

From Colonial Secretary.

To Magistrate, South Georgia.

Despatched : 25th April, 19 31 *Time* :

Received : 19 *Time* :

No. 24. Confidential. Please telegraph report on whaling operations of Salvesens during past season both at South Georgia and with floating factory expeditions indicating to what extent operations have been conducted in accordance with the Agreement forwarded in my letter of 25th September, 1928, C.8 and with regulations. Salvesens have stated that Salvestria Saragossa and Sourabaya were not to be operated by themselves but were to be let to another company on time charter. Can you confirm and if so give name of company. With what other whaling concerns are Salvesens associated.

Secretary.

Stanley,
Falkland Islands.
April 28th. 1931.

Sir,

I regret that I am not yet in a position to forward my report on the whaling operations at the Eastern edge of the Falkland Islands sector, owing to the necessary particulars not having reached me from the Factories "Ronald", "Svend Foyn" and "Solstreif".

Through the kindness of the Magistrate at South Georgia, who arranged a passage for me in Messrs. Salvesen's Factory "Salvestria" on the 9th. October last, I was enabled to leave that place two days later for my destination.

After two days out we came to the ice and the first whale carcasses were brought to the Factory by the catchers which had preceded us. These early operations continued within the sector during the next six weeks, whilst I was onboard, and, during this time I noticed that my presence was not regarded in a very favourable light. At one time I was asked by the Secretary, who was preparing correspondence to his owners, whether I was a Whaling or Customs officer onboard, to this I explained "neither", I was simply a passenger proceeding to the first licenced Factory that we may fall-in with and then I would transfer.

After this the master made a run for ~~xx~~^{two} days to the Eastward, and on the 1st. December we fell-in with the Factory "Ronald" in S. lat. 60.- W. long. 14., and the day following I transferred.

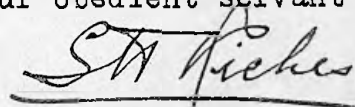
On the 30th. December, the "Melville" arrived at the "Ronald" from "Maudie" (the latter operating near the South Sandwich Islands), and the master reported that the "Salvestria" and "Saragossa" were both operating near those Islands.

On the 22nd. January last, whilst on my way from the "Ronald" to the "Maudie" (1200 miles from East to West), in the British Tanker "Telena", we passed five whale carcasses the blubber of which had only been taken, I joined the "Maudie" the following day, and a few days later we steamed to the west'ard and passed the "Saragossa" in about S. lat. 59 - on the 5th. February between the South Sandwich and Orkney Islands, she was then very busy boiling down, judging by the amount of steam escaping from her cookers. The wireless operator of the "Telena" informed me that he expected to have met the "Sourabaya", which was known to be in the locality, before we reached the "Maudie" on our run from east to west, and I concluded that these carcasses, above referred to, had been left by her, after she had finished with her transport, which it was known she had been making use of, these being used as fenders between both vessels.

On the 13th. February I was on the "Maudie" operating near the South Orkneys, in S. lat 59. - W. long. 40, when the "Salvestria" passed close to us steering West (the captain afterwards admitted that he thought I was still on the "Ronald" well to the eastward, where he had left me), and frequently throughout the season I have received reports that all three of Messrs. Salvesen's Factories have been operating well within the Falkland Islands sector, and at one period of about two months one of the Salvesen family has been on the "Salvestria" conducting operations, indeed, these three Expeditions have been freely commented upon by the whaling community, owing to the fact that they had given up their licenses.

In view of the foregoing, I am forced to the conclusion without hesitation, that these three vessels have spent practically the whole of the season within the Sector, and chiefly near the two groups of Islands above referred to.

I am, Sir, your obedient servant



Whaling Officer,
Eastern edge of Falkland Islands
Sector.

The Officer in charge of Sectariat
Stanley.

DECODE.

TELEGRAM.

From Magistrate, South Georgia.

To Colonial Secretary.

Despatched: 28th April, 19 31 Time: 2300.

Received: 29th April, 19 31. Time:

36

No. 35. Confidential. Your No. 24 Confidential Salvesens operated with factories mentioned in your telegram all being unlicensed South Georgia Company operating here the production being as follows : Salvestria 114,000 Saragossa 65,000 Sourabaya 92,000 South Georgia Company 33,300. Whaling Officer Stuart reports having seen Saragossa operating inside sector on 1st February on 29 degrees west and Sourabaya on 25th January and 26th January on 25 degrees 24 minutes west and also on 1st February and 5th February on 32 and 35 degrees west. Salvesens statement speaking as South Georgia Company Ltd. may be technically correct as vessels named are I believe run under name Christian Salvesen and Co. I am almost certain vessels named are not chartered to another company. Salvesens are not as far as I know associated with any other whaling concern in these waters.

Magistrate.

19

GOVERNMENT HOUSE,
STANLEY.

3th May, 1931.

FAULKLAND ISLANDS.

No. 102.

My Lord,

With reference to Your Lordship's despatch No. 34 of the 16th of March, 1931, I have the honour to report, as directed, on the whaling operations during the season 1930-1931 of Messrs. C. Salvesen and Company and their associated concerns.

2. I assume that Messrs. C. Salvesen and Company and the South Georgia Company are to be treated as one and the same concern. So far as I am aware Messrs. Salvesens are not associated with or interested in any other concern engaged in whaling in or near the Falkland Islands sector.

3. It seems to be established beyond doubt that in addition to operating with the land station at Leith, South Georgia, Messrs. Salvesens operated during the greater part of the 1930-1931 season with the floating factories "Salvestria" "Saragossa" and "Sourabaya" within the Falkland Islands sector. I enclose verbatim copies of the reports made in this connection by the Magistrate, South Georgia, the Whaling Officer with the Polagic Fleet and the Whaling Officer, South Shetlands.

4. As Messrs. Salvesens did not take out the licences issued in their favour their action in conducting operations within the sector with the three floating factories named is a direct infraction of clause 7 of the Agreement of 1929 and hence of section 1 of the Whale Fishery Ordinance, No. 5 of 1906.

Enclosures I,
II and III,
in duplicate.

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

5./

5. I can propose no manner of dealing immediately with Messrs. Salvesens except the cancellation of their leases in South Georgia but I hesitate naturally to recommend so drastic a step and I am doubtful whether in the present circumstances of the whaling industry it would be politic or is likely even to be effective, save, may be, as a demonstration of authority. The leases for twenty-one years held by Messrs. Salvesens of Leith Harbour and of Allardyce Harbour both expired on the 30th of September, 1930, and are specially extended under the Agreement.

6. Alternatively if Messrs. Salvesens persist, after due warning, in conducting similar operations in a future season it might be considered practicable to institute legal proceedings in respect of one or of all of the vessels engaged therein under section 5 et. seq. of the Ordinance, for example through the intervention of R.R.S. "Discovery II" or R.R.S. "William Scoresby".

7. In suggesting this latter course I have not considered it competent for me to examine the major issue of law which appears to be involved, namely, as to how far Messrs. Salvesens can be held legally liable to the penal provisions of the Ordinance for acts committed in extra-territorial waters in virtue of their accession to the Agreement.

I have the honour to be,

My Lord,

Your Lordship's most obedient humble servant,

J. M. ELLIS.

EXTRACT FROM SOUTH SHETLANDS WHALING REPORT
SEASON 1930 - 1931.

Concerning the operations of vessels owned by Messrs. Chr. Salvesen I can give no authentic information. Messrs. Salvesen do not belong to the Whaling Association and therefore their movements and catch are not published fortnightly like other companies.

As far as I know, and I feel certain that as far as is known to the whaling fraternity, Salvestria, Saragossa and Sourabaya still belong and are operated by Messrs. Salvesen. I heard it mentioned that Mr. Salvesen paid a visit to the ships again this season.

On the return of "Melville" to Deception in January 1931, I asked the W/T Operator what ships he had seen or been in touch with. He informed me that he had been speaking with Salvestria about the 14th January and that a large ship was in view at the time away on the horizon which he took to be the Salvestria. This was in the vicinity of the South Sandwich group. I mentioned this to the Captain but he could not verify this because there were so many vessels that he saw and no note was taken of them.



FALKLAND ISLANDS.

CONFIDENTIAL.

DOWNING STREET.

25 February, 1932.

Sir,

I have the honour to refer to Mr. Ellis's despatch No. 102 of the 8th of May, and to transmit to you for your information, copies of correspondence with Messrs C. Salvesen and Company regarding the operations of the floating factories "Salvestria", "Saragossa", and "Soursbays" during the 1930/31 season.

Messrs Salvesen and Company would not appear from this correspondence, to have committed any actual infringement of the local law, or of the Whaling Agreement of 1928, but since their action enabled their vessels while chartered to another company to operate just as usual in waters frequented by licenced vessels, and to escape payment of the dues which those vessels paid, this action must be regarded with dissatisfaction.

The matter should be borne in mind in connection with any future concessions to whaling firms, and particularly in connection with the renewal of the leases at South Georgia which expire in 1933.

To Messrs. Salvesen
 17/7/31
 Fr. do. 30/7/31
 To do. 6/10/31
 Fr. do. 20/10/31

I have the honour to be,
 Sir, your most obedient,
 humble servant
 (Sgd.) P. CUNLIFFE-LISTER.

GOVERNOR,

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

etc., etc., etc.

MESSRS. C. SALVESEN AND COMPANY.

76

Downing Street.

17th July, 1931.

86766 /7/31

Gentlemen,

I am directed by Lord Passfield to inform you that he has received information from the Officer Administering the Government of the Falkland Islands which leads him to infer that unlicensed whaling operations have been carried on in the Falkland Islands Sector during the 1930-1931 season by the three floating factories, the S.S. "Salvestria", the S.S. "Saragossa" and the S.S. "Sourabaya" which are understood to be operating under your management. In this connection, I am to invite attention to the letter from this Department of the 11th of February 1930.

2. Lord Passfield would be glad to learn the name of the Company to whom the tonnage was stated in your letter of the 6th of June, 1930, to have been let, and to be furnished with copies of the Charter parties.

3. I am to take this opportunity to acknowledge the receipt of your letter of the 15th of June, and to state that, before the Secretary of State will be prepared to give consideration to your request for a reduction in export duty on whale oil, he will await the receipt of an explanation of the circumstances in which the Whaling factories referred to above have apparently operated without a licence within the sector.

I am, etc.,

(Sgd.) S.M. Campbell.

MESSRS. CHR. SALVESEN AND COMPANY.

CHR. SALVESEN & CO.

29, Bernard Street,

Leith.

30th July, 1931.

Sir,

We have the honour to acknowledge receipt of your letter No. 86766/7/31 dated 17th July and to inform you that the tonnage in question was let for the season 1930/31 to a South African company, Messrs Hans Ellefsen, Ltd. Cape Town. With regard to your request to be furnished with copies of the charter parties, none of the standard forms are applicable to the whaling industry and the contract, in accordance with the usual practice, is embodied in a Memorandum of Agreement. We should prefer not to divulge the details of this Memorandum, as it is a business transaction between two private Companies.

No decision has yet been taken regarding the re-opening of the shore station at South Georgia. There are still about 900,000 barrels of the 1930/31 production of whale-oil unsold and, in view of this and of the unsettled economic and political situation, such a step would only be justified by a radical reduction in all working expenses. We hope that sympathetic consideration will be given to our request for a reduction in export duty and would respectfully point out that, on the basis of to-day's market values, the present rate is the equivalent of an ad valorem duty of over 5%.

We have, etc.,

(Sgd.) Chr. Salvesen & Co.

The Under Secretary of State,

Colonial Office,

LONDON, S.W.1.

74

Downing Street,

86766/7/31

6th October, 1931

Gentlemen,

I am directed by Mr. Secretary Thomas to acknowledge the receipt of your letter of the 30th July regarding the operations of the floating factories "Salvestria", "Saragossa" and "Sourabaya" during the 1930-31 season.

2. In the absence of the Memorandum of Agreement with Messrs. Hans Ellefsen, Limited, of Cape Town, Mr. Thomas has no means of judging whether the operations of these floating factories were irregular or not. In the circumstances, I am to ask that the question of furnishing the Department with a copy of the Memorandum may be further considered.

3. In any case, the Secretary of State would be grateful if he could be furnished with specific information as to what form the consideration from Messrs. Hans Ellefsen, Limited, took; whether your firm or the South Georgia Company has any shares, and if so what proportion of all the shares, in Messrs Hans Ellefsen Limited; whether your firm or the South Georgia Company has, or had, under the Memorandum of Agreement, or otherwise, any measure of control over the proceedings of Messrs. Hans Ellefsen Limited; and whether the Memorandum of Agreement contained any stipulations relating to the operations of the tonnage concerned.

I am, etc..

(Sgd.) R. Darnley.

CHR. SALVESEN & CO.

29 Bernard Street,

Leith.

20th October 1931.

Sir,

We have the honour to acknowledge receipt of your letter 86766/7/31 dated 6th October.

In accordance with your request, further consideration has been given to the question of furnishing your Department with a copy of the Memorandum of Agreement to which reference is made, and a copy is now enclosed for your information on the understanding that it will be treated as confidential. Neither our firm nor the South Georgia Company Limited has any shares in Messrs Hans Ellefsen Limited, although three of our Partners are Shareholders, while each of the three concerns in question possesses a distinct and separate persona.

We have, etc.,

(Sgd.) Chr. Salvesen & Co.

The Under Secretary of State,

Colonial Office,

LONDON, S.W.1.

23

MEMORANDUM OF AGREEMENT.

mutually
It is this/day agreed between Messrs Hans Ellefsen, Ltd., Cape Town, Charterers, and the South Georgia Company Limited, Leith, Owners of the floating factory steamers "SALVESTRIA" "SOURABAYA" and "SARAGOSSA" and the steam whalers "SILJA" "SHIKA" "SIRRA" "SUKHA" "STINA" "SLUGA" "SUMBA" "SULLA" "SHUSA" "SVEGA" "SEVRA" "SHERA" "STEFA" and two whalers presently under construction by Smith's Dock Co., Ltd. South Bank on Tees,

(2) that the said Owners agree to let and the said Charterers agree to hire the above-mentioned vessels for the sub-Antarctic whaling season 1930/31.

(3) that the vessels will be delivered by Owners in first-class condition for whaling as follows:- the three floating factory steamers at Leith or other agreed U.K. port or ports during August, the steam whalers at South Georgia during October, except that the "SEVRA" "STEFA" "SHUSA" and "SUKHA" will be delivered at Cape Town not later than August 31st and the two newbuildings on completion at South Bank on Tees.

(4) that the vessels will be re-delivered not later than July 31st 1931 in the case of the floating factory steamers, and September 25th in the case of the whalers, in the same good condition (fair wear and tear only excepted) as they were at the beginning of the 1930/31 whaling season, the vessels having been previously overhauled and drydocked. The floating factory steamers to be re-delivered at a U.K. port or ports to be mutually agreed, the steam whalers at Leith Harbour, South Georgia.

(5) that the said Charterers will pay hire for the said vessels £450,000, say Four hundred and fiftv

fifty thousand pounds sterling.

(6) The payment of the hire shall be made as follows -

25% on 1st February 1931

75% on 31st July 1931.

(7) In default of such payment or payments as herein specified The Owners shall have faculty of withdrawing the said vessels from the service of the Charterers without prejudice to any claim which Owners may otherwise have on the Charterers under this Charter.

(8) that with the exception of insurance of the vessels, which Owners shall provide, Charterers shall pay for all and every other expense in connection with the vessels during the 1930/31 whaling season until their re-delivery as above specified. Charterers shall maintain the vessels in thoroughly efficient state as regards hull and machinery, for and during the service

(9) Should the vessels sustain any average, Owners to be kept fully advised.

(10) Any bunker coal, fueloil, or unbroached consumable stores on board at time of delivery to be paid for at the current market prices at the respective ports of delivery by Charterers, and the Owners shall pay for any bunker coal, fueloil, oil or unbroached consumable stores on board at time of re-delivery at the current market rates at the respective ports of re-delivery.

(11) Salvage money earned during the currency of this Agreement to be for Charterers' and Owners' equal benefit after deduction of the share for the crew defined by British Law.

(12) The total production of whaleoil obtained by the above vessels during the 1930/31 whaling season shall be the property of the Charterers, who shall take over Owners contract with Margarine Union Limited of London, Lever Brothers Limited, London, and De Nordiske Fabrikker, De-No-Fa A/S, Oslo, dated 26th February 1930 in respect of the sale of the "SALVESTRIA" "SOURABAYA" and "SARAGOSSA" productions.

(13) Should any dispute arise between the Charterers and Owners as to this Agreement, same shall be referred to two persons in Great Britain versed in the whaling trade, one to be appointed by each of the parties hereto. In case of their disagreement, an Umpire to be appointed by the said two Arbitrators. This submission shall be subject to the provisions of the Arbitration Act 1889.

5th June 1930.