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DESPATCH No. 1180 per S.S. "OPHELIA". 21st August, 1917.

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "Ortega"

N^o 1180

London, E.C. 21st August, 1917.

Sir,

I wrote you last on the 27th June. On the 3rd. Inst. the mail by the Ortega was delivered bringing your dispatch No. 533 of the 4th June and duplicate copies of your despatch No. 532 of the 12th May per "Potosi". The latter vessel has evidently incurred considerable delay as she is not expected to arrive before the 16th September. It is a pity that her mail was not landed at Valparaiso and sent overland to Buenos Aires and thence home as in a recent case. It is intended to urge the Postmaster General to follow this course in the event of homeward mails being taken on board at Stanley by the steamers on their outward voyage.

3. The usual forms confirming cables exchanged are enclosed.

4. 532. 2 The Board thoroughly approves of your
533. 2 proposed payment of 3/- per week as a special war allowance to those in Stanley on the hourly wage list and you will have gathered this from the word "allowance" included in my cable of the 11th inst. In view of the Governor's attitude on this matter and the Board's desire that nothing contrary to his wishes should be done without notifying him, I saw Mr. Macnaghton at the Colonial Office and explained the position fully. He quite agreed that the proposed

James Houston Esq.,

Manager,

Port Stanley.

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payment was reasonable and in line with what had been done in several other Colonies. As, however, the Governor had not referred to the subject in his letters they were not disposed to mention the matter in writing to him. The Board has every confidence that you will be able to arrange matters smoothly.

Your action with regard to the Jetty gang has also met with the approval of the Directors.

5. 532.3. The Board is naturally pleased to hear your good report of the "Lady Elizabeth" from which it is clear a fraud was perpetrated by someone when the vessel was condemned. It would serve no useful purpose now to endeavour to bring home the responsibility for this but it is important, when you can obtain the services of a reliable diver from the Navy, that you should have an under water inspection made to confirm your recent report.

6. 532.4. Your view that the "Garland" should be returned to Stanley entirely coincides with that of the Board. You will see this from a reference to the following outward despatches 1100.3, 1111.18, 1151.12. That this was also Mr. Harding's original idea is clear from his despatch 381.12.

7. 532.5. The Board is quite prepared to accept your decision, come to in consultation with Mr. Townson and Simson, relative to the position of the cook house at North Arm. Mr. Blake, in his letter to Mr. Townson, has made this quite clear. As regards the water supply, an application has been made to the Ministry of Munitions for the 700 yards of 1" and 1300 yards 3" iron piping asked for and if this can be obtained shipment will be effected as soon as possible.

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The sample of water advised by Mr. Townson on the 6th April arrived a few days ago and has been sent to Dr. Dyer for analysis. His report cannot be obtained in time for this mail.

8. 532.6. The importance of providing a new cook house for the Chilians at Goose Green is fully appreciated and it is the wish of the Board that a new house should be put up there with the least possible delay after the one at North Arm is erected. At the same time it is impossible to see when you can start on the work having regard to the existing difficulties of importing building material.

The unclean condition of the white men's quarters is a matter that the Camp Manager should control and you will, doubtless, make this clear to him. If the Company erects the best and most comfortable buildings it can design for their use it intends to see that they are kept in clean and decent order. It is perfectly evident that control of this nature owing to extreme slackness has, in the past, been conspicuous by its absence. It is, however, hoped that such matters will be remedied under the more active management of Mr. Townson. A periodical visit and report from you may assist in keeping things up to the mark.

Your suggestion of replacing the existing wood floor of the cooling shed with concrete is quite approved of.

The insanitary conditions owing to the discharge of filth from the factory and the consequent pollution of the sea water used for washing down is a matter about which the Board is very seriously concerned. It is its wish that no expense be spared to thoroughly remedy the existing evil at the earliest possible moment.

It is hoped that you will use every effort, in consultation with Mr. Townson, Weiss and Mills, to evolve some scheme that will eliminate all existing evils. Until, however, the blood drying plant can be imported - if it can-

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not be improvised - the work clearly cannot be completed.

In February last Mr. Harding sent home notes he had made following a conversation with a Mr. Fossheim of the firm of J. & A. Jensen, Kristiania. Mr. Fossheim had erected plant in the South Shetlands for dealing with refuse at the whaling factories and I have written to his principals (copy enclosed) asking for their views and if they could supply and ship by whaling steamers from Norway direct to Stanley the plant required. In due course you will be advised of their reply.

It would be interesting to know if Mr. Weiss can say how the paunches and dung are dealt with at the factories on the Coast. Are they not all treated in the manure plant? It is impossible to believe they are thrown into the sea as at Goose Green.

It is noted with satisfaction that further improvements in the fresh water supply are to be made.

9. 532.7. The delay in returning the Chilians is
533.4. unfortunate but clearly, under all the circumstances, unavoidable.

You are to be congratulated on having got so well over the little difficulty with the Governor over the silver question. He was evidently labouring under a misapprehension.

10. 532.8. As only the duplicates of the "Potosi's" mail are to hand comment on Dr. Wace's letter referred to is impossible.

11. 532.9. From cables exchanged between us you will
533.11. have gathered that tin plates are unobtainable here. The Ministry of Munitions, with whom I have had many interviews on the subject, finally told me "We simply have not got the steel to spare. All likely to be available during the next six months is more than committed for building ships, shells

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and guns". I, accordingly, cabled you to fall back on the American offer and was relieved to hear later that your contract had been accepted. Meanwhile I do not accept all that the Ministry of Munitions tell us as Gospel truth and I have written the Colonial Office pointing out the great importance of the canning to the Islanders and asking them to support a further application I will make if they are agreeable to do so. If the permit should be granted - which is very doubtful - we shall be able to secure a two years' requirements of plates and this would be a very small evil compared with being short, or without any.

I note you have secured the San Carlos stocks, which is satisfactory.

12. 532.10. It is difficult to understand what the
533..3. intentions of the P.S.N.Co. really are with regard to Falkland trade but it seems certain they will not be in a position to do much for us during the remaining period of the war. For this reason the Board, as referred to in a later paragraph, has decided to sell the next season's wool clip to the Government. From the copies of correspondence enclosed you will see that the P.S.N.Co. have notified that our five years contract must be considered cancelled. Meanwhile we learn from Lowden & Co. that it is proposed to send the "Potosi" to Stanley in December as a cargo steamer. I have also learned quite unofficially from a thoroughly reliable source at the Post Office that all endeavours to renew the mail contract with the Islands expiring on the 7th September have, so far, failed, the Pacific Co. having declined all offers made. During the war any but an irregular service cannot be expected, but it would be a calamity if afterwards the direct service to the United Kingdom was not continued.

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13. 532.10. Your heavy purchase of flour &c. from
533. 9.
533.13. Monte Video is approved. The Governor's action in enabling you to secure it is appreciated.

14. 532.14. The war risk rate of 8½% charged by Maclean Stapledon is monstrous. You will note from recent debits sent you on risks insured on your cable advices, 10/- % only has been paid for the same risk. You will doubtless, therefore, continue to ask us by cable to do this insurance here.

15. Biggs' report on the buildings in Stanley is naturally regarded as sad reading. It certainly points to great neglect of property all round. It is the Board's desire that all repair work you consider necessary should be completed as soon as possible. In the meantime please enquire and advise if the recommendations made by Mr. Cobb when in Stanley in 1910 were all carried out. You will no doubt have on your files his written instructions on the matter.

16. 533.5. The report on your endeavour to secure the promise of sufficient assistance from the Stations to carry on the canning in future will be awaited with much interest. It is regarded as most desirable from every point of view if it can be arranged but the only fear is that it will be found impossible to spare the necessary number of men. However, I hope you will succeed in obtaining the hearty support of all.

17. 533.6. Your progress remooring the Great Britain is noted with satisfaction as also your intentions with regard to the other hulks.

18. 533.8. I am obliged for the documents relating to the loss of the "Magallanes". From the accounts herewith you will see the underwriters have settled a "total loss

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for the amount insured, viz. £400.

19. 533.16. You are quite at liberty to make the ordinary advances to carry on the Weddell Island farm. Mr. W. S. Williams was merely a partner with several others in the business and his death should make no difference to the Williams Co's. account which need not have been closed. I understand that Messrs. J.R. & K. Cobb, solicitors, are acting for the late W.S. Williams in connection with the settling of his personal estate. They are forwarding you by this mail a Power of Attorney to enable you to do this.

20. 533.14. When the "Potosi" is fixed to sail in October as referred to above, a shipment of steam coal will be arranged. Meanwhile, as suggested in your cable of the 13th August, Messrs. Salvesen have been asked if they are open to sell any of their stocks at New Island.

21. 533.17. The lease of Lively Island is safely to hand.

22. 533.18. The views of those farmers resident here with regard to the office of Stock Inspector will be obtained and I will advise you of the result later.

23. In paragraph 4 of my last despatch particulars were given of the Government's offer for the wool in Stanley. The contract was concluded on these lines on July 10th as per copy of letter from the Director of Contracts herewith. I also send copy of the agreed schedule based on stocks as on 26th June showing how the average per bale of each mark is arrived at. On advice of shipment we shall receive payment within 5% of the value shown and the balance will be adjusted after arrival on appraisement on delivered weights. In the event of loss at sea the schedule will be the basis of settlement.

It was unfortunate that the "Cardiff Hall" was sent away before the completion of her loading but I hope to hear from you shortly of her return. Meanwhile, an invoice for

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the quantity of wool shipped has been sent to the War Office as per copy herewith.

You will have understood from my cable of the 11th August that the Board and those farmers who are on this side have agreed to accept the Government's offer to buy next season's clip on the same terms. I shall, no doubt, shortly hear from you if the others also agree. It is generally considered that the acceptance of the offer provides the only sure means of getting the wool home during the war.

The cabling expenses in connection with this business have been very heavy but all interested will have to bear a proportion.

I thank you for your message of the 11th August which I read to mean that 185 bales of wool have been brought into Stanley since the 26th June .

24. I have received a letter from the Secretary of Lloyds, dated 25th ult., advising that the Committee have appointed you their agent. I assume a similar communication has been sent you direct. Copy herewith.

25. In order to complete a comprehensive statement showing a comparison of sheep from each Station sent to Goose Green, details of weights and invoice value of all killed are required. By the "Orita" mail I received copies of invoices for one or two marks and I am awaiting the balance. If these have not been sent in the "Potosi" please forward as soon as possible.

In connection with the allowance made for difference between hot and cold weight, it is now considered that with the experience gained during the past two Seasons, you could fix on an all round per centage to be deducted from the warm weights which would be satisfactory to all concerned. This plan would save quibbling and would simplify matters considerably. The matter is left in your hands to decide.

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26. In the first paragraph I find I omitted to acknowledge receipt of the duplicate copy of your letter of the 24th May per "Potosi".

I am, Sir,

your obedient servant,

E. B. Soudard.

Secretary.

27. In paragraph 9 of my No. 1171 I asked that, in future, an entry be passed debiting "Canning" and crediting "Farm" with the value of all sheep sent to the Works from each section. This does not appear to have been done for the 1916 Season before the books were closed. Kindly do so in future. The way in which the Canning account has been kept in the past is not quite satisfactory. The balance transferred to the Farm at 31st December each year should be the profit, or estimated profit, for the past twelve months. The balance carried forward should represent the value of stocks of material and stores in hand. Please have the account worked in this way, vide also paragraph 6 of No. 1170.

28. Alluding to paragraph 20 above, I have just heard from Messrs. Salvesen that they "regret that the coal at New Island is not for sale".

ENCLOSURES VIA LIVERPOOL.

ORIGINALS

- 1 Cablegrams sent dated 2nd, 13th, 16th, 18th, 26th July, 9th & 11th August.
- 2 Cablegrams received dated 2nd, 27th July, 9th, 10th, 11th & 13th August.
- 3 List of General Cargo per S.S. "Orita"
- 4 General Invoice goods per S.S. "Orita."
- 5 Bills of Lading cargo per S.S. "Orita"
- 6 Particulars of Government Valuations of Clients' Wool now in Stanley & Co.

A F C	39 bales Wool	
F	202	,,
T R	9	,,
M V	16	,,
M & G	36	,,
R B C	10	,,
J R	34	,,
H	81	,,
D S	68	,,
S & S	104	,,
B	86	,,
W P	23	,,
H W	35	,,

7 Clients' Reports:-

L G C	13 bales Wool ex "Orita"	
R B C	19	,,
J B	107	,,
W P	25	,,
T R	142	,,
AP	23	,,
F	102	,,
S & S	39	,,
S	165	,,
UP	1	,,

- 8 Brokers' press copies Co's wool ex "Orita"
- 9 Particulars of Wool Sweeping Returns for 1916.
- 10 Copy of letter to J. & K. Jansen dated 9th August.
- 11 Copy of letter from Pearson's Antiseptic Co., Ltd., dated 16th August re disinfectants (6 copies)
- 12 Priced Wool catalogue of 9th August sale.
- 13 Account Current dated 21st August and vouchers.
- 14 Remarks on Accounts.
- 15 Remarks on Stores.
- 16 Copy of Mr Blake's letter to H.W. Townson dated -August.

- 17 Valuation of Wool in Port Stanley dated 26th June together with copy of Government confirmation of purchase scheme of 10th July and debit note for wool shipped per "Cardiff Hall" dated 14th August.
- 18 Copy of letter from Lloyds dated 25th July.
- 19 Copy of letters from the P.S.N.C. dated 16th, 21st, 27th July (2) 10th & 18th August.
- 20 Copy of letter to the Colonial Office dated 17th August. re tinplates .
- 21 Copy of Chr. Salvesen & Co's letter dated 20th August re coal at New Island.
- 22 Copy of letters to the P.S.N.Co. of 1st 7th & 21st August. & theirs to us of the 27th July.
- 23 Copy of Secretary's letter to H.W. Townson dated 21st August.

LONDON 21st AUGUST, 1917

Enclosures via LIVERPOOL

DUPLICATES.

Despatch No.1179 dated 27th June,1917

List of Enclosures

Remarks on Machinery Report dated Stanley, March, 17

Proforma List of Clients' Cargo per S.S."Orita"

Remarks on Stores & replies.

Remarks on Accounts

Account Current dated 27th June.

List of Parcels

List of Cargo per S S."Ortega"

General Invoice goods per S.S."Ortega"

Clients' A/sales:-

Z	129	bales Wool ex "Oronsa"
Z	104	,, ex "Corcovado"
H & B	119	,, ,,
S	44	,, ,,
J B	143	,, ,,
J B	6	,, Skins ,,
Z	6	,, , ,,
♡	11	,, , ,,
S	15	,, , ,,

Clients Invoices goods per S.S."Ortega"

Dean & Anson	45	.	-	.	5
Vere Packe	1	.	6	.	-
H & G.Cobb	18	.	7	.	8

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PRECIS OF DESPATCH No. 1181 PER "ORITA" 22/10/17.

1. Acknowledges receipt of Despatches 534/5.
2. Confirming cables. Costs to be apportioned.
3. Re payment on account of wool per "Cardiff Hall".
Re sale of next Season's clip.
4. Re canning supplies bought of San Carlos.
5. Refers to good prospects of canning with local labour.
6. Speedwell Is. to be allowed to use Blind Is. Terms.
7. Estimates of last Season's working. 25% bonus declared.
Basis of new sheep contracts.
8. Re correspondence with Governor re currency.
9. Re future coal supplies.
10. Re Goose Green working arrangements.
11. Mr. Weiss, gratuity £250.
12. Re correspondence with Dr. Wace.
13. Re improvements in men's quarters Goose Green.
14. Difficulty of maintaining store profits.
15. Asks for proposed new rates on produce for hulkage, &c.
16. Enclosing correspondence with P.S.N.Co. re Contract.
17. Entries for sheep purchase and bonus.
18. Acknowledges receipt of Will of W.S. Williams. Re loan Duncan
£400.
19. Re Legislative Council - proposed appointment of Mr. Turner.
20. Advises purchase of rams to go per "Potosi".
21. Re Mr. Townson's horses.
22. Further reference to currency question - par.8.
23. Pipes for North Arm and Goose Green being sent per "Potosi".

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

61, Gracechurch Street.

London E.C. 22nd October, 1917.

"Orita"

1181.

Sir,

I wrote you last on the 21st August. Since that date I have received your despatches by the "Orita" Nos. 534/5, and letter of the 31st July, delivered on the 1st inst., and the following day the long delayed "Potosi" mail came to hand. The latter contained your despatch No. 532 of the 12th May the duplicate of which had reached me on the 3rd of August.

I am glad to advise that, in the case of mails being again taken at Stanley by an outward bound steamer, the Post Office have issued instructions that they shall be landed at Punta Arenas or Valparaiso and despatched home by the shortest route.

2. Cables exchanged are confirmed on forms enclosed. The heavy cost of the cables in connection with the Government wool purchase negotiations will be charged in account sales to each mark interested in proportion to the value at stake.

3. par. 4/5. Referring to my remarks in par. 23/1130 Before any payment on account of the first shipment by the "Cardiff Hall" was received the Director of Contracts heard of the return of the vessel to Port Stanley to complete loading and decided in favour of one payment on account of the whole shipment. It was not, therefore, until the 22nd of James Houston, Esq.

Manager,

Port Stanley.

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September that we received his cheque for £155000. From the accounts sent you herewith you will see that we have passed out credits on account to each mark as at that date and in arriving at these amounts we have retained sufficient to cover coastal freight, insurance, commission and cable expenses. The balance due to us from the Government will be paid on arrival in the U. K. after appraisement of each mark.

I was glad to receive your cable of the 11th inst., advising that the assent of all remaining farmers had been received to sell the next Season's clip on the same terms.

4. par.7. It is fortunate that you secured all the remaining stock of canning supplies from San Carlos and that you were able to contract for the remainder of the plates required from America. It is to be hoped that you ^{will} not be disappointed as to delivery of the latter in good time. Boxes are almost as difficult to obtain here as tinplates.

From copies of correspondence enclosed you will see that our appeal to the C. O. to support our application to the Ministry of Munitions proved fruitless.

5. par.9. The Board was especially pleased to see that you are paving the way, with every hope of success, in the matter of securing sufficient local labour for next Season's canning. Your proposal, too, to rake in sheep from other than the usual stations is highly approved of.

6. par.9. With regard to the proposal to allow Speedwell to use Blind Island it was agreed that you should do this on condition that it was used exclusively for fattening sheep for Goose Green and that a nominal rent of £1 per annum should be charged.

If your estimate of 50,000 sheep next season is realized it will be most satisfactory as prices for all produce seem

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likely to be maintained.

7. Enclosed you will find a statement of the estimated results of this Season's canning work on basis of current prices and I think you will agree that it comes out very well. In this connection please take a note to let us have, as soon after the 30th June as possible each year, a summary of the cost of all materials used and the salaries and wages for the Season. This will enable an estimate of the result to be made so as to decide what bonus, if any, is to be given and to arrange contracts in good time for the following year. In the figures above referred to these have been estimated and a liberal margin allowed.

On the strength of the result shown and in order to secure all possible sheep for next season the Board decided to grant a bonus of 25% to all Farmers on the invoice value of sheep supplied by weight, provided they were prepared to renew the contracts for next season on the same terms. The Board also agreed that in making these contracts we would accept all carcasses weighing 40 lbs. warm at the 3d. per lb. rate, the 3d. being credited on the cold weight as heretofore. This will let in to the 3d. per lb. rate those sheep weighing 38 and 39 lbs. which, previously, were taken at 3/6d. This constitutes a considerable further concession to sellers.

It is not intended that the bonus shall extend to those farmers, such as Greenshields, who refused to sell by weight.

A supply of new contract forms is enclosed. You will see that rams have been dropped out for the reason that we do not wish to encourage them being sent.

8. par.10. Your correspondence with the Governor on the subject of currency has been read with interest. The difficulty is appreciated but, obviously, it would be wrong to give a guarantee - which you probably could not carry out - to redeem on demand at any time in cash the cheques held by

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the Government. To help you in this matter, we propose sending you by this mail £3000 in Treasury Notes of £1 and 10/- each. This should provide you with ample reserve to fall back upon.

9. pars. 11 & 14. The position as regards coal and the unsuitability of Brynkinhalt is noted. It is being arranged to send you by the "Potosi", now fixed to sail on the 5th prox., 1000 tons of large Yorkshire. This, we understand from Messrs. Babcock, is more suitable for their boiler than any North Wales or Staffordshire coal. South Wales is practically unobtainable at anything like a reasonable price.

10. par.13. The existing arrangements for carrying on at Goose Green which you detail are noted. Also that you do not, for reasons which appear sound, consider it necessary to engage any additional engineer.

11. par.15. It is fully appreciated that Weiss has done excellent work at Goose Green and is, therefore, entitled to some consideration. At the same time he knew perfectly well when engaged that no canning had been done there previously and that the old premises had been adapted as well as possible for the new work. Under these circumstances, coupled with the fact that the season there is one of only two months duration and that he remains on full pay for the whole year, it is considered that he was only doing his obvious duty in employing his time in effecting all the improvements that occurred to him. What else was there for him to do? However, to settle the matter once and for all and realizing that in him the Company has a valuable servant, the Board has sanctioned a special gratuity of £250 and I trust that he will be satisfied with this generous award. As regards his salary, in his letter 23/6/11 he asked for

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£500 per annum and a passage to Australia at the end of three years if he left the Company. He was granted £550 per annum and no passage which was about equal to his request so I assume that he is satisfied on that point.

You are no doubt right as to the inadvisability of Mr. Weiss going to the Coast this year. It is hoped however that, as you indicate, he may in the meantime be able to devise means of turning to good account some of the waste products.

I have, so far, had no reply from the Norwegian Engineers J. & A. Jensen, Kristiania, referred to in par.8 of my 1180.

12. par.16. The correspondence with Dr. Wace was before the last Board. It was agreed that as he is evidently incapable of writing his employers with common civility his letters would not be discussed. No further letters from him need be forwarded here.

An endeavour is being made to secure a medical man to succeed Dr. Wace from the termination of his agreement. I will cable you the result when successful.

13. par.17. Your intention to carry out the improvements suggested by Nicholls to the men's quarters at Goose Green is approved.

14. 535. 2. It is quite appreciated that the reduction in the volume of supplies coupled with the considerable rise in price will make it almost impossible for you to maintain the profit in stores made in recent years.

I hope your endeavour to find a market for the old ship materials on hand will be successful. If not now, there certainly should be a demand for these at the termination of the war for it is certain that then every sailing vessel that can float will be put in commission.

15. 535. 3. In view of the possibility of the P.S.N. Co. being able, under the recent legislation cited in their

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correspondence, to discontinue to carry out their obligations to us under the five years' contract, it will be well for you to send your views as soon as possible as to the charges to be levied in future for receiving, delivering, hulk hire, &c., on produce. As you say, these should be at such a rate as will leave a profit to Company's Shipping and it is a matter that should be dealt with when any revision of freight rates is made.

16. Alluding to par.11 of my 1180, I enclose copies of further letters exchanged with the P.S.N.Co. relative to their notice to terminate the Contract.

17. 535. 4. Please see that all entries for sheep purchase and for the 25% bonus referred to in par.7 are put through before the end of the year. The value of sheep should be credited to clients as at date of delivery or canning.

18. The Will made by W.S.Williams came safely to hand and has been forwarded to the Solicitors.

With regard to the receipt for £400 for loan to D.H. Duncan, Mr. Harding is under the impression that the £400 was lent by D.H.Duncan to Williams and on being subsequently paid off by Williams the receipt given by Duncan was left in Stanley office for safe custody. Can you throw any further light on the transaction?

19. The Board was very surprised to hear that the Governor had, provisionally, appointed G.I.Turner to the vacant seat on the Legislative Council and that the continuity of 32 years representation of the Company thereon was threatened. The matter was considered of such importance that the Chairman, accompanied by Mr. Harding, sought an interview at the Colonial Office and laid their views strongly before Mr. Macnaghten. They were informed that the appointment

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had not yet been confirmed and that it would be delayed pending the receipt of letters on the subject from the Company and the Farmers here.

A copy of the Chairman's letter is enclosed and also one of the petition now going the round of Farmers for signature. So far there is not one who has not agreed to support you.

20. By the s.s. "Potosi" fourteen rams are being shipped ten of which are for the Company and four for H.B.Ltd. These were purchased at the Ashford sales on the 28th Sept. by Mr. E.J.Mathews who kindly agreed to select for us. It is agreed that, on the arrival of the "Potosi", you should draw lots to decide on the 10 for Darwin and the 4 for Hill Cove. Should any die on the voyage they must be drawn for as though they had arrived.

Your cable of the 11th inst. advising that Messrs. Miller & Evans had recommended that twenty rams be sent, arrived on the 11th inst. and as all space in the "Potosi" for stock had been booked it was not possible to send the additional ten.

21. It had only recently come to the knowledge of the Board that the horses taken over by Mr. Townson for his personal use on the farm are an inferior lot. It is the wish of the Directors that this should be remedied as quickly as possible as it is considered essential that, to enable him to get round the Station as he should, he must have as good a troop as it is possible to get. Therefore please arrange with him to take over, on the Company's account, any horses that belonged to him on joining the service and which are now available for his use. It is left to you to agree with him the value. He may also be able to pick up the balance required from other sources from time to time.

22. Since writing par.8 I have had interviews with our

1181. 22.10.17.

Bankers and the Treasury and find that there is no means of securing the replacement of any Treasury or Bank notes which may be lost on the voyage. Under these circumstances, it is not considered there is any obligation on the Company to ship out notes and incur the expense of insurance which, for War and Marine risk, would be 5½% or on £3000, - £165. Surely it is the Government's responsibility to see that sufficient currency is in the Islands and, doubtless, the Governor could arrange to import the notes without the expense we should incur. If he would agree to import Treasury notes you could give him an undertaking to take up immediately on arrival up to £2000 or £3000, as you think necessary to be paid for in London by us in cash to the Crown Agents on receipt of cable. This would give you a reserve and render it possible for you to give him the guarantee asked for to meet on demand all cheques on your office which he may hold.

Another suggestion is to guarantee to meet by cash payment in London at any time the amount of the cheques on receipt of cable advice.

23. Referring to your cable of the 13th ult. giving details of iron and earthenware pipes required for the North Arm and Goose Green water systems, everything is in order for shipment of the whole lot by the s.s. "Potosi". The necessary permits to make and to ship have all been obtained and it is only for the suppliers to deliver in time.

I am, Sir,

your obedient servant,

E. B. Goddard

Secretary.

ENCLOSURES VIA LIVERPOOL.ORIGINALS

- 1 Copy of Cablegrams sent dated 3rd & 19th Sept. & 15th Oct.
- 2 Copy of Cablegrams received dated 12th & 19th Sept. & 11th Oct.
- 3 Copy of letter received from the Colonial Office dated 3rd
& our reply of the 4th October re tinplates.
- 4 Estimated Result of Canning Season and proceeds of Wool
for 1917.
- 5 Bills of Lading general cargo per S.S. "Ortega"
- 6 Copy of letter from DuCroz Doxat & Co. & Anning & Cobb of
2nd & 5th Sept. respectively re F 1st bale Skins ex "Intaba"
- 7 Dr Bernard Dyer's report and analysis on sample of Water
received from Mr Townson.
- 8 Copy of letter received from C.J. Piggott dated 11th Sept.
& buyer's report on Extract ex "Orita".
- 9 General Invoice goods per "Ortega"
- 10 List of General Cargo per "Ortega"
- 11 Letter addressed to Mr Harding from the P.S.N.C. dated 18th
December, 16 & Mr Houston's to Pacific of 5th April
returned at Mr Harding's request.
- 12 Copy of letter to P.S.N.Co. dated 21st and their reply of
27th August.
- 13 Account Current and vouchers.
- 14 Remarks on Accounts.
- 15 Remarks on Stores.
- 16 Copy of letter to the Colonial Office dated 17th Oct.
- 17 Contract Forms for sale & purchase of Sheep for Canning.
- 18 Estimate of Result of Canning Season 1917 for H.W. Townson.
- 19 Letters for the following:-
James Houston, Esq. (4)
H.W. Townson, Esq. (2)
Sydney Miller, Esq.
Mrs Miller

LONDON 22nd October, 1917

ENCLOSURES VIA LIVERPOOL.

DUPLICATES.

Despatch No. 1180 dated 21st August.

List of Enclosures.

Remarks on Stores

Remarks on Accounts.

Account Current dated 21st August.

List of Cargo per S.S. "Orita"

General Invoice goods per S.S. "Orita"

Proforma List of Cargo per S.S. "Ortega"

List of Parcels.

A/sale F.B.L bale Hair ex "Corcovado"

Clients' reports:-

S & S 29 bales Wool ex "Orita"			
F	102	..	..
E R	142	..	..
W P	25	..	..
J B	107	..	..
H G C	12	..	..
R B C	19	..	..

Indice 5.

PRECIS OF DESPATCH No. 1182 PER "POTOSI" 5/12/17.

1. Acknowledges despatches Nos. 536/7.
2. Confirms cables.
3. Re settlement of war bonus & Stanley wages.
4. Sale of new clip to Govt. Skins also to be taken over.
5. Reports safe arrival of "Cardiff Hall".
6. Comments on Engineer's report on "Plym".
7. Acknowledges receipt of plan of Goose Green.
8. Question of moorings of hulks.
9. Re Governor & stock returns.
10. Acknowledges copy of Engineer's diary.
11. Re information asked for by Braun & Blanchard.
12. Casings.
13. "Lady Elizabeth"s condition and future.
14. Correspondence with P.S.N.Co. re commission on Admiralty employ-
ees
15. P.S.N.Co.'s agency.
16. Re purchase of Greenshields' sheep.
17. Re tenants of Company's houses in Stanley.
18. Re payment of Bonus.
19. Re damage to "Lady Elizabeth" by "Cercevado's" crew.
20. Re deduction for drivers from the West.
21. Correspondence with Brecht re tinplates.
22. Biggs' report on Stanley house & buildings.
23. Enclosing Solicitor's opinion re wreck "Bertha".
24. Re currency question.
25. Re Despatch per "Orita" miscarried by Post Office.
26. Enclosing letters from C.O. & Co. re Leg. Council appointment.
27. Re defective working of Darwin telephone.
28. Prices for light sheep amended. Labour question.
29. Amplifying par. 11 re Braun & Blanchard.
30. Particulars of drawing for rams.

26

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

51, Gracechurch Street,

London, E.C. 15th December, 1917.

"Potesi".

1182.

Sir,

Since writing last on the 22nd October I received, two days later, your despatch No. 536 of the 8th, your letter of the 13th and also your private letter of the 10th September. On the 20th ult. your despatch No. 537 of the 20th September was delivered.

2. Cables exchanged as per forms enclosed are confirmed.

3. 536.3. The action you have taken with regard to wages has the approval of the Board and it is pleased to note you have arranged matters without any friction with the Government.

The reduction effected in the labour bill, stowing the "Cardiff Hall's" cargo, is very satisfactory.

4. 536.4 The delay in obtaining the consent of outlying farmers to sell the Government next season's clip is quite understood. As advised last mail, the contract is definitely arranged and the Government has been advised of the quantities likely to be ready for shipment. It will be for the Controller of Shipping to provide the necessary tonnage.

Within the last few days we have been informed that if the sheep skins are to be brought home in Government provided tonnage they must also be taken over by the Government.

James Houston Esq.

Manager,

Port Stanley.

No. 1182. 5.12.17.

Government. The basis of price ^{will be} ~~being~~ the same as for wool, viz., 55% over 1913/14 pre war prices. The assent of Farmers here will be obtained and, doubtless, you will bring those in the Islands into line. Should any not agree to sell, their skins must not be shipped in the Government steamers.

5. You will be pleased to hear that the "Cardiff Hall", with her valuable cargo, arrived safely in Liverpool on the 7th inst. The final appraisement of the wool and settlement with the Government has not yet been completed.

6. 536.8. The generally good condition of the "Plym's" hull is noted and Mill's report on the machinery makes quite clear the difficulty with regard to the condenser. It is fortunate he can see how to make it serviceable for some time to come as replacements of this nature are impossible to obtain just now.

7. 536.9. The excellent plan of Goose Green, made by ^{537.5.} Mills, is to hand and will be most useful here for it will enable the positions of the various buildings to be followed in such a manner as has hitherto been impossible.

8. 536.11. The attention you are giving to the moorings of the various craft is highly approved of and the "break away" of the "Lafonia" is proof of the necessity.

Please report if all moorings are fitted with swivels. It is considered very important that they should be and if you will indent for any required they shall be sent out when possible.

9. 536.12. It is good news that you have succeeded in interesting the Governor in the matter of stock loss, returns, &c., and no doubt when he has considered the question further he will take some action and may be able to allay the prejudices of those Farmers who wish to hide their losses.

10. 536.14. I am glad to have the copy of Mill's diary and note you will forward same regularly in future. These

No. 1182. 5.12.17.

will be filed here and should prove useful for reference.

11. 536.15. The Beard has no objection to your furnishing Messrs. Braun & Blanchard with the information asked for. It is conjectured that this is required in connection with an enquiry now going on relative to the land tenure troubles in Patagonia and that it is desired to compare the position there and in the Islands. (See also 28).

12. 536.16. The contract made for the casings is quite satisfactory.

13. 536.18. The diver's report on the "Lady Elizabeth", when it can be obtained, will be read with much interest. Meanwhile, your suggestion to send her - if sound - home loaded for repair will probably be the best course to pursue. This cannot, however, be done until after the war as no British controlled sailing ship is allowed to sail through the danger zone.

14. 536.19. Following on the further information you give, I send herewith copies of more correspondence with the P.S.N.Co. in connection with our claim for the disallowed commission on Admiralty passages. The matter has not yet reached its final stage.

15. 536.20. The question of the P.S.N.Co.'s agency is dealt with in the correspondence referred to above. The position is distinctly unsatisfactory and when it can be better seen what services they propose giving to the Islands in the future the matter must be considered in all its bearings.

16. 536.21. Your expectation with regard to the purchase of Greenshield's sheep is quite understood.

17. 536.23. The particulars given as to the tenants in the Company's houses in Stanley is noted and will be referred to again later.

18. 536.24. You correctly interpret the wishes of the

No. 1182. 5.12.17.

Board as to the basis on which the bonus is to be paid.

19. 536.25. A copy of your remarks re damage done to the "Lady Elizabeth" by the crew of the "Corcevado" have been sent to the P.S.N.Co. I fear there is little chance of bringing home to them now their legal liability. Even if we could do so they would not pay up unless taken into Court and this they rely on our not doing.

20. 536.26. The explanation of the 1% deducted last year for ^r"divers" is noted.

21. 536.28. I received a letter from the Brecht Co. dated 8th October detailing the contract placed with them for tin plates through their Buenos Aires house, a copy of which is enclosed. I immediately cabled them to expedite the shipment as much as possible. I have since written in confirmation, explaining the urgent necessity of getting the plates to Monte Video at the earliest possible moment so that no opportunity may be lost of forwarding them to Stanley in time for the canning season. The prices, you will note, are appalling, averaging ex Works \$22.9 gold per box, about 95/5d. against 44/4d. paid here last year. This cannot be helped as tin plates are unobtainable here at any price and are likely to remain so until after the war. Arrangements have been made to remit Brecht by cable immediately they telegraph the goods are ready so that no time will be lost on that ground.

22. 537.4. The further report of Biggs on the Company's buildings, and particularly the Manager's house, has been read with regret and I send you herewith the Chairman's comments. As previously advised, it is the Board's wish that no reasonable expense should be spared in putting all property, particularly the Manager's house, into a thorough state of repair and keeping it so.

23. 537.7. Our Solicitors have been consulted with regard to our position in the matter of the timber washed up from the wreck "Bertha". A copy of their letter is enclosed from which

No. 1182. 5.12.17.

you will see that, in their opinion, nothing has been done to forfeit our right to everything belonging thereto.

Supported by this letter you should have no difficulty in satisfying the Governor on this point for, as you are aware, Messrs. Ince, Colt, Ince & Rescoe rank in the City with the leading Solicitors in Admiralty and Shipping Law and their opinion carries great weight.

24. 537.8. As advised in my last despatch, your attitude in not signing the guarantee asked for by the Governor under existing circumstances is approved.

25. Your cable of the 27th ult. reporting the non arrival of any despatch by the "Orita" naturally caused great surprise and annoyance, particularly as for more than a year past we have gone to head quarters direct (to the Secretary of the Post Office) in the case of every mail leaving, to ascertain the latest time ^{for} ~~of~~ posting and then have taken special care to keep more than an hour inside the time given and have posted at the General Post Office only. On receipt of your cable I immediately communicated with the Secretary and, following enquiries made, he telephoned us to the effect that their records show that our registered package reached them in good time but that the person responsible failed to carry out the instructions given him and placed the package on one side with the result that it was not sent forward with the "Orita's" mail and, therefore, can only reach you with this. I was further informed that the defaulting official has been severely reprimanded and dealt with. This does not lessen the inconvenience caused on your side and on this. I am considering cabling you any points in the delayed despatch with which you should be made acquainted at once.

26. Referring to paragraph 18 of 1181, I enclose copy of letter from the Colonial Office to the Chairman in reply to his on the subject of the appointment to the Legislative

No.1182. 5.12.17.

Council and also ^{of} one addressed by Mr. Harding to the Governor, and another by Mr. Vere Packe.

27. From Mr. Townson's letter of the 28th August to Mr. Blake it is clear that the telephone to Darwin is not working as it should; the constant breakages and the over-hearing of conversations to which he refers should be remedied if possible. You may be able to obtain the assistance and advice of some expert connected with the wireless station. You will bear in mind that the Government are part owners of the line and that the Governor's approval should be obtained before doing anything in the matter.

28. 536.7. Since writing you on the 22nd October, par.7 1181, the question of the prices to be paid for sheep of the lighter weights has been reopened and, after much consideration, the decision has been come to to cancel prices as previously advised and pay at the following rates:-

Wethers and Ewes weighing cold 40 lbs.	3d. 1b.
" " " " under 40 " and including 35 lbs.	2d. 1b.
" " " " under 35 lbs.	3/6d. each.

The enclosed copies of correspondence with Messrs. Waldron will show you the position taken up with regard to the labour question and, when advising you by cable of the above amended prices, it will be made clear that you have full authority to decline taking sheep from any Station not supplying the proportion of labour. The increased prices offered for the lighter weights will, it is hoped, satisfy all and be an inducement to lend you every help to make the season a success.

Herewith are enclosed several copies of a statement showing the prices obtained per head of sheep last year by all farmers. Please pass these on to the farmers concerned for their information; this may result in stimulating healthy rivalry. The partners resident here have all been sent a copy.

In Mr. Weiss' returns for this year's work I note that

No. 1182. 5.12.17.

560 gallons of neatsfoot oil ^{were} ~~was~~ made but no information is given as to how disposed of. Please advise. It is worth here to-day about 8/- per gallon.

I am, Sir,

your obedient servant,

E. N. Soddard

Secretary.

In continuation of the last paragraph, it is the opinion of all farmers here, with whom the matter has been discussed, that if the Governor would consent to waive the order under which no sheep must be dipped until the 1st March, it would go a long way towards enabling the canning to be put through with local labour. If this were done the dipping could, in many cases, be got through before the men were required for canning. You will doubtless do your best with His Excellency to bring this about.

29. It is necessary to qualify what was written in paragraph 11 above. The Board has no objection to your giving Braun & Blanchard any information which they can easily obtain from any of the official publications issued but do not consider it desirable to give them information relative to the quantities of stock on any farm.

30. With reference to the 14 rams shipped by the "Potosi", please note the lots for same have been drawn here with the following result:- the Company take those with ring No. 901, 902, 904, 905, 908, 909, 910, 911, 916, and one with no ring number but left ear mark K E R M $\frac{132}{160}$ Messrs. Holmstead & Blake have drawn the following ring mark:- No. 903, 912, 914, 915.

ENCLOSURES VIA LIVERPOOL

ORIGINALS:-

- 1 Copy of Cablegram sent dated 2nd November & 6th December.
- 2 Copy of Cablegrams received dated 12th ^{14th} 20th & 28th November.
- 3 General Invoice goods per S.S. "Orita" *9/15th Dec.*
- 4 List of General Cargo per S.S. "Orita"
- 5 Copy of letter & cable from Brecht & Co. dated 8th Oct., 7th & 17th Nov. our reply of 9th & 21st November.
- 6 Certificates of Rams per "Potosi"
- 7 Copy of letter to P.S.N.Co. of 8th & 19th and their reply of the 17th November re com. on passages.
- 8 War Stock Certificate for £1500 No. 58768 for the Stanley Benefit Club.
- 9 B/L for 200 cases sheep dip per S.S. "Potosi"
- 10 Copy of letter from W. Carpenter & Sons dated 25th October.
- 11 Copy of letter from Chr. Salvesen & Co. dated 12th November.
- 12 Certificates of Devon Bull purchased by Vere Packe and shipped per S.S. "Potosi"
- 12 Certificates of Aberdeen Angus Bulls & Highland Pony Stallion purchased by Mr G. Bonner & shipped per S.S. "Potosi"
- 14 B/L general Cargo per S.S. "Orita"
- 15 Particulars of Sheep killed at G.G. - Season 1917.
- 16 Copy of letter from P.S.N.Co. of 26th & our reply of the 27th November re "Cardiff Hall" Account.
- 17 Copy of letter from P.S.N.Co. dated 16th November re Sheepskins per S.S. "Potosi"
- 18 Copy of letter to P.S.N.Co. dated 28th re damage to "Lady Eliz"
- 19 Copy of letter from War Office dated 1st November re purchase of Falkland Wool for 1918
- 20 Copy of Chairman's letter to Colonial Office dated 17th Oct. and their reply of the 2nd November re vacancy on Legislative Council.

- 34
- 21 Copy of letter to Colonial Office dated 18th October signed
by all Falkland Farmers resident in England and their
reply of the 2nd November. & Mr Packe's of 19th October.
 - 22 Extract of Mr Harding's letter of the 9th November to
Governor Young.
 - 23 Copy of letter from Ince Colt Ince & Rosco dated 27th Nov.
re cargo per "Bertha"
 - 24 Account Current & vouchers dated 1st December.
 - 25 Remarks on Accounts.
 - 26 Remarks on Stores.
 - 27 Copy of letter to J.L.Waldron,Ltd.dated 2nd December re purchase
of Sheep for Canning.
 - 28 Copy of letter from H.Fredricksen dated 16th November.
 - 29 Priced Sheepskins catalogue of yesterday's sale (14th December)
 - 30 Invoices for sundry stores which will probably be shipped
by the S.S."Oriana" as "Potosi" is closed.
 - 31 Particulars of Earmarks of the Rams per S.S."Potosi"

London 15th December, 1917

(31)

RESULT OF DRAWING FOR RAMS per "POTOSI"

FOR COMPANY.

<u>Ring No.</u>		<u>Left Ear Mark</u>	<u>Right Ear Mark</u>
901	Kerm	172	68 6
902	,,	172	1 6
904	,,	172	52 6
905	,,	172	7 6
908	,,	122	1 6
909	,,	7	8 6
910	,,	122	5 6
911	,,	122	47 6
916	,,	89	27 6
---	,,	122	16 6

FOR HOLMESTED & BLAKE.

902	Kerm	172	28 6
912	,,	115	22 6
914	,,	17	74 6
915	,,	122	121 6

London 15th December, 1917

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

61, Gracechurch Street,

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND " " " " "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

London, E.C.3. 17th December, 1917.

James Houston, Esq.,
Port Stanley.

Dear Sir,

The following have agreed to sell their surplus sheep next season on the amended terms as set out in the despatch going by this mail. The new agreement forms have not yet all been received so that I am unable to send them to you until next mail.

J.L. Waldron Id.
Packer Bros. & Co.
John H. Dean.
Holmsted & Blake, Ltd.,
Geo. Bonner & Co. Ltd.
(x) Baillon & Stickney
(x) W.K. Cameron
(x) Vere Packer.

Those marked (x) have agreed, subject to their Managers finding it possible to supply labour.

Yours faithfully

E. R. Soudard
Secretary.

LATER.

Since writing the above the new contract forms have come in from the printers and a supply is sent herewith.

PRECIS OF DESPATCH No. 1183 PER "CORCOVADO" 28.1.18.

1. Reports no mail to acknowledge.
2. Confirming cables.
3. Tinplates. Brechts may be too late. Others offered from Coast.
4. Re shipment of new wool clip.
5. Re coal shipment per "Potosi & "Corcovado".
6. Enclosing correspondence with P.S.N.Co. re commission on Admiralty passages.
7. Enclosing correspondence with P.S.N.Co. re "Lady Elizabeth".
8. Explaining delay in closing up a/c sales for produce per "Cardiff Hall".
9. Darwin doctor not yet secured.

2

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

London, E.C. 28th January, 1918.

"Corcovado"

1183.

Sir,

I wrote you last on the 15th ult., since when no mails from the Islands have arrived. By the "Orita", due in Liverpool about the 31st inst., I look forward to receiving letters from you posted on her outward voyage.

2. Cables as per copies enclosed are confirmed.

3. The question of the arrival of the American tin plates in time for the canning operations is one which has caused considerable anxiety. You will see from copies of cables herewith that we have been in constant communication with Brecht Co. who advised the plates as being ready on the 18th December. Their subsequent cables reported that owing to "railroad embargoes and congestion" they were unable to rail them to New York for shipment. On the 21st inst. they cabled "Apply British Shipping Board London to cable Shipping Board New York authority to move two carloads tinplate".

I, at once, interviewed the Shipping Controller and emphasized the importance of securing the supply of mutton and he cabled the same day to New York requesting that a permit to rail the goods be issued. Of course, notwithstanding the issue of this permit, congestion may still defeat our aim of prompt shipment. I calculate that the "Corcovado", which is to

James Houston Esq.,

Manager,

Port Stanley.

1183. 28.1.18.

close in Glasgow on the 29th inst., will be at Monte Video about the 23rd February and there is still some chance of catching that opportunity.

It was very satisfactory to learn from your cable received on the 24th inst. that you were offered plates at B.A. and Monte Video and I immediately cabled you to secure same although the price will be appalling.

The fate of Brecht's plates will be known definitely within a few days and then it can be decided whether to hold them for 1919 season's work or to sell them on the Coast. The fact that the American plates have been reported to be very inferior makes it questionable as to whether it is wise, in view of possible deterioration, to keep them over for twelve months. On the other hand, if the war continues until next December it will probably be more difficult than ever to replace them and, with our ample margin of profit, it may pay better to incur a slightly higher per centage of rejected cans than to find ourselves without any plates. If it is ultimately decided to hold them over the special attention of Mr. Weiss should be drawn to taking every precaution to protect them.

It is hoped that it will not be necessary to send the "Falkland" to Punta Arenas on account of the delay and expense entailed.

4. In the absence of any definite information from the Government as to their intentions it was difficult to answer the question in your cable of the 24th inst. re the prospects of the early shipment of the new wool clip. I have kept in close touch with the Shipping Controller and advised him of the probable tonnage awaiting shipment in Stanley. An appeal has also been made to him to make use of the space that will be available then in the "Potosi" and "Corcovado". He is, I understand, in communication with the P.S.N.Co. as to this and when I hear what has been decided I will cable you.

1183. 28.1.18.

5. When the loading of the "Potosi" was completed, the Pacific Company advised that it had been found impossible to take in more than 750 tons of coal instead of the 1000 promised. As a result, probably, of pressure brought to bear by the Shipping Controller, before whom I laid the position, they have agreed to ship a further 750 tons by the "Corcovado". It is to be hoped that this will not dwindle away to a smaller quantity.

6. Copies of further correspondence with the P.S.N.Co. on the subject of the commission on Admiralty employees' passage money is enclosed.

7. A copy of letter from the P.S.N.Co. dated 18th January re damage done to the Lady Elizabeth is enclosed.

8. It is not yet possible to send you the final account sales for any of the produce brought home by the "Cardiff Hall". The appraisement of the wool has been completed and final agreed values are as per copy of catalogue enclosed. The prices given are after adding the 55% increase. The delay in obtaining final settlement is occasioned through the absence of proper facilities in Liverpool for handling wool in addition to the congestion there and shortage of labour. The delivered weight, on which we are paid, cannot be ascertained until final delivery from the store. It is, however, now being moved off to the manufacturing districts and a settlement should be possible shortly.

This weighing difficulty is also affecting the final settlement of the skins and tallow.

9. I am sorry to say that, so far, no success has attended our efforts to secure a Doctor. The Dr. Linzee, with whom we were in correspondence, would have accepted the appointment had he obtained, as he expected, his discharge from the Army. Instead of this, however, he has merely been "demobilised" for six months and therefore cannot do so.

Our advertisement is still posted at the London hospitals

1183. 28.1.18.

and we hope for better luck later on.

I am, Sir,

your obedient servant,

E. B. Goddard.

Secretary.

Enclosures via "GLASGOW" per Corcovado

ORIGINALS

- 1 Copies of Cablegrams sent 28th December, 22nd & 24th Jany.
- 2 Copies of Cablegrams received 16th & 20th December, 19th & 24th January.
- 3 Copy of letter received from A. Arthurson dated 3rd January.
- 4 List of General Cargo per S.S. "Potosi"
- 5 Bills of Lading general Cargo per S.S. "Potosi" & Contracts for carrying animals.
- 6 General Invoice goods per S.S. "Potosi"
- 7 Copy of letters from Brecht Co. dated 15th & 18th December and ours of 12th January. re Tinplates.
- 8 Copy of Cables to Brecht Co. of 28th December, 12th, 13th. & 2nd Jany. from them of 3rd, 11th, 13th & 20th Jany.
- 9 Copy of letter from P.S.N.C. dated 13th Jany. re damage to "Lady Elizabeth"
- 10 Copy of letter to P.S.N.Co. of 20th December and their reply of 3rd Jany. re commission on Government fares.
- 11 Copy of letter to Shipping Controller dated 9th Jany. re shipment of coal per "Corcovado"
- 12 Copy of letter to Director of Commercial Service dated 21st January re shipment of Tinplates from U.S.A.
- 13 Copy of letter to Sir. Percy S. Bates dated 21st Jany. re homeward shipments.
- 14 Priced Wool catalogue which Government will pay for the Cardiff Hall consignment.
- 15 Account Current and vouchers.

- 16 Remarks on Accounts.
- 17 Remarks on Stores
- 18 Cattle Returns for H.W. Townson, Esq.

Letters:-

Consignees' Letter

H.W. Townson

James Houston (2)

F.H. Weiss

Sydney Miller.

LONDON 31st JANUARY, 1918

Index

PRECIS OF DESPATCH No. 1184 PER "ORITA" 19/2/18.

1. Acknowledges receipt of 538/538A 7th & 24th November.
Suggest that Stanley mail be marked via Valparaiso & B.A.
2. Confirms cables.
Appreciation of Governor's efforts re permits.
4. Correspondence with Brecht & Co. re tin plates.
5. Acknowledges Miller & Evans' report on rams.
6. Re amended price for light sheep. Local labour, &c.
7. " purchase of sugar from Rio.
8. " P.S.N.Co's monthly steamer outwards.
9. Appreciation of work on hulks and "Samson".
10. Re wreck Bertha.
11. Re Ash boat sent to Darwin.
12. Purchase of barrels from Port Howard approved.
13. Dr. Wace's probable successor, Dr. Herklots.
14. Re cabling net profit to 31st December 1917.
15. Bringing "Garland" to Stanley approved.
16. Appreciation of Weiss' efforts to improve sanitary conditions.
Re new boiler.
17. P.S.N.Co's service P.A., Stanley & the Plate.
18. Progress of repairs to buildings noted.
19. Re management of Weddell Is. & W.S.Williams' estate.
20. Coal shipments made and proposed.
21. Allowance for hot & cold weight left to you to settle.
24.
22. Goose Green Indent. Re tallow casks.
22. Canning accounts noted.
23. Re coal under water in "Vicar of Bray".
25. Re wreck "Bertha".
26. Re Dr. Wace.

9

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1802.

61, Gracechurch Street.

London, E.C. 19th February, 1918.

"ORITA"

No. 1184.

Sir,

I wrote you last on the 28th ultimo and received, on the 7th inst., your despatches numbered 538 of the 7th and the 24th November. Please note for future reference that the latter has been marked 538A.

It is clear that these letters remained on board the "Orita" and have been carried via Valparaiso, Panama. Some time would have been saved had the mail been landed at Valparaiso and sent across to Buenos Aires and thence home. I have pointed this out to the authorities at the Post Office and have been informed that if the Postmaster at Stanley will mark the mail bags "Via Valparaiso and B. A." this course will be followed in future.

2. Cables exchanged are confirmed as per forms enclosed.

3. 538. 5. The assistance rendered you by the Governor
538A. 7
in supporting the applications to be made for solder and tin-plates for the 1919 season is much appreciated. The matter shall be followed up here without delay and all possible efforts made to secure the necessary permits.

4. 538.6. I am obliged for copies of your correspondence with Brecht & Co. Enclosed I send you mine with them from which you will see the difficulties they have had to contend

James Houston Esq.

Manager,

Port Stanley.

1184. n 19.2.18.

with and that their latest cable, dated the 5th inst., advised that the tinplates had been shipped on the 1st inst., and that the vessel was expected to clear later. I wired them to cable when the vessel left New York and when due at Monte Video so as to be able to advise you but I have heard nothing further so far.

5. 538.7. Messrs. Miller & Evans' report on the rams is to hand. Comment is needless.

6. 538.8. It is somewhat remarkable that at the very time you were writing your remarks on the desirability of meeting farmers on the matter of an improved price for light weight sheep the Board should have had the question under reconsideration and that a final decision should have been come to so nearly coinciding with your suggestions. The details were fully set out in par. 28 of my 1182 and need not be again repeated. It is hoped that all farmers will be satisfied with the amended price and that it will have proved an inducement to them to lend you every assistance in the matter of labour. and that you may yet see your way to carry through the work without importing the Chilians.

The indication you give of 50,000 sheep for the coming season is exceedingly satisfactory and will, I hope, be realised.

7. The purchase of sugar from Rio is very good.

8. 538.10. Your advice from the P.S.N.Co. of their intention to provide, if practicable, a monthly service outward is in line with the information we have received.

9. 538.11. Your report on the excellent work and attention given to the hulks and "Samson" has been read with much interest and satisfaction by the Board.

10. 538.12. Wreck "Bertha". This matter will be referred to again at the end of the despatch.

11. 538.13. Remarks noted. It is not clear where the ash

1184. 19.2.18.

boat referred to originally came from but no doubt Mr. Harding will be able to enlighten us the next time he calls.

12. 538.14. Your purchase of barrels and shooks from Port Howard is thoroughly approved of as it is becoming increasingly difficult here to buy any description of manufactured goods.

13. 538. 15. Your remarks and the correspondance in connection with Dr. Wace and Weiss only go to prove what the Board has realized for some time past, viz:- that the former is a most undesirable person to have on the farms and that the sooner he can be got rid of the better. The Board was prepared to go the length of offering a special bonus to secure a doctor here to replace him and, if necessary, to reduce the term of agreement to two years. Fortunately this will, I hope, not be necessary as I have interviewed a doctor to-day, G. A. Herklots, M.R.C.S., L.R.C.P. of University College Hospital, who appears suitable and who has signified his readiness to accept the position on the old terms. The total earnings were indicated to him as amounting to about £600 p.a. from all sources and the Company to guarantee that it shall not be less. Immediately an agreement is signed and I hear when he can sail I will cable you.

14. 538.16. The plan you propose following in cabling the net profit on the accounts to 31st. December will be quite clear. We will add 00 to the figures cabled to arrive at the figure. Owing to the delay in obtaining final settlement for produce per "Cardiff Hall" there will be a large amount left for you to estimate. You will, no doubt, send details of this showing the basis adopted for your figures; these can then be reviewed here in the light of actual realizations.

15. 538.17. Your report and proposals in connection with bringing the "Garland" to Stanley have been read with interest

1184. 19.2.18.

and meet with the entire approval of the Board.

16. 538. 18. The progress made with the Goose Green cook-house is noted with satisfaction as is also the fact that Mr. Weiss will do all that is possible to improvise some plan for dealing with the blood and refuse pending the installation of proper plant. It is to be hoped that your efforts to obtain the Governor's consent for him to visit the Coast will be successful and that he will there obtain an insight on the latest and best way of dealing with this matter.

Meanwhile your report on the excellent work done by Mr. Weiss in utilizing refuse and generally cleaning up the place is noted with much satisfaction.

With regard to an additional boiler, it will be quite impossible to obtain anything of the sort until after the war but, after further consideration by the Board, it may be decided to book the order at once. The important point mentioned with regard to pressure shall be carefully noted.

17. 538.19. Your reference to the P.S.N.Co.'s intention to run a line of small steamers between Punta Arenas, Stanley and the Plate is the first heard of the matter here.

18. 538.20. The Board was pleased to hear of progress being made with the repairs to Stanley buildings. In a separate letter I have referred to Mr. Cobb's 1910 report and his other letters on the subject.

19. 538.21. Your remarks re the management of Weddell Island and the settlement of the Estate of the late W.S. Williams are duly noted.

20. 538.22. The shipment of 750 tons of coal by the "Corcovado" will, with the 750 tons sent per "Potosi", make you secure for supplies for some time to come. The former is known as large Yorkshire, as advised in 9 of my 1181, the latter is best North Wales. The Yorkshire will probably prove the

1184. 19.2.18.

better for the Babcock Boiler.

Messrs. Lowden & Co. are endeavouring to ship a further 300 tons in the "Orita" but I have not yet heard if they have been successful.

21. 538.24. The method to be adopted, either a per centage or so much per carcase, for the allowance for the difference between hot and cold weights is left for you to arrangeⁿ as you think best having regard to practical working.

22. 538.25. Canning accounts, - this is noted.

23. 538A.5. Your reference to the 200 tons of coal under water in the "Vicar of Bray" is the first intimation the Board has received of the fact. It is inconceivable that it should have been allowed to remain unsolved all this time.

24. 538A.9. The canning indent for 1919 requirements is to hand and the orders will be placed at once so as to secure the earliest possible shipment. There is no objection in war time, when tallow is not likely to be wanted for export from the U.K., to sanding it in hogsheads. Be very careful, however, to see that on no account is anything but the lowest grade shipped in casks that have contained parafine.

25. 538.12. The copies of your correspondence with the Government in re "Bertha" have been laid before our Solicitors and they have little to add to the opinion expressed in their letter of the 27th November, a copy of which is sent you in par.23 - 1182. They advise that you should make an endeavour to effect some salvage from the wreck to show that your intention to do so had never been abandoned. That if the Government salve any portion you should at once lodge your claim for same. Messrs. Ince, Colt & Ince are very clear and decided on the point that there was no obligation whatever on us to annually lodge our claim to the property.

26. In view of possible difficulties arising with Dr. Wace from the fact that his wife will probably be unable to get a

1184. 19.2.18. 15

passport to the U.K., we have consulted our Solicitors as to our legal position. Their opinion is that we are protected under the Courts Emergency Powers Act 1917 Sec.3 and also under the Common Law from any liability in this connection. That, (referring to Clause 6 of his agreement) to provide a passage means, in law, to provide the cash equivalent. And, the specific tenure of his agreement having been completed, he cannot come down on us on account of his wife being unable to get away. It is considered very desirable, if possible, that he should be away before his successor arrives so that they do not meet.

I am, Sir,

your obedient servant,

E. N. G. G. G.

Secretary.

15

Enclosures per mail via Liverpool

Duplicates.

Despatch No. 1182 dated 28th January, 18

Remarks on Stores

Remarks on Accounts

List of Cargo per S.S. "Potosi"

General Invoice goods per S.S. "Potosi"

Account Current

Proforma list of Clients' cargo.

List of Parcel in Stationery case.

List of Enclosures

Clients' Invoices goods per S.S. "Potosi"

Vere Packe, Dean & Anson, G. Bonner & Co.

Holmsted & Blake, Ltd

Copy of letter to the Director of Commercial Service
dated 21st January.

Enclosures via Liverpool

- 1 Copy of Cablegrams sent dated 11th., 12th., 15th. & 18th Febr.
- 2 List of General Cargo per S.S. "Corcovado"
- 3 Bills of lading goods per S.S. "Corcovado"
- 4 General Invoice goods per S.S. "Corcovado"
- 5 Copy of letter from Spearing & Waldrom, Ltd., dated 12th Febr.
- 6 Two copies of Agreement between the F.I. Co. & James Houston
for completion.
- 7 B/L & Invoice for 100 drums Cooper's Dip shipped per S.S.
"Corcovado" for Vere Packe
- 8 Copy of Cablegrams and correspondence with Brecht Co.
re tinplates to date.
- 9 Account Current and vouchers.
- 10 do. supplementary.

Letters for the following:-

James Houston, Esq. (2)

H. W. Townson, Esq.

London 19th February, 1918

Enclosures per S.S. "Orita" via Liverpool.

Originals:-

- 1 Completion of Sheepskins A/sales omitted from
Account Current (23)
- 2 Account Current and vouchers dated 26th February.
- 3 Remarks on Stores.
- 4 Remarks on Accounts
- 5 Scott's invoice for H.G.C.1 case Grindstone.
- 6 Copy of letter to Mrs Henry dated 20th Febry &
Mrs Gresham's to her of 26th November.

Letter for Sidney Miller & Gresham.

London 26th February, 1918

PRECIS OF DESPATCH No. 1185 PER "POTOSI" 5/6/18.

1. Acknowledges receipt of despatches 539/541.
2. Confirms cables.
3. Canning. Success of local labour. Tinsplates, contracts to be carried out & cancelment clause not applied.
4. Box boards. Difficulties of obtaining.
5. Dr. Wace's preposterous claim. Liability not admitted.
6. Dr. Herklots engaged but cannot sail in "Potosi".
7. Coal, 600 tons North Wales being shipped.
8. Ministry of Shipping informed of produce awaiting shipment.
9. Re "Claverdon".
10. Board agrees to take over Govt. share of Darwin telephone.
11. Currency and exchange. Suggestion to increase monthly payments to Crown Agents.
12. Re hulks & floating property.
13. Painting & repairs to Stanley buildings noted with satisfaction.
14. Re increased return of wool & lambing.
15. Re charging cable expenses on wool sales to Govt.
16. Local Priority's ~~support~~. Authority's support bagging & solder. Tinsplates, position of.
17. Blind Island. Previous instructions cancelled.
18. Rams not worth canning.
19. Debts owing by W.S. Williams.
20. Your good relationship with Governor noted with satisfaction.
21. Stud animals per "Potosi". Safe arrival noted.
22. Name of Messrs. Busk & Daniel of N.Y. noted.
23. Consular appointments noted. Norway & Italy.
24. Re annual accounts & profit cabled.
25. Camp wages. Special war allowance granted.
26. Re "Falkland" stranded.
27. Board sanctions your retaining fees re Waddell Estate.
28. Request for you to act re Buckworth's estate.
29. Settlement of P.S.N.Co. commission on Admiralty passages.
30. Dr. Herklots to participate in bonus. Re Goose Green temporary hands.
31. Reports final settlement of "Cardiff Hall" wool.
32. Advising three bulls to be shipped per "Potosi".

19

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

London, E.C. 5th June, 1918.

"POTOSI"

No. 1185.

Sir,

Since writing you last on the 19th February the longest interval without an outward mail has occurred since the commencement of the war.

The present arrangement is that the "POTOSI" will sail on the 18th inst. I, therefore, propose answering the correspondence received from you to date leaving any matters that may arise later to be dealt with in a supplementary despatch.

Your despatches 539/40 were delivered on the 23rd April and despatch 541 and letter of 22nd March were received on the 13th May.

2. Cables exchanged between us are confirmed as per forms enclosed.

17.

3. 539. 3.4.5.8. The information given in your despatches
540. 4.5.10.
541. 2.14.20. and in the more recent cable messages, relative to the progress of the canning operations, have been read with keen interest by the Board and I can assure you the Directors are extremely pleased with the success which has attended your efforts. It is considered no small achievement that, in face of the unexpectedly large number of sheep offering and the exceptional difficulties with which you had to

James Houston Esq.

Manager,

Port Stanley.

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contend, you were able to obtain such excellent support from the farmers and carry through the work with local labour. Since you have proved this possible at a time when, through want of sufficient supplies, the season was necessarily drawn out, there should be no fear of your being able to again rely on these men for the work in years to come when conditions are once more normal.

The shortage of tin plates preventing the canning of all the sheep available was unfortunate but we are satisfied that Messrs. Brecht & Co. of St. Louis did all they possibly could to obtain delivery and prompt despatch. Copies of cables and letters exchanged with them since we last wrote you are enclosed herewith and are conclusive evidence on this point. On finding that the s.s. "Bjornefjord", with the plates on board, was due at Monte Video on the 24th March, a few days before the "Corcovado" was due to pass off there, I interviewed the Ministry of Shipping, explained the position fully, and asked that the vessel might be allowed to call for the plates. After some consideration and consultation with the Admiralty that Department advised us that it was considered imprudent to call up ^{the} ~~that~~ "Corcovado" by wireless and order her to deviate from the track laid down for her. It is perhaps as well, after all, that this decision was come to as, in the absence of definite news of the "Bjornefjord's" arrival at Monte Video and having regard to the abnormal delays incurred nowadays by vessels on all routes, there was a considerable element of risk that the "Corcovado" might reach that port before the steamer from New York. In that event heavy claim for dead freight would, perhaps, have been made against us.

The stranding of the "Falkland" at Lively Island must also have caused a serious disarrangement of your plans and we

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await your further advices telling how the season was finally completed.

From your cable of the 25th April it was clear that, for want of tin plates, about 15,000 sheep would have to be boiled down instead of canned and this quantity may, I assume, be increased by the unfortunate stranding of the "Falkland" which occurred later. These circumstances undoubtedly gave the Company a perfect right to cancel the contract as regards any sheep which could not be canned but you will have gathered from my cable of the 7th May that the Board has decided that the contracts must be carried out to the fullest extent possible and that the cancelment clause shall not be applied. This was deemed to be a prudent policy and some recognition for the assistance rendered you by the different farmers in the matter of labour. In any case, if 50,000 are canned, it will be a very satisfactory increase on 1917 killing and the number boiled down should not show any loss.

4. 539. 6. The position as regards box boards is extremely difficult. Owing to timber shortage here permits to make are refused. Our usual Sweden suppliers will quote c.i.f. Liverpool but there are no vessels leaving Sweden for that port. They have quoted c.i.f. Hull, which means railageto Liverpool, but there we are met with the railway congestion and the Chief Goods Manager of the North Eastern Railway can give no guarantee that the goods can be delivered in Liverpool within six months of arrival in Hull. I have, therefore, written to Mr. Fredriksen at Christiania asking what prospects there are of shipping the box board by whaler direct to Stanley and I await his reply. Meanwhile I hope to have your answer to my cable of the 10th April and to learn that you have been successful in obtaining a quotation from Brazil.

5. 539. 8. Dr. Wace's claim and threats are preposterous

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and the Company cannot be held in any way responsible for his unfortunate condition. He has only himself to blame for having alienated any sympathy which, under ordinary circumstances, would have been shown him. In leaving Darwin, as you report, without any intimation being given you or Mr. Townson he has carried out to the end the studied defiance of the conditions of his agreement which has been so characteristic of him of late and the Board is, therefore, not disposed to go beyond its legal liability. I cabled you accordingly on the 7th May.

6. The Doctor, G.A. Herklots, referred to in par. 13-1184, signed the agreement on the 28th March and has been waiting ever since for an opportunity to sail. Unfortunately, the P.S.N.Co. advise that, owing to there being no accommodation on the "Potosi", they are unable to take him by this opportunity but, as the result of an appeal I have made to them through Mr. Connell, I still hope that they may reverse their decision. Owing to the time that Dr. Herklots has had to wait it was decided to pay him half salary from the 1st April to date of sailing.

7. 539. 10. The position as regards coal is noted. Since the date of your despatch you will have received per "Potosi" 750, "Corcovado" 700, "Orita" 307, total-1757 tons. By this opportunity we hope to send a further 600 tons, making in all 2357 tons. In the case of the present shipment we have no choice as to a pit but a good North Wales quality is being sent.

8. 539. 11.18. I have kept the Ministry of Shipping and 540.3. 541. 13. the Director of Contracts closely advised of your probable accumulation of produce awaiting shipment. The chances of an Admiralty collier being available to lift a large quantity appears, at the moment, to be remote but the matter is kept

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constantly before the Department. Meanwhile, your cable advice of the shipment of 1783 bales per "Corcovado" was welcome.

A payment on account of this was promptly received from the Government and credits are being passed out by this mail for the interested parties.

9. 539. 12. Your remarks with regard to the "Claverdon" explain your cable of the 28th December asking if Captain Thomas might take a vessel to New York. It is, after all, fortunate that he did not do so or he would not have been available to be put in charge of the "Falkland" when she stranded.

10. 539. 13. The Board is quite prepared to take over the
540. 31. Government's share of the Darwin telephone as suggested by the Governor. Your reference to the wire being as "weak as thread" in many places is not understood as experts say that, under normal conditions, copper wire does not corrode or waste.

Mr. Mantle has been consulted with regard to the trouble - frequently reported - of the cross talk and absence of privacy on the line. He has had an opportunity of learning at first hand from Mr. Harding the exact nature of the trouble and his letter, accompanying this, makes certain suggestions as to the cause. The proposal to permanently employ a telephone expert would be approved by the Board but there is little chance of securing one while the war lasts.

11. 539. 14. It is satisfactory to hear that your Govern-
540. 13. 540. 29. ment has taken up a more reasonable attitude with regard to matters of exchange. At the same time, since writing you last, we have come to the conclusion that the old arrangement, by which we pay here £1000 on the last day of each month, is insufficient for present needs and the amount might well be increased to £1500 or £2000 per month. The matter was mentioned to the Crown Agents and they advised that the arrangement must be made on your side. Perhaps you will be able to obtain the Governor's assent to this

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proposal. This would, to some extent, overcome the difficulties you have experienced of late.

12. 539. 15. Captain Thomas' report on the hulks and
540.24.27.541. 10. floating property and your comments thereon have been read with much interest.

13. 539. 16. The progress made in painting and repairing the Stanley buildings is noted with much satisfaction.

14. 539. 19. The improvement in yield of wool and lambing per centage is excellent.

15. 540. 8. The matter of charging for cable expenses in connection with the sale of wool to the Government is dealt with in "Remarks on Accounts".

16. 540. 9. Your correspondence with the Governor,
541.118.19. soliciting his support to applications for permits for bagging, is duly noted and his assistance in connection with the tin plates from Buenos Aires is appreciated.

With our "Remarks on Stores", dated 14th December last, we sent you a copy of an order from the Ministry of Munitions to the effect that, in future, all applications made here to make, buy, ship, practically everything required for export to any British possession, will only be considered when accompanied by a recommendation from the Local Priority Authority in the Colony.

The Colonial Office stated some time ago that the Governor was advised of this regulation but that the necessary forms had not been sent to him but ~~these~~ were to follow later. So far, the Governor has cabled the Colonial Office and the Ministry of Munitions supporting our applications for bagging and solder only and it will be impossible to send you much else until the above mentioned regulation is complied with.

Raw jute is controlled by the War Office Raw Material Department and the shortage of same for war purposes is such that none

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will be released even for baling Government wool so long as there is any prospect of obtaining supplies from Calcutta. We have, accordingly, contracted with Messrs. Low & Bonar, Ltd. for 60,000 yards of 27" (54" is not made in India) @ 1/1d. per yard, f.o.b., July shipment from Calcutta to Monte Video or Buenos Aires.

Through the Director of Contracts we have been promised space for these goods in the first steamer sailing in July to the Plate. The stitching of this quantity into a 54" width will entail a lot of work and a great deal of sewing twine. Ample supplies for this purpose, bought in B. A. c.i.f. from India per s.s. "Thongwa" will reach you by this opportunity.

(130) Our application for 30 cwt. of solder is under consideration and will, we hope, be granted.

With regard to your indent No. 530 for 940 boxes tinplates for next season, it is clear that this quantity will need revision in view of the fact that the 920 boxes which arrived too late from Brecht & Co. will be available for the next season. When cabling you again I will ask for details of your requirements.

17. 540. 11. The question of allowing the Lessees of Speedwell Island to use Blind Island, as per par. 9 of my 1181, has ^eben reconsidered by the Board and, in view of the fact that Mr. Townson is of opinion that he can make good use of the Island, it has been decided to cancel the instructions previously sent.

18. 540. 12. The small gain to be obtained by canning rams under a second quality brand is considered to be not worth the risk. The reputation in the Trade here of one of the South American factories was ~~da~~ged considerably a ~~year~~ or two ago through a small per centage of ram meat being included in their pack. If we put up a second quality, and an unscrupulous buyer offered it as first quality, the good name our meat at present enjoys would suffer.

19. 540. 19. The information with regard to the debts owing

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by the late Mr. W.S. Williams to Duncan and McRae has been passed on to the Solicitors winding up the Estate.

20. 540. 20. The Board is gratified to hear of the good relations existing between the Governor and yourself and much regrets that, as you will see from the enclosed copy of a letter from the Colonial Office dated 28th May, it has been decided to confirm the appointment of Mr. G.I. Turner to the Legislative Council.

21. 540. 21. I note that all the stud animals per "Potosi" arrived safely in Stanley. You will, doubtless, advise us later of their safe arrival at final ports. Until we receive this from you the insurance premium returnable cannot be claimed.

22. 541. 9.19. I am glad to have the name of Messrs. Busk & Daniels of New York and to know that they are a high class firm. When next ordering any supplies from the States we will certainly give them a trial.

23. 541. 15. The Board is pleased to learn of your appointment as Consul for both Italy and Norway.

24. 541. 18. The arrival of the s.s. "Orita", bringing your annual accounts, is now looked for daily. In the meantime, from your cable of the 3rd April, I learn that the profit shown reaches the satisfactory total of £128,700. From a copy of a pro forma profit and loss statement enclosed you will see that very little of the handsome increase of profit is left in the coffers of the Company owing to the large provision which has to be made for Excess Profit Tax. The great reduction in the value of your stock and the increased store profit is noted with pleasure. Further comments will be made when your special despatch, dealing with the accounts, is received.

25. The question of Camp wages, arising in Mr. Townson's letter dated 10th February to Mr. Blake, has been fully reconsidered by the Board. It has been decided that, having regard

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to the considerable increase in the cost of all necessaries owing to the War and the advances which have been granted to employees practically all over the world, the arrangement made by Mr. Townson was inadequate. I have, therefore, been instructed to inform you that, from the 1st July next, all Camp hands earning £5 per month and upwards are to receive a special war allowance of £1 per month, - boys in proportion. This allowance to be continued for 12 months after the war. It is hoped that this arrangement will be appreciated by the men. It is hardly necessary to explain that the reason for making it a flat rate per month, irrespective of the rate of pay, is that it is intended especially to meet the increased cost of living, and this is felt almost equally by all hands.

It is realized that this decision of the Board's may throw out of proportion the arrangements you have made in Stanley in respect of wages but you have full authority to adjust matters there as you think desirable.

26. The Board was very pleased to learn from your cable message to Messrs. Lowden, Connell & Co. that the "Falkland" had been safely refloated after stranding at Lively Island, and that she had sustained no damage. This accident, and the lesser strandings reported, emphasize the vital necessity of extreme care in navigating around the Islands and it is to be regretted that Captain Johnson has failed in this respect.

27. The Board approves of your retaining any fees received in connection with the winding up of the estates connected with Weddell Island and also any annual payment which may be granted by the proprietors in connection with carrying on the temporary management.

28. Copies of correspondence with Messrs. Hooper & Wollen of Torquay, solicitors to the late Mr. Russell Buckworth, are enclosed. You will see that they wish you to act for them in

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connection with winding up his Estate.

29. Following on an interview with the General Manager of the Pacific Co., Mr. Lee, in March last, we agreed to^a settlement of our claim for commission on Admiralty passages by payment of a fee of £105. This appears credited (15/3/18) in a/c current sent herewith. I think this a fair compromise as proof was produced that the passages were booked by the Admiralty here prior to their being booked in Stanley and, further, that there were many instances of Government passages from Stanley, arranged and paid for on this side, on which no commission had been paid to us.

30. Please note, in connection with Dr. Herklot's appointment, that it has been decided that he shall participate in any bonus granted to employees. Also, that in the case of Chilians or men from the stations temporarily employed at Goose Green, they need not be charged with a fee for medical attendance. A small payment per head, say 3/4d. per two months, can be paid over to the Doctor for his services to these men and the amount debited to the Canning expenses.

It is to be hoped that by the time he arrives out everything that is reasonably possible will have been done to put his house in a good state of repair. His wife is unable to obtain a passport and will follow him out later. I have just heard that it will be impossible to get him accommodation in the "Potosi".

It is not clear whether Dr. Wace has left anyone in charge of the house at Darwin or has locked it up and taken the key. If the latter, you may have to resort to legal measures, under your Power of Attorney, to obtain possession.

Enclosed I send you copy of a letter received from Dr. Wace dated B. A. 10th April, and my reply thereto.

I am, Sir,

your obedient servant,

E. B. Gould
Secretary.

P. T. O.

1185. 5.6.18.

31. A final settlement for the wool per "Cardiff Hall" was received from the Government on the 16th ultimo and the relative a/c sales are being sent you by this opportunity. I would draw your attention to a separate memo. sent with regard to discrepancies in the return of some marks.

32. Three Galloway bulls are being shipped out by this opportunity and I trust they will arrive in good condition. Two are for the Company and one for Hill Cove. Particulars and distinctive marks of each will be sent on a separate memo.

Enclosures via Liverpool

Duplicates.

Despatch No. 1184 dated 19th February, 18

Remarks on Stores.

Remarks on Accounts

List of Enclosures.

Accounts Current and sundry vouchers (2 accounts)

Proforma list of Clients' Cargo per S.S. "Orita"

List of General Cargo per S.S. "Corcovado"

General Invoice goods per S.S. "Corcovado"

Enclosures via Liverpool.

- 1 Copies of Cablegrams sent dated 5th, 7th, 9th, 12th, 27th, 28th March, 2nd, 10th April, 2nd, 7th, 17th, 22nd, 31st May, & 6th June.
- 2 Copies of Cablegrams received dated 20th Feb, 2nd, 12th, 23rd March, 2nd, 2nd, 6th, 9th, 15th, 25th April, 5th, 12th May & 5th June.
- 3 General Invoice for Stores shipped per S.S. "Orita"
- 4 List of General Cargo per S.S. "Orita"
- 5 Bills of Lading cargo per S.S. "Orita"
- 6 Scottish Amicable Life Assurance Society's Report & Accounts.
- 7 Falkland Islands Annual Colonial Report for 1916
- 8 Copy of Correspondence with Hooper & Woollen re Buckworth deceased.
- 9 Proforma Profit & Loss Statement for 1917
- 10 Mr E.J. Mathews acknowledgment for F.I. Stamps.
- 11 Copy of letter received by Chairman from the Colonial Office dated 26th May.
- 12 Copy of letter to the Colonial Office dated 15th May re bagging for next season's wool clip.
- 13 Copy of letter to the Colonial Office dated 19th March re tinplates.
- 14 Account Current dated 5th June and vouchers.
- 15 Supplementary Account Current dated 5th June and vouchers.
- 16 Particulars of Wool shipment per S.S. "Cardiff Hall" and memo. on discrepancies arising thereon.
- 17 Valuation of F.I. Wool on basis of appraised value ex "Cardiff Hall"
- 18 Copy of letter received from P.J. Mantle dated 1st June
Letter for the following:-

Sydney Miller.

Rev. M. L. Migone.

H. W. Tonson.

A. E. Felton

Mrs Hansen

Mrs Dean

J. G. Felton

Mrs F. M. Scott

Henry Waldron

Messrs A Morrison & P. Grant.

LONDON 8th June, 1918

Enclosures per "Potosi" via Liverpool

Originals

- 1 Remarks on Accounts.
- 2 Remarks on Stores.
- 3 Copy of letter received from Mr. Wace dated 10th April
and our reply of the 11th June.
- 4 Copy of Cables sent of 12th & 14th June.
- 5 Copy of Correspondence with Maclean & Stapledon to date
re bagging.
- 6 Copy of correspondence with Brecht Co. re tinplates. to date
- 7 Copy of letter from P.S.N.C. dated 28th May re Dr. Merklot's
passage.
- 8 Copy of letter from the Colonial Office dated 29th May
re bagging for export.
- 9 Copy of letter to Dr. Merklot's dated 17th April re total
remuneration.
- 10 Copy of Cable received dated 14th June.

Letters for:-

James Houston, Dr. Wace & Arthur F. Cobb

11 *Credit note for £1000.*

LONDON 14th June, 1918

Index

PRECIS OF DESPATCH No. 1186 PER "POTOSI" 13/6/18.

1. Acknowledges receipt of despatches 542/3 & letter 3/4/18.
2. re "Falkland's trip to P.A. detention, expense, &c.
3. Advising Brecht's tinplates at M.V. Proposal for P.S.N.Co. steamers not to call at M.V. in future.
4. Re fees to be charged Weddell Island.
5. Re "Potosi" lifting tallow and meats.
6. Enclosing correspondence with Dr. Wace.
7. Re complaint re quality of coal shipments.
8. Reports 1918/9 wool clip & 1918 skins sold to Govt.
9. Advises bull marked 2 on hoof for Hill Cove.
10. Acknowledges annual accounts. Enclosing cr/note for £1000 for Company's shipping.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

London, E.C. 13th June, 1918.

"POTOSI",

No. 1186.

Sir,

The sailing of the "Potosi" having been delayed until Saturday, I am able now to acknowledge receipt of your despatches Nos. 542/3 and letter of 3rd April all of which, together with all enclosures, came safely to hand yesterday.

2. 542. 3. The unnecessary detention of the "Falkland" at Punta Arenas through the unauthorised action of the Captain is most annoying and he deserved all the reprimand you gave him. The question of the unprofitable nature of the trip will be taken up with the Transport Co. and, apart from the additional loss incurred through the Captain's action, it may be decided to meet them in the matter. The ultimate increased revenue resulting to the vessel for sheep conveyance will not be lost sight of.

I note that Mr. Creece was able to secure some useful supplies at Punta Arenas.

3. 542. 4. Letters from Maclean and Stapledon dated 27th April, received to-day, report that the "Bjornsfjord" had arrived with the 920 boxes of Brecht's tinplates. It has now been arranged that the "Potosi" will carry these and also the wool packs and sewing twine on to Stanley. I understand that it is

James Houston Esq.

Manager,

Port Stanley.

1186. 13.6.18.

the intention to send the "Potosi", and in fact any future vessels sent to Stanley, direct to that port without calling at Monte Video. This is a most serious matter in view of your present dependence on shipments of necessaries from the Coast and we propose immediately interviewing the Shipping Controller on the subject and will, if necessary, obtain support from the Colonial Office.

4. Since writing par. 27 of my 1185 it has been agreed with Mr. L.A. Baillon, on behalf of Messrs. Williams & Co., that you should charge the fee of £10.10.0 for your services in connection with the Probate matters and an annual sum of £150 while temporarily carrying on the management of Weddell Island.

The Board has assented to your retaining both these fees.

5. With reference to the suggestion in your cable of the 4th inst., that the "Potosi" should be availed of to ship part of the meats and tallow, every possible pressure will be brought to bear on the Ministry of Shipping to obtain the necessary order. Although the cargo to be discharged in Stanley from the vessel will probably not exceed 1000 tons, the capacity available there should be far in excess of that quantity when the consumption of coal on the trip out, about 3000 tons, is taken into consideration, unless it is necessary to ship sufficient coal for the whole trip home at Coronel.

6. For your information I enclose copy of letter, and my reply, received from Dr. Wace from Buenos Aires, dated 10th April.

7. Referring to par. 7 of my 1185, I regret to note from your cable of the 4th inst. that some of the coal recently shipped to you has been unsatisfactory. Unfortunately, at present we have absolutely no option and practically no choice whatever in the quality and have to ship anything we can get. The quality of all coal is far below pre war standard for the reason that seams of poor quality, but more easily workable, are being mined in preference to those entailing more labour.

1186. 13.6.18.

8. Please note that the 1918/19 wool clip and all the skins from the killing of March 1918, have been sold to the Government on the same terms as previous contracts. All farmers here have agreed to this and a cable is being sent to you to obtain the formal assent of others.

9. Also please note that the bull marked 2 on the near side front hoof has, on the draw, fallen to Hill Cove.

10. 543. ANNUAL ACCOUNTS.

Time has not permitted of a very detailed examination of your accounts and enclosures but they appear quite satisfactory and all in order. The supporting statements are clearly rendered and will be most useful for reference.

The conservative basis on which you have estimated all outstanding produce and the stores in hand will, I feel sure, be thoroughly approved of by the Board. The considerable reduction in the total value of stores is also a good point.

The explanation given in your despatch of the results of the various accounts in comparison with 1916 results are carefully noted.

Company's Shipping. It is not clear whether this account is being carried on on the altered lines as laid down in par.3 of my 1173 and your reply thereto, 3/535. You will see there that it was decided to change the name of the account but this does not appear to have been done.

It is evident that the charges at present levied on cargo are insufficient to cover the cost of the work done and this matter will be revised when renewing the coasting contract.

Enclosed you will find a credit note for £1000, being proportion of the amount received from the Government in respect of the "Cardiff Hall" wool for warehousing, hulkage, brokerage, &c. This will enable the a/c to show a better result at the end of the current year.

I am, Sir,

your obedient servant,

E. B. Goddard.

Secretary.

ENCLOSURES VIA LIVERPOOL.

DUPLICATES.

Despatch No.1185 dated 5th June,18.

Remarks on Stores

Remarks on Accounts.

Copy of letter to the Colonial Office dated 15th May.

Copy of letter to Dr.Richard H.Wace.

Proforma Invoice of Clients Cargo per S.S."Potosi"

List of Parcels.

List of Enclosures.

Memo.of Out-turn of Wool per "Cardiff Hall"

Account Current (2) dated 5th June and vouchers.

Particulars of Cardiff Hall" freight

Copy of letter to the Crown Agents dated 19th March.

General Invoice goods per "Orita"

List of General Cargo per S.S."Orita"

Enclosures via Liverpool.

Originals

- 1 Copies of Cablegrams sent dated 21st June, 3rd, 6th, 9th, 19th, 23rd July & 1st Aug.
- 2 Copies of Cablegrams received dated 18th June, 6th, 16th 17th, 27th & 31st July.
- 3 Sight Draft for £ 4 . 5 . 1 on Rev. C. McD. Hobley and letter from Lloyd's Bank of 19th June re payment.
- 4 General Invoice Stores per S.S. Potosi"
- 5 List of General Cargo per S.S. "Potosi"
- 6 Bills of Lading cargo per S.S. "Potosi"
- 7 Contract for carrying live animals per S.S. "Potosi"
- 8 Government priced catalogue - Wool ex "Potosi"
- 9 ditto. ex "Orita"
- 10 Copy of letter from the Red Cross Society dated 27th June re Darwin contribution.
- 11 Copy of letter from Vere Packe dated 25th July re Hoops & Bagging for his Stations
- 12 Copies of letters from the Colonial Office dated 15th & 31st. & our reply of the 24th July re Bagging .
- 13 Copies of letters from J.S. Goodhart dated 14th & 21st July re Packe Brothers Accounts.
- 14 Copy of letter to the Ministry of Shipping dated 22nd July.
- 15 Copies of letters from the Ministry of Munitions dated 28th June & 20th July & our reply of 10th July re solder.
- 16 Copies of letters to the P.S.N. Co. dated 5th June & 11th July & their replies of 7th June & 19th July re cargo from Montevideo.
- 17 Copies of letters to Lowden Connell & Co. of the 18th & 24th & their replies of 22nd, 23rd & 25th July.
- 18 Dr. Herklots's agreement.

- 19 Defence of the Realm Regulation 41D Forms.
- 20 Bill of Sale for Yacht "Ionia" & boat "Comrade"
- 21 Copy of letter to War Office (Raw Material Dept.) dated 18th July
- 22 Copy of letter from Enfield & Son dated 20th June re late
Miss H. Baillon's Estate .
- 23 Copy of letter to the Ministry of Shipping dated 1st August
Letter for James Houston.

,, H.W. Townson.

London 2nd August, 1918

Indice 5

PRECIS OF DESPATCH No. 1187 PER "KENUTA" 2/8/18.

1. Acknowledges despatches 544/5 and letter of 14th May.
2. Confirming cables.
3. Box boards ordered.
4. Wool sacking. Position of Calcutta contract, &c.
5. Re P.S.N.Co.'s steamers not calling at M.V. in future. Appeal made to Ministry of Shipping.
6. Result of application to Ministry for solder.
7. Re tinplates. None likely to be obtained here.
8. Relationship of Townson & Weiss. Camp Manager's authority to be maintained.
9. Re new boiler for G. Green. Question of limiting number of sheep to be treated. Weiss' visit to Coast re blood & scrap plant.
10. Sale of output of Extract @ 6/6 reported.
11. Re attitude of Governor re Falkland's employment.
12. Commending prompt use made of "Gwendolin".
13. Re "Falkland" stranding at Lively Island. Detention at P.A.
14. Dr. Wace. Dr. Herklots, leaving reported.
15. Re coal. North Wales shipped. Yorkshire Hards unobtainable.
16. Appreciation expressed of Capt. Thomas' work.
17. Life Policies re W.S. Williams, receipt acknowledged.
18. Negotiations with Govt. to obtain payment for wool on delivery in Stanley reported.
19. Reporting shipment of a cutter and boat for Speedwell.
20. Defence of the ~~Reg~~ regulations re remittances.
21. Our position in event of loss at sea of Govt. wool.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "KENUTA"

N^o 1187.

London, E.C. 2nd August, 1918.

Sir,

Since writing you last on the 13th June I have received your despatches Nos. 544/5 and your letter of the 14th May, all delivered on the 2nd ultimo.

2. Cables exchanged are confirmed as per copies enclosed.

I would draw your attention to a paragraph on Remarks on Accounts relative to charges for cables sent to you from here.

3. 544.3. The prospects of obtaining box boards from Sweden have somewhat improved the matter now being controlled by the Board of Trade Timber Supply Department from whom a permit to purchase, import and export has been obtained. No recommendation from your local Priority Authority is necessary. The quotation from our previous suppliers in Sweden has been accepted and this, with charges, works out at about 6/- per box delivered in Stanley as against the 7/- mentioned in your cable of the 16th ult.

Messrs Thos. Wilson of Hull having undertaken to attend to the forwarding of the goods from that port to Liverpool, we have ordered 10,000 for mutton and 250 each for tongues and extract and fairly prompt delivery is promised. The suppliers have been instructed to see that the bundles have additional wire, for which the charge is about 1d. per box.

4. 544.3. Referring to paragraph 16 of my No. 1185, please note that the order for the 27" Calcutta sacking has been increased to 80,000 yards and, if space is available, the shippers have in-

James Houston Esq.

Manager,

Port Stanley.

1187. 2.8.18.

instructions to increase to 100,000 yards. This has been done for the reason that applications made by others here for permits to ship supplies to Packe Bros., Waldrons, & Co., have been refused by the Government on the understanding that we will be in a position to supply all farms with their requirements for next Season. We have made it perfectly clear that we shall not be prepared to part with more for it will be necessary for you to conserve supplies as much as possible. Mr. Allen, with whom we have discussed the matter, is of opinion that it will not be necessary to stitch this narrow sacking when baling. If this is so, the chief objection which has hitherto prevailed against our availing ourselves of the cheaper market in Calcutta for these goods will have been removed and a considerable saving can, in future, be effected by purchasing the narrow in lieu of the 54" width.

The War Office advises that the Ministry of Shipping has arranged for the shipment of 40 tons of Jute Bagging from Calcutta per s.s. "Arranmore". I understand that vessel is expected to leave Calcutta in about a fortnight for Monte Video and for Buenos Aires.

5. Alluding to remarks in par. 3 of my 1186, the question of how you will get this bagging forwarded from Monte Video to Stanley is a matter for anxious consideration in view of the very limited number of P.S.N.Co.'s sailings and their intention to pass Monte Video in future. Copies of correspondence with the P.S.N.Co. and the Ministry of Shipping on this subject are enclosed. From these you will see that a protest has been lodged against the imposition of a charge of £12 per ton on the 50 tons of tinplates per "Potosi" to cover the so-called deviation. It has also been arranged (see letters from Lowden Connell & Co.) that the extra charge, if insisted upon, must be applied generally over the total shipments from Monte Video to Stanley.

6. 545.3. The final result of all our appeals to the Ministry of Munitions for a permit for 130 cwt. of solder (not 30 cwt. as stated in par. 16 of 1185) is that we have been granted 8 cwt., this

1187. 2.8.18.

being subsequently increased to 25 cwt. The quantity, of course, is absurd and it was a relief to receive your cable of the 17th ult. reporting the purchase of 7 tons of tin and lead at B. A. at the average price of £160 per ton. This compares with £210 per ton, the price of solder here to-day. This is an appalling price and, when it is considered that we use 6 tons in a season and that our tins are simply plastered with it in extravagant quantities, it is clear that much room exists for economies to be effected. The difficulties in the way of training inexperienced hands to use a minimum quantity are fully appreciated and it is hoped that the double seamer, referred to in Mr. Weiss' report for April, will achieve the saving he looks for.

It would not be possible to send tinsmiths out for a season while the war lasts but you might go into the question of doing so when normal conditions prevail. How many would be required and for how long on the basis of say 50,000 sheep?

7. 544.3.8 I trust that Brecht's 920 boxes of tinplates
545.6. will have reached you on the "Potosi" thus assuring your supplies for next Season. It is certain that none will be released for our use by the Authorities here.

8. From your recent letters it is clear that you have had considerable trouble with Mr. Weiss with regard to his relationship with the Camp Manager. It is fully realized that he is an excellent preserver and organizer and, in this respect, a servant whom the Board would be sorry to lose, but to take up the attitude of resenting Mr. Townson's visiting the factory at any time, accompanied by whom he may choose, cannot be tolerated for a moment. Mr. Weiss must very clearly understand that Mr. Townson, in his capacity of Camp Manager, is in supreme charge on the Farm including the Canning Works, and it is Mr. Weiss' duty to act through him in every respect. It has previously been pointed out that his reports, statistics and all information, should be rendered and addressed to the Camp Manager and, being in duplicate, can be sent on in original to this office. You will, no

1187. 2.8.18.

doubt, see that this is carried out and that the Camp Manager's authority is maintained. Mr. Weiss is evidently a difficult person to deal with but it is felt that you can be relied upon to handle the position firmly and with tact and, at the same time, impress on Mr. Townson the desirability of acting in a like manner.

9. 545. 3.7.18. The Board is fully alive to the necessity of sending out the additional boiler for Goose Green but there is not the slightest prospect of obtaining it until after the war. The most that can be done is to place a provisional order at once so that we shall be well up the list for our turn afterwards. The present consumption of coal there is enormous.

In view of the limited capacity of the existing boiler and plant at Goose Green and the quantity of tin plates available it is possible that you may have to put a limit on the number of sheep to be treated in any one year, say 50,000. This matter will, doubtless, have your consideration.

With regard to the minor machinery referred to, you will have understood from the words "machinery purchase" in my cable of the 1st inst., that the purchase is sanctioned.

It is to be hoped that Mr. Weiss will be able to visit the Coast as you suggest to investigate the best methods of dealing with the blood, scrap, &c. This course has been urged in previous despatches and it was thought that the difficulty of obtaining his passport had prevented his going hitherto.

10. The output of extract from this year's working has been sold to arrive at 6/6d. per lb. Boiled mutton, 6 lb. tins, are selling somewhat slowly at 105/- to 107/- per case.

11. 544.6. Your correspondence with the Governor with regard to the employment of the "Falkland" and the deduction he has made from the subsidy has been read with interest. His action and attitude are difficult to understand but you may rest assured that the position taken up by you has the approval of the

1187. 2.8.18.

Board. The matter generally is one for the F. I. Transport Co. to deal with.

12. The Board is much pleased with the prompt way in which you put the "Gwendolin" into commission and forwarded the urgently needed coal supplies to Goose Green.

13. 545. 2.19. The stranding and refloating of the "Falkland" was referred to in my 1185 par.26. The formal report, giving particulars of services rendered, is awaited so that salvage can be determined.

With regard to the detention incurred by the vessel at P. A., the Captain reported that he was delayed there waiting for Mr. Creece to make certain purchases. Has this statement any foundation?

14. 545. 12. I understand that Dr. Wace is on his way to this Country but, so far, nothing has been heard of him. A passage has been arranged for Dr. Herklots in the "Kenata" and he carries a letter of introduction to you from me. His agreement is enclosed herewith.

15. 545. 14. Bearing in mind the complaint in your cable of the 5th June as to the unsuitability of the North Wales coal recently sent you, I made a further fruitless effort to get Yorkshire Hards out by this opportunity. The reply received from the War Trade Department was to the effect that our application for that quality was refused and we had no option but to again send North Wales.

16. 545. 16. Your appreciation of Capt. Thomas' good services is noted. His value in any crisis connected with the water has always been realized.

17. 545. 20. The Life Policies referred to are safely to hand and have been passed on to the late Mr. W.S. Williams' solicitors.

18. I have been in negotiation with the Director of Army Contracts with a view to obtaining his consent to amend the exist-

1187. 2.8.18.

ing condition of our contract so that payment for the wool delivered into Stanley hulks will be made on certain fixed intervals or dates, instead of waiting for our money until the uncertain date of shipment on the homeward bound vessel.

The matter is practically arranged for them to pay 80% of the pro forma value on this basis but I still await the official confirmation. When this is to hand it will be necessary to cable you particulars.

In the case of the Australian and New Zealand wools, payment is made in full on delivery to the shipping port but, in both cases, the Government has officials there to appraise the value. This obviously cannot be done in our case and the next best thing will be to obtain a substantial payment on account. A copy of my letter, dated 18th July, to the Department is enclosed.

19. By this opportunity a cutter, the "Iona" and a boat are being shipped out, both for Speedwell Island. They are both unregistered craft and a copy of the Bill of Sale is sent herewith. Please have the ownership transferred from the Company to the Speedwell Island Coy., George Clark, Manager.

20. Referring to my cable of the 9th ultimo reading:-
"Defence Realms regulations prevents credit Cape Town without declaring purpose of remittance same applies Feltons estate remittances". The forms enclosed headed "Defence of the Realm Regulation 41 b." will show you the details of the declaration which must be made by us in connection with any credit which has to be established abroad, or any payment to a Banker for the credit of a person living abroad. It will, therefore, be necessary in future, in such cases, to obtain a declaration from the person remitting the money that it is not being transferred for either of the objects marked (a), (b) or (c) on the form.

21. With regard to the question of our position in the event of loss at sea of Government wool, raised in your letter of the

1187. 2.8.18.

14th May, - in the case of the "Cardiff Hall" shipment it was agreed that the schedule of values, based on pre-war sales, would be the price per bale which the Government would pay. It is now agreed that the average appraised value per bale of each mark having been arrived at in the case of the shipments per "Cardiff Hall", "Orita" and "Potosi", those values per bale will be the basis of payment in future for any loss at sea which may occur. The Government will, of course, have the right to satisfy themselves from the specifications that no special allowances are necessary in respect of the bales being heavier or lighter. If the bales are made heavier in future please do not fail to point it out and we shall have no difficulty in obtaining a settlement accordingly.

I am, Sir,

your obedient servant,

E. B. Soanard.

Secretary.

Enclosures per S.S. Kenuta" via Glasgow.

Originals:-

- 1 Copies of Cablegrams received dated 13th, 19th & 22nd Aug.
- 2 Copy of Cablegram sent dated 12th August.
- 3 General Invoice Store per S.S. "Kenuta"
- 4 List of Cargo per S.S. "Kenuta"
- 5 Bills of Lading S.S. "Kenuta"
- 6 Account Current & vouchers.
- 7 Remarks On Stores.
- 8 Remarks on Accounts.
- 9 Copy of letter from Ministry of Shipping dated 2nd Aug.
- 10 Copy of letter from Ministry of Shipping dated 20th Aug
- 11 Copy of letter to the War Office dated 6th & their reply
of the 12th August.
- 12 Scott's invoice for Hoops shipped per S.S. "Kenuta" for
Hill Cove.
- 13 Copy of letter from Gadsden & Pennefather dated 23rd
August re Dr Wace's expenses.

LONDON 27th August, 1918.

Enclosures via Liverpool

Originals.

- 1 Account Current dated 6th August and vouchers.
- 2 do. do. 31st December, 17 (final)
- 3 Remarks on Accounts.
- 4 Remarks on Stores
- 5 Particulars of Expenses incurred in the purchase of
Bulls shipped per S.S. "Potosi"
- 6 Copy of letter to the War Office dated 6th August.
- 7 Salt Union's invoice for Salt shipped per S.S. "Benuta"

Letters for the following:-

Sydney Miller, Esq.

H.W. Townson, Esq.

London 8th August, 1918

Index

PRECIS OF DESPATCH NO.1188 PER "KENUTA" 27th AUGUST, 1918

1. Advises delay in sailing of S.S. "Kenuta"
2. Confirming Cables.
3. Advises cancelment of "Kenuta"s call at Montevideo and that the "Corcovado" would call instead.
4. Jute Sacking - 100,000 yards shipped per S.S. "Arranmore" from Calcutta.
5. Reporting arrangements made to pay for wool on delivery at Stanley.
- 6 Bonus for 1917 - 15 per.cent.
- 7 Doctor Wace.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "Kenuta"

N^o 1188.

London, E.C. 27th August, 1918.

Sir,

When I wrote you last on the 2nd inst. the "Kenuta" was expected to leave within a few days. Her sailing having been delayed I am now able to write you again with regard to matters which have arisen since.

2. Cables exchanged as per forms enclosed are confirmed.

3. Referring to your cable of the 31st ult., advising that the "Potosi" had been obliged, owing to strikes, to leave Monte Video without shipping all the provisions you urgently needed, the position was at once laid before the Ministry of Shipping. That department advised, on the 1st inst., that the "Kenuta" would be ordered to call there and I accordingly cabled you that information on the same day. I regret to say that, since then, - on the 20th inst., - the Ministry of Shipping informed us that it had been found necessary to cancel this arrangement and that the s.s. "Corcovado", leaving Liverpool about the 13th September, would make the call instead. Copies of letters exchanged with the Ministry on the subject are enclosed.

4. Messrs. Low & Bonar, Ltd., inform me that 100 bales, - 100,000 yds. - of jute sacking have been shipped on board the s.s. "Arranmore" and that the vessel was expected to leave Calcutta any day now for Monte Video. It certainly looks as though the shipment should catch the "Corcovado" at Monte Video.

5. Following my remarks in par. 18 of no. 1187 I enclose copies of letters to the War Office Contracts Dept. dated 6th inst. and theirs in reply dated 12th inst. From these you will see that the arrangement to pay for the wool on delivery in Stanley is practically confirmed.

1188. 27.8.18.

6. I have the pleasure to inform you that at the last meeting of the Board it was decided to pay to all employees of the Company a bonus of 15 % on the salary or wages earned in the year 1917. The conditions governing this, as regards the minimum of time employed etc., to be the same as in past years.

7. Doctor Wace has recently arrived in London and he called here last week during my absence from Town on holidays so that I did not see him. He demands immediate payment of the difference between first class and second class fares between New York and England for himself and daughter, £25.14. 6 plus expenses, £40. or £65.14. 6 in all. Needless to say no payment will be made to him until we have full details from you as to the settlement made with him, before his departure from Stanley. I hope this will arrive with the next mail as at present we are without any information on the matter. I anticipate that the explanation of this is that you were expecting him back. He has already placed the matter in the hands of Solicitors, - of doubtful repute, - and a copy of their letter is sent herewith. Please advise me fully of all facts concerning the settlement come to with him and also if it was by your authority that his passage was booked by the "Thongwa". Was it known in Buenos Ayres that the vessel was going to New York? Would it have been possible for him to return direct to the U.K. from the Argentine? I understand he asserts that the Company's Agents shipped him on a vessel bound only to the United States.

I am, Sir,

your obedient servant,

E. B. Soudan

Secretary.

James Houston, Esq.,

Manager,

Port Stanley.

Enclosures via Liverpool

Duplicates-

Despatch No.1187 dated 2nd August,18

Account Current dated 1st August.

List of Enclosures

Proforma List of Clients' Cargo per S.S."Kenuta"

List of Parcels

List of Cargo per S.S."Potosi"

General Invoice goods per S.S."Potosi"

Second of Exchange for £ 4 . 5 . 1 with documents attached

Copy of letter to the Colonial Office dated 24th July.

Copy of letter to the Ministry of Munitions dated 10th July

Copy of letter to the War Office dated 18th July.

Remarks on Stores.

Remarks on Accounts.

Copy of letter to the War Office dated 6th August.

Correspondence with the P.S.N.C re cargo from Montevideo.

Clients' Invoices goods per S.S."Potosi"

Vere Packe. 8 . 12 . 2

Dean & Anson 54 5 2

Clients' A/sales:-

F	78 bales Wool ex "Potosi"		
II & B	163	,,	,,
AP	80	,,	,,
S	136	,,	,,
HP	44	,,	,,
H	32	,,	,,
WP	45	,,	,,
T R	56	,,	,,
J II D	43	,,	,,
J L W	100	,,	,,
W K C	49	,,	,,
Z	200	,,	,,

D & S	100 bales Wool ex "Orita"		
AP	87	,,	,,
F	213	,,	,,
J G	174	,,	,,
J L W	42	,,	,,

3

PRECIS OF DESPATCH NO.1189 per "CORCOVADO" 16/9/18

1. Acknowledges receipt of ~~of~~ despatch No.546 of 8th July.
2. Confirming cables.
3. Reports shipment of bagging in Calcutta per "Arranmore".
4. Re.accumulation of produce at Stanley - Shipping Ministry
to be appealed to.
5. Re Government arrangement to pay 80% on wool in Stanley.
6. Re Doctor Wace- Waiting information from you re settlement
made with him.
7. Acknowledges local Priority Certificates.
8. Box Boards , reports shipment at Gottenburg
9. Re Tin-plates.
10. Re Canning operations, The "Falkland" stranding and Waldron's
claim for paddocking flocks, Evans threat to stop
shipment.
11. Advises the amount of fees to Miller & Evans re inspection
of Company's Rams.
12. Re Babcock Boiler - re transfer of Smithy boiler.

Indirect

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "Corcovado"

N^o 1189.

London, E.C. 16th September, 1918.

Sir,

I wrote you last on the 27th ult. and have since received, on the 12th inst., your despatch numbered 546 of the 8th July per the m.s. "Falstria".

2. Cables exchanged between us are confirmed as per forms enclosed.

3. Alluding to par. 4 of my last despatch, I am now able to advise that the s.s. "Arranmore" sailed from Calcutta on the 21st August with our 100 bales, - 100,000 yards, - of 27" jute sacking on board. She is expected to reach Monte Video about the first week in October and as the "Corcovado" cannot be there until about the 20th of that month there should be no uncertainty about the connection.

4. Your cable of the 10th inst. giving the quantities of wool, skins and other produce now awaiting shipment is duly noted. I will at once see the Director of Army Contracts and endeavour to get that Department to bring pressure on the Ministry of Shipping to provide sufficient tonnage to clear all that is possible before the next clip commences to come in.

5. Referring to my remarks, - 1187/18, - I am informed by the Director of Army Contracts Dept. that cables, explaining the proposed arrangement to pay us 80 % of the value of wool in Stanley, have been exchanged between the Governor and the Colonial Office and that they expect to be able to advise us shortly, that everything is in order. When I hear this I
James Houston, Esq.,

Manager,

Port Stanley.

1189. 16/9/18.

I will cable you to telegraph the quantities of each mark on hand and on receipt of your reply a pro-forma invoice can be rendered for the 80 %.

6. There have been no further developments in connection with Doctor Wace since writing you last. Apparently, his Solicitors are prepared to delay issuing the threatened writ until, as suggested by Mr. Ince, full particulars of the case are received from you. The mail by the "Falstria" brings no further information on the subject with the exception of a sight draft, dated 8th July, in favor of Mrs. Jean Wace, for £135. Your advice of this is not to hand but as it is clearly in order it has been paid. I have heard that Mrs. Wace and her son left Stanley for the Cape in the "Falstria" and presume that the matter was arranged after your despatch was written.

I hope that your later letters will say if you granted these passages, in agreement with her, in lieu of those we are bound to provide under the agreement with Doctor Wace or, exactly what the understanding was.

7. 546.3. Your indent, with the local Priority Certificates attached, is to hand and will be dealt with at once. The latter are in the form laid down by the Ministry of Munitions and the delay which has occurred in their being available for use on your side is mainly attributable to the fact that they were not sent out to the Governor by the Colonial Office early last year. I was not told this in so many words exactly but it was perfectly clear at an interview I had some time ago. Vide my 1185/16.

It by no means follows that we shall obtain all the goods you indent for as, for instance, wire and wire netting.

These, owing to shortage of raw material, are practically unprocurable.

8. 546.4. The 10,000 box boards, referred to in my 1187/3, are now on board the s.s. "Eriksholm" at Gottenburg and, if no hitch occurs in railing the goods across from Hull to Liverpool, ^{they} should catch the next boat outwards.

9. 546.6. The explanation of the matter to which you refer, is as follows. In November last the Governor supported by cable our application for 940 boxes of tinplates, for delivery in June, 18 but the proper form as prescribed by the Ministry of Munitions, and as now received, had never come to hand.

The Ministry have repeatedly stated that no applications will be considered unless accompanied by this form. The mere cable, giving none of the information asked for in the many questions thereon, being insufficient. This regulation was pointed out in our Remarks on Stores of the 14th Dec. last.

In May last it was known to all, including the Governor, that the 940 boxes from Brecht were too late for this year's working and would therefore be available for next season.

Under these circumstances it would have been useless to make a further application.

10. 546.8 The information given with regard to the produce from the Canning season are noted with much interest. Also that the killing finished on the 11th June. No doubt your ^{bring} next despatch will tell the story of the resumption of the work by the "Falkland", following her stranding at Lively Island.

That incident was truly unfortunate but was one over which we had no control. Such a thing might occur at any time and is just one of those circumstances against which we are protected by the clause in our contracts. The attitude of those on the West who grumble so much is most unreasonable and, apparently, could not have been worse had the Company decided to stand by the clause and consider the contracts cancelled as regards the unshipped balance of sheep.

It must be distinctly understood that the Company will accept no responsibility whatever until the sheep are put on board at Port Howard. If Messrs Waldron consider they have claims for feeding sheep unavoidably delayed in shipment it is for them to protect themselves in the agreements they make with the Farmers on the West for passing their flocks over

1189. 16/9/18.

their Station and Wharf. This Wharfage, @ 3d per head, is a remunerative and growing business in which the Farmers are their customers, not ours. It is therefore for Waldrons to make such conditions with them as experience has shewn to be necessary. Should, however, these prove to be too onerous or grasping it is always open to the Station holders to appeal to the Government to provide facilities at Port Howard, for the Trade, in the shape of paddocks and a wharf. Such action as that of Mr. Evans, in threatening to stop the shipment of sheep, can never be tolerated and had you withdrawn the Falkland and left him with the sheep on his hands, and, the Managers on the West to deal with, he would have been placed in a very awkward position and I believe I am correct in saying that your action would not have been questioned by the Board.

11. I regret to find that I have previously omitted to advise you to pay the sum of £25. each, to Mr. Miller and Mr. Evans for their services last year in connection with their inspection of the Company's rams. Their out of pocket expenses you will no doubt have already paid. With reference to the suggestion, in your letter of the 14th May, that Mr. Evans might be paid a gratuity for the assistance he rendered at the commencement of the canning season, the Board decided that it would be an unwise precedent to establish.

12. Enclosed I send you copies of correspondence with Messrs Babcock & Wilcox, Ltd. and it will be as well for Mr. Mills to give us his report on the points they raise. So far, our appeal to the Ministry for a permit to manufacture has only resulted in a mere acknowledgement of receipt.

You will have gathered from my cable of the 29th inst. that your proposal to transfer the Stanley Smithy boiler to Goose Green, as a temporary expedient, is approved.

I am, Sir,

Your obedient servant

E. B. Goddard
Secretary.

Enclosures via LIVERPOOL.

ORIGINALS

- 1 Copy of Cablegram sent 29th August.
- 2 Copy of Cablegram received 10th September.
- 3 Copy of letter from Babcock & Willcox, Ltd. dated 2nd Sept. & 5th
& our reply of the 4th Sept.
- 4 Account Current dated 16th September and vouchers.
- 5 Remarks on Accounts.
- 6 Remarks on Stores.

Letters for :-

James Houston, Esq. (2)

Sydney Miller, Esq.

H.W. Townson, Esq.

London 16th September, 1918

PRESIS OF DESPATCH No. 1190 per "POTOSI" "24/12/18.

1. Acknowledges despatches 547 of 2nd Aug. & letter of 16th Aug. Refers to delay in receipt of the mail.
2. Records the conclusion of Armistice & end of the War.
3. Suggestion that lasting memorial should be erected in Stanley of Falkland Islands Battle. Coy. to contribute £1000.
4. Cables confirmed.
5. Box boards being shipped.
6. Solder.
7. West farmers claim for loss in weight repudiated. Waldrons' circular to farmers enclosed. Coy's right of cancelment. their claim for paddocking. Contract form enclosed. Advising those signed here. Re wireless for the West.
8. Re machinery to be bought on the Coast, &c. Impossible to despatch that wanted from here.
9. Weiss leaving.
10. Mills' report on water supply. Unsuitability of site appreciated Asks for views as to better one. Probable formation of canning Co.
11. Skin drying difficulty. Shed recommended approved. Artificial process working satisfactorily at Rio Secco.
12. Re Priority certificates.
13. Re Wills of Mrs. E.P. Greenshields & Geo. Greenshields.
14. Haiks & lighters, condition noted. "Lady Elizabeth" opinion as to sea fitness asked.
15. "Falkland" new arrangement with Governor noted.
16. "Potosi", insurance M.V. to Stanley closed.
17. Dr. Wace. Still unsettled.
18. Mrs. Herklots, passport obtained but no accommodation this steamer
19. Ministry of Shipping urged to lift produce awaiting shipment.
20. Mr. Townson's further report on condition of telephone awaited.
21. Live stock "Potosi" Return pm. being claimed.
22. Norman L. Adam.
23. Burning of Tranquilidad house.
24. William Coutt's pension fixed at £41 per an.
25. No rams to be accepted for canning. Re first killing from Co's flocks. Re statement of average weights, &c. Importance of having contracts signed.
26. re P.S.N.Co's 5 year freight contract expiring. Also coastwise contracts
27. Enclosing letter from Capt. Foukes R.N. (post Office) re delayed Falkland mail.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "Potosi".

N^o 1190.

London, E.C. 24th December, 1918.

Sir,

Since writing you last on the 16th September no mail has left for the Falkland Islands. It was not until the 6th inst. that your despatch, No. 547, of the 2nd August, and letter dated 16th August, came to hand, 111 days after leaving Stanley. For some, at present, unexplained reason several cheques drawn on you in July and August, which could only have left the Islands in the "Potosi", were delivered here as early as the 24th October, showing conclusively that some mail bags must have been landed from the ship and sent by a more direct route than the one containing your registered packages which only arrived in the U.K. with the steamer. The facts have been laid before the Post Office and I may be able to add further information on the subject before this mail is closed.

2. It should be recorded here, as a matter of extreme gratification to the whole British Race and not least to those resident and interested in the Falkland Islands, that the great war, there is every reason to believe, was brought to a satisfactory conclusion with the signing of the Armistice by belligerent parties on the 11th November.

It is to be hoped that a normal condition of shipping and trade will be attained at the earliest possible date.

3. Now that this happy ending is assured the Board is of opinion that the time has come for the erection, in Port James Houston Esq.

Manager,

Port Stanley.

1190. 24.12.18.

Stanley or the neighbourhood, of some substantial and lasting memorial to commemorate Admiral Sturdee's glorious victory over the German fleet, which victory undoubtedly saved, by only a few hours, the lives and property of those in and interested in the Islands. A letter, dated 11th December, a copy of which is enclosed, has accordingly been forwarded to the Colonial Office with an expression of the hope that the matter will be taken up officially and an intimation that the Company is prepared to start the subscription list with a donation of £1000. It is hoped that the movement will receive the support of the Governor before whom it will, no doubt, be laid by the Colonial Office.

The Islanders resident here will be asked to subscribe and the shareholders of this Company will also be given an opportunity of doing so, some having already expressed a wish to contribute.

4. Cables exchanged are confirmed on forms enclosed.

5. 547. 3. The box boards for 10,000 boxes have now all been railed^{20.} from Hull to Liverpool and are awaiting shipment by this opportunity. The urgent importance of catching this steamer has been impressed on Messrs. Lowden & Co.

The stocks of timber in this Country have, for some time past, been so low that a "timber famine" is spoken of and it was quite impossible to find any one in the U.K. who would undertake to supply our requirements as suggested in your par. 20.

6. 547. 4. Your remarks in connection with solder are noted and it is fortunate that you were able to obtain your requirements from the Coast.

7. 547, 515, 19, 23. The claims for loss in weight, put forward by the respective managers of Messrs. Dean & Anson, Stickney Bros., Baillion & Stickney and Bertrand & Felton, will not be entertained by the Board for one moment. Had these

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gentlemen the smallest commercial experience they would never have made such a ridiculous proposal. From the commencement of the canning sheep from the East were bought "delivered at Goose Green" and we have, consequently, obtained all sheep paid for. As this was impossible in the case of the West farmers, the conditions have been f.o.b. Port Howard and the 1% allowance for "drivers" has been insisted on to cover the loss from Port Howard to Goose Green. The conditions being f.o.b., it will never do to admit any liability before shipment otherwise there would be nothing to prevent, say Pebble Island Station, claiming for any loss their sheep might incur, or damage they might do, between Pebble Island and Port Howard.

I am glad to say Messrs. Waldron have decided to act on the suggestion referred to in my 1189 10, and have notified those farmers likely to send sheep over their Station for shipment that the farmers, and not the Company, will be held responsible for any undue delay in their paddocks, vide copy of their circular enclosed. I would also draw your attention to Messrs Waldron's letter of the 5th November enclosed, with reference to the supply of labour to assist in loading. As previously advised, if this has to be supplied it should be made a charge to the Stations concerned.

Since shipment of sheep from the West commenced our contracts have contained the clause freeing us from all liability in the event of the break-down of the vessel or other unforeseen cause and, if the managers referred to were not aware of this, their principals here certainly were for all had copies of the contract form sent them. In deciding to forgo the right of cancelment and to accept the consequent loss through boiling down some 15,000 carcasses, the Board acted with generosity. This, however, does not seem to weigh with the unreasonable people neither does the fact that, while they receive the same price for their sheep as East Farmers, they are really in a preferential position by

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reason of the Company paying the freight per steamer.

It is noted that you have settled, under protest, Mr. Evans' grazing a/c for £380.8.4 Exactly how this will be dealt with is not yet decided. The matter will be taken up with Messrs. Waldrons here or it may be decided to charge it direct to the Stations concerned by deduction from any bonus declared. Unfortunately, you do not appear to have sent us details showing to which flocks the charge applies. *(This is from the sheep agent's claim)*

You should have an ample supply of contract forms left over from last year for use next Season and you will, no doubt, see that they are signed. A further supply is being sent by this opportunity and copies are in my possession signed by the following:- Messrs. Holmested & Blake, J.L.Waldron Ltd., J.H.Deam, V.Packe, Geo. Bonner & Co. Ltd.

Mr. Evans' threat to boil down his sheep next Season need not be taken too seriously for, after all, such matters are controlled in London and not at his end.

It is good news that the wireless station in the West is in process of erection for it certainly will be the means of saving you a repetition of the endless troubles you experienced last Season.

8. 547. 6. I have received the list marked "Machinery Wanted for Season 1919" (7 pages). I understand that Weiss will have endeavoured to buy, when on the Coast, all the items mentioned thereon and that only those on the list specially marked "Wanted urgently from England" are to be sent from here. It is hoped that success will have attended Weiss' efforts but, personally, I shall be very surprised if he is able to obtain anything like all the things mentioned, having regard to the shortness of supplies everywhere.

As regards the articles asked for from here, you will understand that, owing to the fact that your mail only arrived here on the 6th inst., and to the fact that the "Potosi" closed for

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cargo on the 14th inst., it was ^{quite} ~~quite~~ impossible to get the goods in time for this ship. The Priority control still exists and it takes fully one week to obtain a certificate.

9. Although your cable of the 3rd inst. arrived in a strangely mutilated condition I had no hesitation in deciding that you intended to say Weiss is leaving the Islands shortly. It is a curious fact that the telegraph signals for WE are contravertible with those for the letter P and this was the error perpetrated. The news is not altogether a surprise and it is very satisfactory to know that you see no difficulty in getting through the next season. I presume this is largely owing to the time and attention given by Mills to the work this year, which fact has been noted with much satisfaction by the Board.

10. 547. 7. The report by Mills on the water supply has been read with interest. The general unsuitability of the position of the factory is fully appreciated here and if you have any views to express or recommendations to make with regard to any better available site the Board will be glad to have them.

It is highly probable that, as soon as possible, a separate Company, in which the farmers will be invited to take a share, will be formed to take over the canning work. In that event, it may well be a matter for consideration whether it would not be better to rebuild the factory in the best possible position.

11. 547. 8. The drying of such a large number of skins under existing conditions is undoubtedly a very real difficulty and it was noted with satisfaction, from your cable of the 2nd November, that Weiss and Mills had agreed in recommending the erection of a special drying shed. The approval of its purchase was promptly cabled you and your further information on the subject will be looked for with interest. I have been informed by Mr. Houlder, director of the Rio Secco works, that their process for artificial drying has proved a complete success. The skins are hung in a shed which has double walls lined with sand to make it, as far as possible, air tight. Air, blown by a fan

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over steam heated pipes to dry it, is then forced through the skin room and the results are quite satisfactory.

12. 547. 9. In view of the termination of the War and the probable early removal of all Priority control, no comment is necessary.

13. 547. 13. The information re the wills of Mrs. E.P. Greenshields and George Greenshields is duly noted and has been passed on to Mr. Ansdell who is acting here as Trustee.

14. 547. 14. The condition of the hulks and steel lighters is noted, as also the work you have had done.

With regard to the "Lady Elizabeth", if you consider it a practical proposition to make her fit for loading home you might let us have your ideas as to cost and work necessary.

15. 547. 16. The new arrangements come to with the Governor regarding the movements of the "Falkland" are noted. I hope it will work as smoothly as you anticipate.

In connection with the "Falkland" I have a strong complaint from the partners of Speedwell Island. They complain that their Station had only one visit from the steamer in twelve months, that their wool was the last taken into Stanley and that no facilities were provided for taking rams to the Island which they had bought from Port Howard early in the year.

On the face of this statement it would appear that the Station has been badly treated but perhaps you will be able to throw light on the matter.

With regard to the renewal of the mail contract, it is an open question whether it will pay the Transport Co. to renew it on any terms.

16. 547. 18. The insurance per "Potosi", Monte Video for Port Stanley, was closed for £7000 and is charged in accounts herewith.

17. 547. 20. The action threatened by Dr. Wace's solicitors is held up pending receipt of full particulars from you of the

11/8/18
11/9/18
11/11/18

1190. 24.12.18.

final settlement come to with him. This will, no doubt, arrive per "Kenuta", due on the 31st inst., in response to my remarks by that mail. Meanwhile, I received a few days ago from Monte Video, copies of all correspondence and telegrams sent in connection with the booking of his passage. This shows conclusively that he and his daughter were booked to the U. K. in the "Thongwa" and that the boat was subsequently commandeered by the Government and ordered to New York. This contradicts one of his assertions. I note that you credited him with salary to 30th June but I would like to know if this was by arrangement with him in lieu of all further claims on the Company.

18. 547. 22. Mrs. Herklots, who has now obtained her passport to travel to the Islands, could not be accommodated in the "Potosi".

19. 547. 24. It was disappointing, after the intimation received from the Ministry of Shipping, that the "Kenuta" and "Cercovado" failed to clear up all your produce on hand.

Further representations have been made to the Ministry, supported by the Director of Contracts, pointing out the congestion there will be unless further shipments are promptly effected. The best they can promise is that the "Potosi", and the "Kenuta" (leaving early February), will both be instructed to load all that is possible. Copies of my letter to the Director of Contracts on the subject dated 28th November and his reply are sent herewith. It is to be hoped that with the conclusion of peace the tonnage difficulty will shortly improve.

20. 547. 25. Mr. Townson's explanation as to how the telephone wire is "as weak as thread" is awaited with interest. How, in the case of copper wire, this can be so is a mystery.

21. 547. 31. The return premiums on the stud animals referred to is now being claimed.

22. Enclosed I send you copy of a letter received from Norman L. Adam, late Camp Schoolmaster and for some time employ-

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ed as clerk in Stanley. He was reported to be a thoroughly efficient and capable servant while with the Company and now that he is about to leave the Army the Board would like to offer him reemployment in the Islands. It seems to me that now Weiss has left you will need to have a thoroughly capable clerk at Goose Green in the canning season to complete the several returns required. It is at present uncertain when Adam can get his discharge.

23. The burning of Tranquilidad house is a misfortune but the Board cannot establish the precedent of making the Company responsible for their servants' goods and chattels by compensating Finlayson for the loss he has sustained. It is a risk which the men should appreciate is theirs and protect themselves by insurance.

24. The Board has decided to pay William Coutts of Darwin a pension of £41 per annum from the 31st October last.

25. 547. 29. It has been decided that you should inform the outside Stations that no rams will be received or paid for. This should put a stop to their being sent mixed up with the flocks.

Please instruct Mr. Townson that if he finds it convenient, - as he probably will, - to clear paddocks and make room for the incoming flocks, to first kill anything up to 10,000 of the Company's sheep.

Last year a statement was drawn up and issued to all Stations interested, showing the number of sheep, and the average weight of each class, killed. It was decided to follow this practice each year but the statement received from you headed "Resume of Sheep killed at Goose Green" does not give all the information required. The total weight in lbs. of the carcasses in each class is stated but not the number of sheep in each nor is this given on the copies of debit notes received. The details could, no doubt, be arrived at from the several weighing sheets but it is doubtful whether an

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exact agreement with the accounts could be arrived at. I enclose a form headed "Return of Sheep killed at Goose Green, 19..." and shall be glad if you will see that returns are kept so that the information provided for thereon can be supplied.

If the weight of carcasses under 35 lbs. could be given without entailing too much extra work the information would be valued here.

With reference to the contracts for sheep for next season, - I am instructed to impress upon you the importance of having these signed and to inform you that, in the event of any manager declining to complete them, you are quite at liberty to refuse to take his sheep.

26. The five years contract entered into with the Pacific Co. will expire on the 14th January and, with it, the contract with clients for the coastal trade. It is not in the least likely that the Pacific Co. will at present contract, on terms acceptable to us, for a further period owing to the abnormal conditions prevailing. We must, therefore, carry on for a time until it is seen what service the P.S.N.Co. propose offering the Islands when tonnage is more plentiful. Nothing is yet decided as to new freight rates for the "Falkland's" coasting service and we shall, probably, cable you in the near future.

27. Alluding to remarks in the first par. of this despatch with regard to the delay in the delivery here of the "Potosi" mail, I enclose copy of letter from Capt. Foakes, R.N. in re enquiries which are being made by the Secretary of the Post Office.

I am, Sir,

Your obedient servant,

C. B. Edwards.

Secretary.

ENCLOSURES VIA LIVERPOOL.

DUPLICATES

Despatch No. 1189 dated 16th September.

Remarks on Accounts.

Remarks on Stores

Account Current dated 16th September.

List of Enclosures

Proforma list of Clients' Cargo per S.S. "Corcovado"

List of Parcels.

B/L cargo per "General Gordon" to Montevideo

ENCLOSURES VIA LIVERPOOL.

- 1 Copy of Cablegrams sent on 19th 27th September, 9th. 16th. 23rd.
26th October 5th. 7th. 14th. 25th November, 3rd. 4th. & 10th
December.
- 2 Copy of Cablegrams received :- 21st September, 3rd. 6th. 12th. October
1st. 10th. 20th November, 2nd. & 10th December.
- 3 Precis of Despatch No. 1189 per S.S. "Corcovado".
- 4 General Invoice Stores per "Corcovado"
- 5 General Invoice Bagging per S.S. "Arranmoor"
- 6 B/L cargo per S.S. "Corcovado"
- 7 List of General Cargo per S.S. "Corcovado"
- 8 Sheep Contracts for 1919. (forms)
- 9 Copy of letter to the Director of Army Contracts dated 17th Sept.
& 28th November and their reply of 16th October.
- 10 Copy of letter from the Colonial Office dated 17th September.
- 11 Copy of letter from J.L. Waldron, Ltd. dated 5th & draft circular
re charges at Port Howard & our reply of 3th November.
- 12 Copy of letter from T. & S. Plum dated 16th November and our
reply of the 3rd December.
- 13 Copy of letter from Lieut. H.C. Watt of 11th & 26th & our reply of
the 20th November.
- 14 Copy of letter from Maclean & Stapledon dated 16th August and copy
of cablegram sent them of 1st October re Sacking per "Arranmoor"
- 15 Copy of letters from Low & Bonar dated 16th & 30th September.
- 16 Copy of letter to Colonial Office dated 11th December.
- 17 Copy of letter from Norman L. Adam dated 25th November.
- 18 Copy of letter from John Hoare & Co. dated 17th December re
Greenshields's Estate.
- 19 Specimen Return Forms for Sheep killed at Goose Green.
- 20 Remarks on Stores, Replies to Remarks & Supplementary Remarks.

- 21 Account Current and vouchers(dated 20th December,18)
- 22 Remarks on Accounts.
- 23 Copy of letter from the G.P.O.dated 14th December.
- 24 Copy of letter from P.S.N.C.to Lowden Connell & Co.dated
19th December,re freights on outward cargo.
- 25 Credit note for amounts received from Government on account
of produce delivered at Port Stanley as per cable 20/11/
- 26 Particulars of case marked A.F.C.by this vessel from F.E.Cobb
for Bleaker (for custom's purposes only)

Letters for the following:-

H.H.R.Gresham,Edq.

Sydney Miller,Esq. (2)

H.W.Townson,Esq.

James Houston,Esq. (2)

London 20th December,1918

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND .. "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

61, Gracechurch Street.

London, E.C. 3 31st December, 1918.

James Houston Esq.,

Port Stanley.

Dear Sir,

RAMS SHIPPED PER "PATISI".

I omitted to advise in the despatch that 21 rams for the farm were being shipped out by this vessel and no doubt Mr. Blake will write fully to Mr. Townson by the next mail.

The purchase is in the nature of an experiment in as much as they are not exactly pedigree stock, purchased in the usual way at the annual Ashford sales but were selected and bought for us by Mr. F. H. Still, from the best flocks in Kent at the Maidstone Fair. As usual we have given instructions to our Liverpool agents to ship, in addition to sufficient fodder for the voyage, enough to last them for thirty days in quarantine after arrival. I should also mention that in the first instance 30 were bought but on inspection by Mr. Blake, Mr. Deane and Mr. Mathews 8 were returned and resold. This will explain the credit appearing in the accounts.

Yours faithfully,

G. H. Stoddard
Secretary.

P.S. I have just received a telephone message from Glasgow advising that three have died there. Further details later.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND " " "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

61, Gracechurch Street.

London, E.C. 3. 1st January, 1919.

Per.s.s. "Potosi" (Supplementary)

No. 1190.

James Houston, Esq.,

Manager,

Port Stanley.

Dear Sir,

The time for posting the mail by the above vessel having been extended until this afternoon I am able to acknowledge receipt of the following from you.:-

Despatch no. 548 dated 3rd Oct., delivered here 31/12/18.

.. 549 .. 5th Nov. .. 30/12/18.

Letter .. 22nd Nov. .. 30/12/18.

It is impossible in the short time available to reply to the several matters referred to in the above and I will therefore leave all comment until the next opportunity. As at present arranged this will be the "Kenuta" sailing early in February.

Wishing you a very happy and prosperous New Year.

Yours faithfully,

E. A. Sordard

Secretary.

PRECIS OF DESPATCH No.1191 per "INCA" - 26.2.19.

1. Acknowledges receipt of despatch No.550.
2. Confirms cables.
3. Despatches Nos.548/549 - Inability to answer last mail - now dealt with.
4. Stanley Smithy Boiler - transferring to G.G. - remarks noted. Babcock & Wilcox hope to ship new boiler next month.
5. Quantity of produce shipped to date disappointing. Deplores poor steamship service available.
6. Mr.Weiss - his visit to Coast, purchases there and resignation.
7. Canning - number of sheep available for this Season noted. Question of carrying on under Mills and Runacres. Extract making - copies of instructions sent herewith.
8. Paddocking sheep at Port Howard. Clients concerned agree to Mr.Evan's charges.
9. Canning - Bonus of 25% for last Season declared by Board.
10. Maclean & Stapledon - arrangement to pay them a commission of 2½% instead of 5% satisfactory.
11. Exchange - attitude of Governor unreasonable. Sending this mail £3,000 of £5 Bank of England notes to relieve position.
12. Mail Contract - disabilities attaching thereto. "Falkland's" certificate. P.A. trip - high rates of freight on stores.
13. Manager's House - repairs - good progress noted. Sketch of proposed new porch enclosed - measurements required for Architect.
14. Bagging.
15. Tinsmith for Goose Green - cannot send one this Season.
16. "Falkland" - detention at Punta Arenas. Lowdens' claim for loss sustained settled.
17. Dr.Wace's claim - his Solicitors apparently not pushing same.
18. Doctor's House at Darwin - to be supplied with furniture at Company's expense.
19. Bulls - safe arrival of at Darwin noted.
20. Land Tax - Protests being sent to Colonial Office.
21. Great Island - to be retained for Company's use - awaiting report on Buildings - value placed on "Glean" high.
22. Fencing.
23. Tinplates - Indent required for 1920 Season.
24. Mrs.Williams - regarding payment of £1,000 to you.
25. Norman Adam - not satisfied with offers made.
26. Schooners - attention given to overhaul and repairs noted with satisfaction.

27. W.S.Williams's Estate - valuation of land.
28. Falkland Islands Battle Memorial - enclosed copy of further correspondence with Colonial Office.
Representative Committee to be formed.
Copy of circular to Co's shareholders enclosed.
29. Canned Meats - P.S.N.Co's attempt to repudiate contract rate of freight on "Potosi" & "Corcovado" shipments.

Received

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "INCA".

N^o 1191.

London, E.C. 26th February, 1919.

Sir,

Since writing you last on the 1st ultimo, I have received, on the 10th instant, despatch No. 550, per H.M.S. "BRISTOL", dated 8th January.

2. Cables exchanged between us, as per forms enclosed, are confirmed.

3. In my last despatch I was only able to acknowledge receipt of your Nos. 548 and 549, and further comment was necessarily postponed until this mail. I will therefore now deal with them in order.

4. 548. 4. Your further remarks with regard to
549. 6. 17.
transferring the Stanley Smithy Boiler to Goose Green are noted.

Messrs Babcock & Wilcox advise that they are now making progress with the new boiler on order and that it should be ready for shipment next month. Under separate cover I send you a blue print, book of erecting instructions and other illustrations, as per copy of their letter of 5th February attached, - to enable the Engineer to make progress with the foundation work.

5. 548. 5. The quantity of produce shipped to date
549. 7.
550. 12.
by the Pacific Steam Navigation Co's steamers is most disappointing and, had it not been for the unusual delay in collection from Stations, there would have been considerable congestion in your hulks before this. So far we have no

James Houston, Esq.,

Manager,

Port Stanley.

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advice from you of the shipment by the "POTOSI"; she ought to have been in Stanley about the 9th instant.

The notice of the Ministry of Shipping is being drawn to the position, but in view of the general relaxing of the control hitherto exercised by that department, the prospect of bringing pressure to bear on the P.S.N.Co. is not bright. Their service is at present deplorable and lady passengers especially are practically cut off from voyaging to or from the Islands. The cargo boats recently sent to Stanley having no passenger accommodation, Mrs. Herklets is still waiting an opportunity to get out and it is impossible to say when a mail steamer will be put on. Unfortunately, now that all contracts for the conveyance of mails to the Falklands and South America are severed, no Government Department, either Colonial Office or Ministry of Shipping, can insist on a mail and passenger carrying steamer being sent on any particular route periodically. The only course open to us will be, if the service does not improve within a reasonable time, to endeavour to obtain a better one from some other independent line. After all, having regard to the considerable amount of freight and passage money we can control annually, our position is a strong one, and the mere threat that such negotiations had been opened would probably be sufficient to bring the P.S.N.Co. to their senses.

6. 548. 6.8.20.

549. 5.

550. 3.4.5, 13.

The whole of your remarks with regard to Mr. Weiss, his visit to the Coast and report thereon, his purchases there, and his general conduct throughout, all go to prove what has recently been so frequently established, beyond doubt, that no man with a taint of German blood can for one moment be trusted. It is well that this fact should be recorded. He has, undoubtedly, "let the Company down" very badly. His trip to the Coast, projected for some two years past, had for its object the collection of information

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with regard to the different processes and cost thereof in connection with skin drying, slipping, etc. He appears to have travelled South America from the Magellan Straits to Valparaiso and Buenos Aires, at the Company's expense, visiting many works. His report on the processes seen, and the relative costs thereof, is about as negative and useless to us as it could possibly be. It gives practically no detail information whatever. No doubt Mr. Weiss accumulated the necessary information to enable him, had he remained at Goose Green, to instal and put into operation there all that he had seen, but no one with only his report to guide them could do anything satisfactory in that way. He appears to have obtained his information at the Company's expense and deliberately schemed to deprive it benefiting therefrom.

With regard to the purchases made by him in Buenos Aires, it would appear that he must have exceeded all your ^{and} limits/instructions and completely abused the trust you naturally placed in him when sending him on such an expedition. As regards substituting the Japanese for Bolivian tin at such a great increase of price, it is unfortunately a matter about which only a technical expert is competent to pass an opinion.

Your account of his attitude towards the Camp Manager, and the total want of tact shown by the latter, goes to show that it was impossible for them to work satisfactorily together and, under the circumstances, you had little option but to accept Weiss's resignation.

7. 548. 9.21. It is satisfactory to learn that in
549. 6.15. spite of poor lambing returns you expect to put 45,000 sheep through Goose Green this season. No doubt the most unfortunate loss of so many good men, through Mr. Townson's tactless action, will materially increase your difficulties and anxieties in this respect, but I hope to hear you have overcome all trouble. It is noted that you feel fairly

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certain of being able to carry through the actual canning under the charge of Mills and Runacres. If this proves to be the case, and the meat and extract is turned out satisfactorily, do you not think that it might answer best to leave the work in their hands in future giving them a handsome gratuity for each year's operations rather than again employ a preserver who after all is only fully employed for about three months in the year ?

For your instruction I send herewith copies of reports received from Mr. McGhie of the Queensland Meat Export Co., Queensland, in 1911, with regard to the extract making process. This may prove useful, and from it you will see that there is no secret method of preparation and that no preservatives are added. These documents were sent out in 1911, but may not have been brought to your notice.

8. I have been in correspondence with Mr. Anson, William Stickney, Bernard Stickney, and Rear Admiral Chambers with reference to the claims, amounting to £380.8.4., made by Mr. Evans for paddocking their sheep delayed in shipment at Port Howard, as referred to in your 547 para.5. I am pleased to say that all have admitted that, under the terms of purchase of the sheep, it is not reasonable to ask this Company to pay, and they have accordingly agreed that their accounts shall be debited with the charge. You will therefore please make the adjusting entries in their accounts. In the meantime I hope to hear that, as a result of an appeal I have made to Messrs. J.L. Waldron, Ltd., that some reduction will be made in the charge. I will advise you as to this later. *They have since admitted the account.*

9. You will have gathered from my cable of the 19th instant that the Board has decided to grant a bonus of 25% on invoice value to the sellers of sheep last Season.

10. 548. 10. The arrangement made to pay Messrs. Maclean & Stapledon a commission of 2½%,- instead of 5%

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as previously, - on purchases is satisfactory.

11. 548. 11.31. The attitude of the Governor with regard to the matter of exchange is most unreasonable and he appears incapable of seeing that the transactions as hitherto conducted are to his and our mutual advantage. I have interviewed the Crown Agents here on the subject and they quite see and agree with our point of view, but being merely the instruments of the Colonial Office are powerless to make any alterations. Enclosed I send you copy of a letter addressed to them on the 29th January to which, so far, I have received no reply. It is hoped that they will forward this to the Colonial Office who, in time, will send it to the Governor with a hint that he should fall in with our views.

191 The Board is most anxious to relieve you of the humiliating position of being unable to meet the Government monthly demands, for balance due them, in cash if necessary, but unfortunately we have so far been unable to obtain a permit to ship you silver coin. Had this been possible, it was the intention to send you some £3,000 to £4,000 by this mail. With this you would have been able to pay off your liability to the Government who in time, if I mistake not, would then have been only too anxious to ask you to settle the matter by payment here to the Crown Agents. You could then have quoted the Governor's price for the exchange, 1½%, and there is little doubt that the old system ^{then} would/have been more appreciated.

As silver cannot be shipped, I am sending you under registered post £3,000 of £5 Bank of England notes which in a recent despatch you advise will be acceptable as legal tender.

12. 548. 12. The delay, - imposed by the Governor, - in
550. 14. sending the "Falkland" to Montevideo has brought us face to face with the serious disabilities attaching to the existing

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mail contract. Instead of there being about 3,000 bales of wool collected in Stanley at the 31st January there was practically none. The arrangement made with the Government for a settlement of 80% of the value of wool in Stanley at the end of January had therefore to be postponed until the 28th February. I calculate that this delay of one month in obtaining our cash (say 80% on £100,000) has caused the Company and Clients a loss of interest not far short of £400. The matter has been discussed with the Transport Co., and I am glad to say it is practically agreed that the mail contract cannot be renewed on anything like the same terms. It is an impossible position to have the movements of the "Falkland" controlled and hampered as they have been in this instance.

It is, too, particularly disappointing to hear from your 550. 14. that only a six months certificate was granted and that in consequence a further trip must be made in June.

I cannot quite follow your complaint about the high rate of freight charged on the stores shipped on her return trip. Who levied the rate? Is it not a matter which you controlled? 13. 548. 13. The good progress made with repairs to your house is noted with satisfaction.

I am pleased to say that Mr. William A. Pite, - of the late firm of Habershon & Pite, the original architects of the house, - has now supplied a sketch for the porch which it is desirable to have fitted. A copy of this sketch is sent herewith and I think you will agree that the design is in keeping with the building and will be a distinct improvement to its appearance. Mr. Pite suggests that the whole porch should be constructed here and shipped out, and, to enable the work to be put in hand without any chance of a misfit, he will require to have from you the exact measurements indicated on his drawing attached. If you will return this completed, the work shall be put in hand at once. This would not have been necessary were it not for the fact that no trace of the original constructional drawings can be found here.

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14. 548. 17. I quite agree the cost of the Calcutta
550. 15. bagging is terribly high, but as it was absolutely the only
source of supply open there was nothing to be done but accept
the inevitable.

Unless I hear from you later that your margin of stocks
available for the 1919/1920 clip are too low, and that you will
need further supplies, no bagging will be bought or shipped to
you this year. This will give you a chance of working off the
high priced stocks. It is satisfactory to hear that it will
not be necessary to stitch the narrow sacking although of
course this will leave you a large surplus quantity of jute
sewing twine on hand.

15. 548. 19. It was quite out of the question sending
you a tinsmith for this Season. From enquiries I made I
found that we should have had to pay £8 to £10 per week for a
man which is more than double the usual pay. Such men have
been commanding high wages on Government work, but by next
Season they may be more reasonably disposed. Let me know
when a tinsmith should arrive out so that I may keep the matter
in view.

16. 548. 23. The copies of letters from Mr. Hobbs with
reference to the detention of the "Falkland" at Punta Arenas
proved most useful as you will see from the correspondence on
the subject (enclosed) with Messrs. Lowden Connell & Co. You
will see that they claimed £416.12.5 for loss sustained on the
trip and that we finally compromised this for £275.6.1. In
making this settlement we were guided by the consideration that
the "Falkland" has been running at very low freights during the
war, that £275.6.1. was a comparatively important item to the
year's working, whereas, when Excess Profits Duty is taken into
account, the net amount to be paid out of the canning profits
would not be large.

17. 548. 24. I am obliged for the further information with
549. 11. 550. 10. regard to Dr. Wace. This was passed on to our Solicitors, and

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apparently, the Doctor's representatives are not pushing their claim further.

18. 548. 25. The favourable impression made by Dr. Herklots is noted with satisfaction. You will have gathered from my cable of the 8th January that the Board has decided that the Doctor's house at Darwin shall be supplied, at the expense of the Company, with the necessary furniture, excluding linen and plate. I therefore purpose selecting with Mrs. Herklots the requirements for the two bedrooms asked for by cable by the Doctor and you will no doubt indent for anything further wanted. You will of course be alive to the necessity of having an inventory taken of the Company's property, which he will have to hand over on the termination of his agreement.

19. 548. 30. I note the safe arrival of the two bulls at Darwin. As your subsequent letters have made no reference to the one for Hill Cove I assume it was duly landed there and am accordingly claiming the return insurance premium.

20. 549. 3. The passing of the ordinance relating to the graduated Land Tax naturally came as a great surprise to the Board. The attitude taken with regard to the whole question is fully set out in a letter addressed to the Colonial Office, dated the 6th instant, a copy of which is enclosed. So far no reply has been received to this communication. Further protests, in support of the views held by the Company, are also being sent in to the Colonial Office by Messrs. J.L. Waldron, Ltd., and others. In addressing the Colonial Office on the subject it was not considered wise to involve the issue by raising the question of the acreage at first but it is a matter that must be kept in view. Meanwhile, your correspondence with the Governor on that point is noted.

21. 549. 4. The decision of the Board with regard to Great Island etc., is that, for the present, the Islands, hitherto leased to James Smith, will be retained for the Company's use. At any rate they will not be leased again until

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the recommendation of the Camp Manager with regard to them has been considered. I may mention that Mr.F.E.Cobb is strongly opposed to the suggestion that the Islands should be let to the Speedwell Island Company.

The Board will be glad to have, when you are able to attend to the matter, your more detailed report on the buildings and their value as a guide to arriving at the amount it would be fair to pay the outgoing tenant. £800 for the cutter seems a high value in view of the fact that I find it cost, in England only £471, including stores for the voyage, in 1906. Smith should have no difficulty in disposing of his sheep as he thinks best.

22. 549. 12. You will doubtless have been informed that the regulation requiring Priority Certificates has now been entirely abolished. This permitted our sending you by last mail a good supply of fencing standards and we are promised a considerable shipment of fencing wire by this opportunity.

23. 549. 14. Please let us have as soon as possible your indent for tinplates required for the 1920 Season.

24. 549. 18. I communicated with Mrs.Williams and she wrote under date of 4th January stating that the £1,000 in question had been paid to you by her Manager previous to the 8th November.

25. 550. 10. Your remarks with regard to the employment of Norman Adam are noted. At a recent interview I put before him the proposal contained in your cable of the 27th January, but he considered the offer to be barely the equivalent of what he was receiving when he left the Islands for the war.

26. 550. 11. The attention you are giving to the overhaul and repair of the schooners is noted with satisfaction,

27. 548. 14. Mr.Cobb and Mr.Harding are of opinion that exception cannot be taken to the basis of valuation of the land adopted by your local authorities in the case of Mr.W.S.Williams's Estate. The 3/- an acre does not include anything in respect

of old rental; it was a sum laid down as the purchase price for the freehold.

28. Referring to remarks in my 1190. 3, I enclose copies of further letters which have passed between the Company and the Colonial Office on the subject of the Falkland Island Battle Memorial.

A representative Committee, to deal with the matter, is being formed here, and you will shortly hear direct from it with regard to the action you will be asked to take in the Islands.

A copy of a circular sent to our shareholders is also enclosed.

29. Copies of correspondence with the P.S.N.Co., are enclosed relative to an attempt on their part to repudiate the contract rate of freight on canned meats in the case of the "Potosi" and "Corcovado" shipments. You will see they finally gave way in the matter.

I am, Sir,

Your obedient Servant,

E. B. Goddard

Secretary.

ENCLOSURES VIA LIVERPOOL

DUPLICATES.

Despatch No. 1190 dated 24th December, 1918

Proforma List of Clients' Cargo per S.S. Potosi

Remarks on Accounts.

Account Current and vouchers.

General Invoice goods per S.S. "Corcovado"

General Invoice goods per S.S. "Arranmoor".

List of Enclosures.

Remarks on Stores.

List of General Cargo per S.S. "Corcovado"

List of Parcels.

Enclosures via GLASGOW

ORIGINALS

- 1 Copies of Cablegrams sent dated 3rd, 8th, 10th, 22nd, 28th, January, 10th, 19th & 20th February.
- 2 Copies of Cablegrams received dated 11th, 20th, 24th, 29th January, 3rd & 11th February.
- 3 Particulars of the cost of Rams shipped per "Potosi"
- 4 Copy of letter from Babcock & Wilcox, Ltd., dated 5th Febry and book of instructions attached.
- 5 Copy of letter from G. Gordon & Co. dated 13th January re "Claverdon" account.
- 6 Copy of letter from P. Bogen dated 13th January re remittance of £500.
- 7 General Invoice Stores shipped per S.S. "Potosi"
- 8 Copy of letter to the Crown Agents dated 29th January, re Colonial Finance.
- 9 Copy of correspondence with Cowden Connell & Co. re "Falkland" Punta trip.
- 10 List of General Cargo per S.S. "Potosi"
- 11 Bill of lading sundry Ironmongery shipped by Rowson Drew & Clydesdale from the States direct via Montevideo.
- 12 Bills of Lading General Cargo per S.S. "Potosi"
- 13 P.S.N. Co's contract dated 24th December for carrying Rams per S.S. "Potosi"
- 14 Three copies of Report from Mr McGhie dated 2nd Febry. 11 regarding Extract making process.
- 15 Plan and Diagram of Stanley House showing suggested new porch.
- 16 Priced Wool Catalogue for Corcovado & Mexico shipments.
- 17 Remarks on Stores and Replies.

- 18 Account Current and vouchers.
- 19 Remarks on Accounts .
- 20 Copy of letter to the Colonial Office dated 6th February
re Land Tax .
- 21 Copy of letters to the Colonial Office dated 11th December
& 12th January & their reply of the 30th December &
31st January also Directors' circular to Shareholders
to
- 22 Copy of letter ~~from~~ the P.S.N.Co. dated 18th & their reply
of the 24th January re Inward Freight per "Potosi"
- 23 Particulars of Cost of Bagging per S.S. "ARRANMORE"

Letters for the following :-

James Houston. (2)

Sydney Miller.

Manager , Pebble Island

L.V.Oswald.

H.W.Townson

LONDON 26TH FEBRUARY, 1919

PRECIS OF DESPATCH No.1192 per "SORATA" - 26.6.19.

1. Acknowledges receipt of despatches Nos.551/3 of 30th April, 6th & 22nd May.
2. Cables confirmed.
3. Refers to "Falkland" stranding at Chartres - disorganization of wool collection.
Advises settlement on account from Government.
4. Stock of Coal noted.
5. Norman Adam - Clerk for Stanley Office.
6. Coastal freight, 70% increase tentative only.
7. Canning Season - Mills & Runacres' work.
Sheep contracts must be signed and proportion of labour sent to Goose Green.
1917 Bonus to be paid Stickney Bros. & Baillon & Stickney.
New Skin shed. New Boiler.
8. Board unable to deal with dispute F.H.Weiss owing to insufficient information.
9. Governor's charge for remittance. £2,000 Bank of England Notes going by this mail.
10. re Land Tax to be charged leased Islands.
Assessment of Lafonia as 700,000 acres.
11. Company's title to Swan & North Swan Islands never questioned.
12. Falkland Islands Battle Memorial Fund - list of subscriptions.
13. Machinery wanted for Goose Green - Mills to be consulted.
14. Mills. Engineer.
15. Goose Green works. Inherent difficulties of site.
16. "Lady Elizabeth". Question of condition of bottom.
17. Bagging from Calcutta. Present price here of 54".
18. Rams per "Potosi" and P.S.N.Co.
19. Work on Buildings noted.
20. Manager's House - Porch.
21. Orders for tinplates, solder and boxes placed.
22. Advising Bonus for 1918 @ 15%.
23. H.W.Townson's agreement to be terminated. T.G.Slaughter appointed to succeed him.
24. re Annual Accounts.
25. The sailing of the "Sorata" postponed until 28th June.
26. Refers to Bentley's Complete Phrase Code.
27. Enclosing Mr.Slaughter's Agreement and letter guaranteeing £1,300 per annum.
28. L.V.Oswald. Result of omission to advise position.

29. Brecht Co. No information received of their instructions for drawing. Bill not accepted pending confirmation.
30. Mr.Herklots's furniture shipped.
Mrs.Herklots passage.
31. Mills, gratuity given £100.
Runacres gratuity sanctioned.
32. Employees leaving Islands. Position of Accounts to be advised.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Pers.s."SORATA"

N^o 1192.

London, E.C. 5th June, 1919.

Sir,

I wrote you last on the 26th February, and have since received your despatches Nos.551, 552 and 553 on the 30th April, 6th and 22nd May respectively. Your letters of 6th March and 2nd April have also come to hand. It is not clear by which vessel your No.552 was forwarded, as no name appears on the first page of the despatch.

2. Cables exchanged between us are confirmed as per forms enclosed.

3. 551. 3. The stranding of the "FALKLAND" at
553. 3.13.29. Chartres, in the midst of the wool season, was most unfortunate, and, following on the delay occasioned by the trip to M.V., has thrown the collection of produce much behind hand. The initial mistake was undoubtedly sending the vessel to M.V. just when she was most wanted in the Falklands. That this trouble would result was foreseen and care must be taken to see that our hands are not tied to such an extent under any future mail contract.

Payments of 80% have been received from the Government on the basis of your cables of the 28th February, 31st March & 1st June, and 30th April, and the relative amounts due to clients have been passed out to their credit in account. The dates on which it was originally agreed to effect settlement with the Government on account of wool delivered at Stanley had to be departed from on account of the above mentioned disorganization of the collection of wool and skins. The Ministry have been quite prepared to make settlement monthly as an alternative.

James Houston, Esq.,

Manager,

Port Stanley.

1192. 5.6.19.

4. 551. 4. I note that your stock of coal is sufficient to last until the end of November.

5. 551. 5. In my 1191/25 I advised that Norman Adam
553. 22. 26. was not prepared to accept the remuneration you had indicated by cable. Being now married, he is anxious to do better if he can. At present he has taken some temporary employment but is still open to an offer. In a recent cable I asked if you considered him suitable for the vacant clerkship in Stanley, or if you had anyone to recommend for that post. It occurred to me that, failing Adam, possibly you or Mr. Gresham might know of someone you would like to propose. Several promising candidates have been interviewed, but none finally selected. No difficulty will be found in sending you an efficient stenographer and one who will combine other necessary qualifications.

6. 551. 6. It is quite understood that the increase of 70% in the coastal rates of freight is a tentative arrangement only and that the matter will come up for review as soon as more normal conditions prevail. The question you raise of near and distant ports will then be considered and dealt with on a proper basis. In the days of the schooners freights from distant ports were always charged at a higher rate than from the near, - viz:- 11/9d. against 6/9d. Please bear in mind that the Company reserves the right of sending a schooner to its own stations if necessary.

7. 551. 7. 22. 29. Your arrangements for carrying through
553. 5. 7. 10. the Canning Season, as regards provision of labour, pay, etc., have been read with interest, and it was learnt with considerable satisfaction from your cable of the 30th ultimo that the season had been completed that day, and that 43,245 sheep had been treated. Under the difficult circumstances you are to be congratulated on this success. I have little doubt that the meat will turn out equal to that previously packed under Weiss's supervision. Great credit is also due to Mills and Runacres, and you may rely on their services receiving the

consideration deserved.

With regard to those Station Managers who declined to sign contracts, please give them due notice that in future unless they do sign and return the documents to you their sheep will not be taken. They would certainly hold us to the conditions they contain while getting out of it themselves if they thought fit. You also have full authority from the Board to decline to take sheep from any station which does not send its proportion of hands to Goose Green for the season's work. It is noted with regret that several Stations failed you in this respect. The proposal to bring men from the Coast is not favoured for it is understood that labour there is very dear and the hands most undesirable.

It is not the wish of the Board that the bonus on last year's sheep should be withheld from Stickney Bros., or Baillon & Stickney. In fact the partners here have been notified that it will be credited to them.

The report on the working of the new skin drying shed will be awaited with much interest. If you ultimately succeed in putting through anything like 800 skins per day it will pay for itself the first year, and save annually a large sum in interest.

The economy resulting from installing the Stanley Smithy boiler is noted with much satisfaction. The new Babcock boiler is now in Glasgow awaiting shipment by this opportunity.

8. 551. 7. 32. The matter of Mr. Weiss and his dispute
553. 9.
with regard to wages was before the last Board, but in the absence of knowledge of essential facts, it was really impossible to go thoroughly into the merits of the case. You say that his wages were stopped from the 30th November for the reason that he tried to take the Company's men away from Goose Green. It will be necessary to know the date of his arrival in Stanley from the Coast. Whether he was employed on any work for the Company after 30th November, and whether the offence which appears to have constituted your sole ground

for stopping his pay from the 30th November was committed before that date or after. On these points we are in the dark. I have received a long rambling letter from him from which it is impossible to extract any facts bearing on the case except the one, viz: that up to the end of December he was "working in the Company's office writing his report". If this is true, and the report was a full and proper one, of value to you, it would appear that the Company would be legally liable to pay him something while so employed. The agreement signed by him, leaving the matter in dispute for decision here, was considered, and the Board, feeling that it could rely on your having, with the actual facts before you, acted fairly in the matter, decided in the meantime to have Weiss's draft on the Commonwealth Bank of Australia for £192.19.10., presented, and this has been duly met. If on receipt of fuller information from you it is considered that something more is due to him, his case will not be prejudiced by this. It is noted with satisfaction that the extended trip made by Weiss to Valparaiso was not at the Company's expense.

9. 551. 10. I note that the Governor charged you with ~~1/2~~
553. 12. on the £3,000 paid to Crown Agents, and am very glad to learn that the £3,000 of Bank of England Notes, sent you in the "INCA", will so strengthen your position. By this opportunity a further sum of £2,000, in £5 Bank of England Notes, will be sent, and if you think it advisable to have still more, you will doubtless advise me to that effect.

10. 551. 11. A copy of a letter dated 27th May to the
553. 18. Colonial Office is enclosed herewith, from which you will see that the question of the charge to be made to the Lessees of the Company's Islands for Land Tax will depend upon the reply received. I will keep you advised on this point.

The unfairness of the assessment of Lafonia, for the purpose of this tax, as 700,000 acres is a matter which is being strongly taken up here, and it will ^{not} be allowed to rest until some more satisfactory solution is arrived at. Past records

of the Company provide abundant evidence that the question has been the subject of vigorous protest from time to time, particularly in 1898/9 in connection with the Scab Tax. On that occasion Mr. Joseph Chamberlain, the then Colonial Secretary, decided that "in the absence of an accurate survey he cannot admit that a sufficient case has been made out for altering the Law governing the assessment". The first important point to establish appears to be, to arrive at, from the Admiralty Chart, the basis employed which gives the acreages of the various farms as detailed in the schedule to the Scab Tax. This basis being obtained to apply it to Lafonia. If the figures so obtained were made the basis of the Company's assessment we could not object for the reason that the same system would be applied all round. It is possible that it may be decided to employ some leading surveyor, - such, for instance, as Sir. Alex. Stanning, - whose opinion would carry weight ~~both~~ with the Government to do this. The expense of such a course would be very small in comparison with the cost of a survey, and would, we think, provide strong and independent evidence that the Company is being considerably overcharged.

Mr. Harding informs me that when Mr. Cotton, - the Government Surveyor who surveyed the boundaries between Hill Cove, Chartres and Port Howard, - was in Stanley in 1912 he estimated the acreages of many of the farms in the Islands and also Lafonia by means of a planometer, and that a record of his figures is filed in the office. If you can find this, please send a copy. I understand that this was done unofficially by Mr. Cotton while spending an evening with Mr. Harding.

11. 551. 11. The Company's title to Swan and North Swan Islands has never been questioned, and old charts, filed by Messrs. Bischoff & Co., the Solicitors to the Company from its Incorporation, clearly show them as belonging to Lafonia, while West Swan is coloured the same as the West Falklands.

1192. 5.6.19.

12. 551. 17. It is pleasing to hear that the movement to
553. 25.
erect a Memorial in Stanley of the great Naval Battle has the
sympathy of the Governor and people. A list of subscriptions
received here to date is enclosed.

13. 551. 19. When Mills is here I will take the opportunity
of running through the list of articles required from England
with him and act on his recommendations. It may be, now that
Weiss has left, that it is inadvisable to send all the things
there enumerated.

14. 551. 20. It is very pleasing to read of your high
553. 5. would
opinion of Mills and to know that you welcome his return to the
Islands. The excellent service he has rendered the Company
is fully appreciated, and I hope that it may be found possible
to come to some arrangement enabling him to return.

15. 551. 21. Your views on the possibility of overcoming
the inherent difficulties of the present site of the Canning
Works have been read with much interest, and you interpret
the wishes of the Board in this matter correctly.

16. 551. 23. The condition of the "Lady Elizabeth" is
noted. I presume you have not yet been able to secure the
services of an experienced and reliable diver to report on the
alleged damage to the bottom.

17. 551. 31. I am sorry to hear such bad reports of the
553. 13.
sacking imported from Calcutta and it is clear that that source
of supply will not do in future. I understand that 27" width
is the size commonly used on the Coast. Have you considered
the pros and cons of disposing of your surplus there?
Today's price for 54" Dundee make of the old quality is $\frac{s}{1} \frac{d}{7} \frac{7}{16}$ tbs
per yard f.o..b. Liverpool.

18. 551. 33. Your complaint re the condition of the rams
landed from the "Potosi" has been passed on to the P.S.N.Co.,
who are investigating the matter and have promised to advise us
of the result.

19. 553. 6. The excellent work you have done to the
buildings is noted with much satisfaction. The cement facing

is certainly not expensive and should prove very effective in prolonging the life of the property.

20. 553. 14. Mr.Pite's sketch, with the measurements you have given, has been forwarded to him, and the work will be put in hand at once.

21. 553. 20. Your cable of the 6th May indicating your requirements for next season's canning was duly received and the orders have been placed, for tinplates, LXX @ 48/-, 1C 37/7½, solder £129 per ton and boxboards @ 3/5½. All these prices are considerably lower than last year.

22. I have the pleasure to inform you that at the last meeting of the Board the Directors decided that a Bonus of 15% in respect of the year ended 31st December, 1918, should be paid to all employees in the Company's service, on the same conditions as previously. I cabled this information on the 29th ultimo.

23. Following on previous cables exchanged, you will not have been surprised to receive mine of the 20th May instructing you to terminate Mr.Townson's agreement at once, paying him six months' salary in lieu of notice and to prepare the house for his successor. The Board, with much regret, decided that no other course was open having regard to the best interests of the Company. The chief factor moving the Directors to this decision was the total absence of tact shown by Mr.Townson in handling his subordinates, a failure, on his part, which has resulted in a serious loss of valuable men of all grades urgently required for the Company's work.

Mr.Thomas George Slaughter, who has been appointed Camp Manager, has had a long experience on the Coast, including ten years with the Patagonian Sheep Farming Co., under Mr.Walter Waldron, who speaks very highly in his praise. I would draw your attention to the enclosed copy of a letter of instructions which has been given to him with regard to his future duties etc. All that is possible is being done to get him out in the "Kenuta", scheduled to sail at the end of this month, but as the Government have requisitioned all the available accommodation,

pending a decision as to requirements for repatriating demobilised soldiers, there is an element of doubt. If the "Kenuta" cannot take him, Messrs.Lowden Connell & Co., having provisionally booked his passage with Messrs.Houlder Bros. to the Plate, will cable you to send the "Falkland" to Montevideo for survey at such a date that she will be ready to return to Stanley about the time Mr.Slaughter will be at M.V.

24. 552. ACCOUNTS.

Your final accounts to the 31st December last were duly received on the 6th May, and I have to thank you for the various statements, abstracts and returns in support of same. The net result is very satisfactory, and for your private information, a copy of the completed accounts is sent herewith supported by the usual detailed Profit & Loss account. It was wise to adopt a conservative policy in estimating the value of the large amount of produce unrealized at the end of the year, and from sales which have since been effected I am satisfied that the actual return will well exceed your figures.

Your remarks and explanation with regard to particular accounts are all carefully noted and have been read with interest.

I am, Sir,

Your obedient Servant,

E. H. Goddard

Secretary.

(CONTINUED)

1192.

26th June, 1919.

25. The sailing of the "Sorata", originally fixed for the 9th instant, has again been postponed until the 28th.

26. As you are aware the use of the cable between this office and Stanley has very much increased in recent years and is not likely to be less in the future. It has therefore become necessary to find a code which will enable us to exchange messages at the lowest possible cost, and, with this object in view, it has been decided to adopt Bentley's Complete Phrase Code, a copy of which goes out to you by this opportunity. The use of this code will effect a saving in nearly all our messages of 50% and has the distinct advantage that, where only literal words can be used to convey our meaning, these can be expressed at a saving of one half the ordinary cost. On page XLV you will see a clear description of the simple method by which A.B.C. sentences can be transmitted mixed with Bentley words. It is the intention to use the Bentley Code exclusively and, where necessary, to express the A.B.C. sentences by means of the Bentley cyphers there referred to. In fact it would be unsafe to do anything else.

In the supplement to the Code I have entered a large amount of matter, especially relating to our business, which will be no doubt useful, and this can be added to from time to time. To save any confusion all fresh ~~matters~~ additions had better be made on this side only and I shall be glad to embody therein any additions that may occur to you if you let me have details. This supplement of private matter cannot be used at present owing to the still existing war time restrictions, but there is every likelihood of these being shortly removed.

When you have received this Code and are prepared to operate under it, please add to the next cable message sent me the ~~XXXXX~~ word "BENTLEY" which I will take to mean "I will use the Bentley Code exclusively in future".

1192. 26.6.19.

27. Enclosed I send you copy of Mr.T.G.Slaughter's agreement and would draw your attention to the letter attached thereto guaranteeing that his remuneration from all sources shall not be less than £1,300 per annum.

28. It is much to be regretted that you have omitted to advise us of the arrangement come to with Mr.Oswald on his departure from Stanley, and I have been obliged to cable you asking, firstly, what was the understanding between you on his departure, and secondly, as to the position of his account. We are quite in the dark as to whether you granted him leave of absence or have given him six months notice to terminate the agreement. Through lack of knowledge on these points a most awkward situation has arisen with his arrival here a few days ago.

It was taken for granted, on the strength of your advices, and the sanction given you in Mr.Cobb's letters, that, before sailing you would have given him the six months formal notice to terminate to which he is entitled under clause 6 of his agreement. Seeing that you did not wish him to return it is most unfortunate that you did not take this the more decided course. The result of the omission means that the Company will have paid his passages home per "Inca" and "Victoria", and,- if notice is now given him here,- it must also pay six months full salary and, in addition, if he chooses to return to Stanley to pack his belongings, it is an open question whether he would not be legally entitled to be provided with another passage home under clause 8 of his agreement. This stipulates that "on the determination of the agreement he is to be provided with passage home". I think he could clearly argue that the passage home per "Inca" and "Victoria" was not the one to be provided at the determination of the agreement. It must be borne in mind that no new agreement having been made with him we remain bound by the

1192. 26.6.19.

provisions of the continuation clause 1 in his last agreement dated the 20th October, 1908. The new arrangement come to with him as advised in your letter of 18th February, 1918, would merely vary the Company's obligations to the extent of the salary to be paid and the passages to be provided.

What will be done in the matter I cannot say until the Board has considered the position at its next meeting.

29. I also regret to have to point out the serious omission to keep us advised of your instructions to the Brecht Co., Buenos Aires, with regard to drawing on us in payment of goods ordered by Weiss. The draft in payment of the first accounts received from them, amounting to £4,492.18.8., was paid, - we not wishing to risk the delay in the delivery of goods urgently required for the Canning Season, - on the strength of the statement given in their letter of 12th December, 1918, purporting to quote yours to them of the 15th November, 1918, authorising them to draw on us. Your confirmation of this arrangement was naturally expected in due course, but so far none has come to hand. When therefore, on the 17th instant, an advice from them of a further draft for £549.8.2., was received, we hesitated to think that they had authority to draw on us to an unlimited amount in payment of any orders Weiss had seen fit to give them. We consequently called you for confirmation, and on receipt of your reply the draft was paid.

In Brechts' letter of 10th May, - copy enclosed, - they speak of still having "quite a number of other orders on hand". Was Weiss given permission to place orders with them without limit or being subject to your confirmation and approval? Having regard to the large amounts it is considered that Brechts' charge of 5% commission is excessive. Have you taken the matter up with them?

1192. 26.6.19.

30. Referring to my 1191/18, you will find detailed on Remarks on Stores the invoices for furniture being sent out to furnish the Doctor's House at Darwin.

All that was possible has been done to obtain passages for Mrs.Herklots and Miss Connie Miller in the "KENUTA", fixed to sail on the 7th July, but so far without success. In a letter from the P.S.N.Co.,- dated 23rd June they write,-

"The whole of the passenger accommodation in this "steamer (Kenuta) is allotted to Government passengers "to the Falkland Islands and it is not possible for us "to find the necessary accommodation for Mrs.Herklots, "Miss Miller and Mr.Slaughter".

31. Since writing paras. 7 and 14 of this despatch the Board has decided to grant Mills a gratuity of £100 in respect of his services during the Canning Season and you have full authority to grant Runacres any gratuity you may think proper up to a like amount.

32. I would again impress on you the importance, in the case of employees coming home on leave, or on termination of service, of advising fully the particulars of the settlement come to with them, the date to which they have been paid, and, if any, the balance due to them. In the cases of Dr.Wace, Weiss, Mills and Oswald considerable difficulties arose, and the expense of cables was incurred in some instances, through the absence of this information.

E.B.G.

Enclosures via LIVERPOOL

DUPLICATES

Despatch No.1191 dated 26th February,19

Remarks on Stores

Remarks on Accounts

Account Current dated 26th February.

Proforma List of Clients Cargo per "INCA"

B/L Rowson's cargo per "Borgland" via Montevideo.

General Invoice goods per "Potosi"

List of General Cargo per S.S."Potosi"

List of Enclosures

List of Parcels.

ENCLOSURES VIA GLASGOW.

ORIGINALS.

- 1 Copies of Cablegrams sent 8th (2) 14th, 26th March, 14th April, 6th, 16th, 20th & 29th May, 5th, 13th, 17th, 19th & 23rd June.
- 2 Copies of Cablegrams received dated 28th Feb. 8th, 10th, 13th, 25th, 31st March, 9th, 23rd, 30th April, 6th, 13th, & 20th May, 1st & 9th June.
- 3 Bills of Lading Cargo per S.S. "Inca"
- 4 General Invoice goods per S.S. "Inca"
- 5 List of General Cargo per S.S. "Inca"
- 6 Copy of letter to the Ministry of Shipping dated 11th March
- 7 Copy of letter from George Clarke dated 15th March.
- 8 Copy of letter to A.H. Connell dated 20th March.
- 9 Bills of Lading for sundry Hardware &c. shipped per "Australic" from New York direct via Montevideo by Rownson Drew & Clydesdale, Ltd.
- 10 Edinburgh Life Assurance Co's. report for Mr Peters.
- 11 Copy of letter from J. Silverston & Co. dated 3rd May.
- 12 Original letter dated 5th May received from the British Red Cross Society re Darwin's remittance.
- 13 Wool Report from the Committee of London Wool Brokers dated 6th May.
- 14 Copy of letter from ~~London~~ Connell & Co. dated 12th May re shipment of Wines, Spirits & Beer from Liverpool.
- 15 Copy of letter from John Heape & Co. dated 9th May.
- 16 Bill of Lading for 300 cases Sheep Dip per S.S. "Sorata"
- 17 Sight Draft on J. Kirwan for £91 . 6 . 9 for collection Bill Lading attached.
- 18 Copy of letter from Wm. Carpenter & Son dated 26th May.
- 19 Copy of letter from James Pascall, Ltd. dated 29th May.
- 20 P.O. National War Bond Book No. C 189700 purchased for Mr G. Harrison, Speedwell Island.

- 21 Copy of letter dated 10th May received from Brecht Co. and
our reply of the 24th June.
- 22 Copy of agreement with Mr T.G.Slaughter dated 12th June &
copy of letter to him guaranteeing total remuneration
to be not less than £1300. per annum.
- 23 Copy of letter from B.Stickney dated 21st May.
- 24 Copy of letter to the Colonial Office dated 27th May re
Graduated Land Tax, & their reply of the 24th June.
- 25 Copy of letters from Lowden Connell & Co. dated 8th Jany. &
5th June and our reply of the 23rd June re S.S. Falkland"
- 26 Copy of letter to T.G.Slaughter dated 5th June.
- 27 Account Current and vouchers dated 5th June.
- 28 Account Current and vouchers dated 26th June.
- 29 Remarks on Accounts.
- 30 Remarks on Stores

LONDON 27th June, 1919

PRECIS OF DESPATCH NO. 1193 per "KENUTA" - 25. 7. 19.

1. Confirms despatch outwards of 26th ultimo.
2. Cables confirmed.
3. L.V.Oswald.
4. Re Menendez's offer for sheep.
Sheep for Goose Green.
Authorised to renew contracts on same terms as last.
5. Claim sent to Government for 80% of value of wool and skins delivered to Stanley to 30th June.
6. Re condition of rams per "Potosi".
7. Encloses correspondence from Brokers regarding bad condition of hides per "Potosi".
8. Codicil of will of A.M.Pitaluga enclosed for registration.
9. Casings- Oppenheimer Casing Co., wish to make offer.
10. Filling Machine. Wallers unable to supply. Trying to obtain quotation elsewhere.
11. Impossible obtain passages per "Kenuta". Passengers going to Monte Video per S.S."Highland Heather" to pick up S.S."Falkland" there.



The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "KENUTA"

Nº 1193,

London, E.C. 25th July, 1919.

Sir,

I wrote you last on the 26th ultimo, since when no mails have arrived from the Islands.

2. Cables exchanged between us are confirmed as per copies enclosed.

3. Alluding to para 28 of my last despatch, your cable of the 29th ultimo, reading "Oswald leave granted notice terminate left your hands", certainly cleared up all doubts entertained here as to the understanding come to between you and Oswald at the time of his departure from Stanley, but I regret to have to say that the position disclosed has caused the Board considerable annoyance. In view of all the facts, it is felt that Oswald was not treated fairly and openly as he should have been, and in addition the Company will have been put to considerable needless expense. It is found impossible to reconcile your action in allowing him to depart from Stanley on the 8th April, under the impression that he was being given leave, with your cable of the next day requesting a clerk to be sent out. It is regarded as most unfortunate, in view of your expressed dissatisfaction with him, that you did not give him formal notice that his agreement would terminate six months after his departure.

James Houston, Esq.,

Manager,

Port Stanley.

1193. 25. 7. 19.

This notice has now been given as from the 4th instant, and he will receive full pay in the meantime. I enclose copy of letter from him dated 18th July. Please supply me with all the information therein asked for.

4. I gather from your cable of the 29th ultimo, that Menendez is offering 10/- for wethers and 7/- for ewes for next season's surplus sheep, and from the wording of your message, I assume that some sales have been made to him on this basis. These prices will scarcely average out quite so good as the Company paid last year if the bonus of 25% is taken into consideration. It is hoped that most farmers will decide to send their sheep to Goose Green.

So far contracts at the same prices as last year have been concluded with Holmsted & Blake, George Bonner & Co. Ltd., Vere Packe, J.H.Dean; Packe Bros. & Co. and I hope within a few days to hear that Messrs. J.L.Waldron Ltd., are also agreeable to renew. A cable is being sent you authorising you to renew contracts on last year's terms and an ample supply of forms will reach you by this opportunity. In these you will notice that prices have been left blank for you to fill in so that the forms will be available for future years.

5. In accordance with your cable of the 2nd instant, a claim has been sent to the Director of Raw Materials for 80% of the value of the 536 bales of wool and 46 bales of skins delivered to Port Stanley to the 30th June.

6. Referring to your 551 para 33, I enclose copy of a letter from the P.S.N.Co. dated 14th instant with regard to the rams per S.S."POTOSI". Please advise me as to the truth of their statement, to the effect that "no exception was taken to the condition of the

1193. 25. 7. 19.

rams upon discharge either by the Health Officer or your representative."

7. Enclosed please find copies of letters from Messrs. Anning & Cobb reporting on the very bad condition in which the hides per S.S. "POTOSI" were landed. Kindly inquire into this and let me know the result.

8. I send you herewith Codicil of the will of the late Alexander M. Pitaluga. Please have this registered by the authorities and return here.

9. Mr. Harry Oppenheimer of the Oppenheimer Casing Co. S.A., Garmienta, 643, Buenos Ayres, recently called. His firm is very anxious to be allowed to offer for our casings and is prepared to send labour to Goose Green to clean the output as is done by the recent purchasers.

He states that the only time they have been allowed to see samples, - some few years ago, - the casings sent them to Buenos Ayres were in every case so many yards shorter than any that had ever been found in a sheep, that they concluded there was no desire on the part of those in control of the preparation of the samples for them to quote. What truth there may be in this story, I cannot say.

10. Referring to your cable of the 19th June re filling machine required at Goose Green. Messrs. Waller are unable to supply and I am endeavouring to obtain a quotation from some other source. It is more than probable that it can only be supplied from America.

11. It has proved impossible to obtain a single passage by the S.S. "KENUTA" for any of the several persons waiting to go to the Falkland Islands, and it is now settled to send Mrs. Herklots, Miss Miller, Mr. Slaughter, Mr. Hubert Cobb and Mr. Baines out to Monte Video in the S.S. "HIGHLAND HEATHER" to sail in a few days.

Messrs. Lowden Connell & Co., have agreed to arrange with you to so time the arrival of the S.S. "FALKLAND" at Monte Video, that these people will be able to return in her to Port Stanley. Mr. Hubert Cobb and Mr. Baines are going to Hill Cove as Cadets and are paying their own passages, any hotel expenditure incurred at Monte Video will be for their own account.

I am, Sir,

Your obedient Servant,



Secretary.

ENCLOSURES PER "KENUTA" VIA LIVERPOOL.

DUPLICATES.

Despatch No.1192 dated 26th June,19

List of Enclosures.

Remarks on Accounts.

Account Current dated 31st December (final account)
and sundry vouchers.

List of General Cargo per S.S."Inca"

General Invoice goods per S.S."Inca"

Second of Exchange for £ 91 . 6 . 9 on Mrs J.Kirwan

Proforma List of Cargo per S.S."Sorata" (Clienta)

List of Parcels in case No.943

B/L cargo shipped by Mann Byars & Co.at Glasgow per
S.S."Inca"

Bills of Lading cargo shipped direct from New York by
Rownson Drew & Clydesdale per S.S."Australic" via
Montevideo.

ENCLOSURES PER "KENUTA" VIA LIVERPOOL.

ORIGINALS

- 1 Copies of Cablegrams sent dated 3rd, 9th, 15th & 21st July.
- 2 Copies of Cablegrams received dated 19th & 29th June, 10th, 18th & 23rd July.
- 3 Bills of Lading cargo per S.S. "Sorata"
- 4 General Invoice - Stores per S.S. "Sorata"
- 5 List of General Cargo per S.S. "Sorata"
- 6 Committee of London Wool Brokers' market reports on 4th & 14th July sales.
- 7 Copy of letters from Anning & Cobb dated 11th & 14th July re Hides ex "Potosi"
- 8 Copy of letter from the P.S.N.Co. dated 14th July re Rams per S.S. "Potosi" (1918)
- 9 Copy of letter ~~from~~^{to} Maclean & Stapledon dated 15th July re payments to Mrs Herklotts
- 10 Copy of letter from Bernard Stickney dated 5th July re sale of Sheep to Canning Works for 1920.
- 11 Copy of Mail Agency Account to 31st December, 1918.
- 12 Sheep Contract Forms (50)
- 13 Account Current dated 25th July, & vouchers. (sent under separate cover)
- 14 Remarks on Accounts.
- 15 Remarks on Stores.
- 16 Codicil to the Will of Alexander Macintosh Pitaluga.
- 17 Copy of letter from Mr. L.V. Oswald dated 18th July.

Letters for the following:-

James Houston, Esq.

Sydney Miller, Esq.

London 26th July, 1919

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The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902

61, Gracechurch Street.

Per S.S. "KENUTA"

N^o 1194.

London, E.C. 28th July, 1919.

Sir,

Referring to para 29 of my 1192, as advised in my cable of the 9th instant, a further draft from The Brecht Co., at sight, for £2914. 8. 0 was presented for payment on that day. Having no advice from you or The Brecht Co., with reference to same I declined to pay before ascertaining from you that it was correct. I have since received your message of the 21st authorising the payment of the draft and it has since been met.

2. You will doubtless have already learned that Major Thomas Reginald St. Johnston is sailing in the S.S. "Kenuta" to take up the duties of Acting Governor of the Falkland Islands. The several opportunities which the Chairman has had of discussing with him matters concerning the Islands, will I hope tend towards the better understanding of the working relationship between the Colonial Government and the Company. Our relationship with Major St. Johnston has been most friendly and cordial and the Board feels it can rely on your maintaining this on your side.

I am,

Sir,

Your obedient Servant,

E. B. Gannard

Secretary.

James Houston, Esq.,

Manager,

Port Stanley.

PRECIS OF DESPATCH NO. 1195 PER "JUNIN" 12. 9. 19.

1. Acknowledges despatch No. 554 and letter of 20th June.
2. Confirms cables. - Requests that confirmations be sent on proper forms.
Enclosed schedule of additions to Bentley Code.
Concession re deferred rate noted.
3. Re shipment of produce and interview with P.S.N.Co. on shipping facilities to and from Islands.
"S.S."Falkland" Punta trip - re freight on Stores.
4. Canning. - Decreased return per head.
Working of departments.
Men leaving Islands.
Materials. - Tinsplates and solder shipped.
Hope to send Boxboards next steamer.
Coal. - 200 tons Scotch coal going this opportunity.
5. Sheep buying. Menendez.
Bonus of 25% to be paid to sellers of sheep last season who renew contracts for next season.
6. Filling Machine. Explains difficulties of purchasing.
7. 554/6. Referred to in separate cover.
8. Great Island. - Decision deferred until Mr. Slaughter's recommendations received.
9. Schooners and hulks. - Particulars of work done read with interest. Noted not necessary to replace Captain Thomas.
10. Currency. - Note Governor will not accept Bank of England Notes as legal tender.
11. Legislative Council. - Acceptance of seat by you if again offered.
12. Canned meats. - samples not yet to hand.
13. Brecht Co.
14. Lafonia acreage.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "JUNIN"

N^o 1195.

London, E.C. 12th September, 1919.

Sir,

Since writing you last on the 28th July I have received, - on the 27th ultimo, - your despatch No. 554 of 31st May and letter of the 20th June.

2. Cables exchanged between us are confirmed on the usual forms enclosed. In this connection I would point out that similar forms were not received from you by the mail now being acknowledged. Only the carbon copies of the telegrams as despatched were sent, giving only the cabled words and not the interpretation, consequently they do not provide the guarantee that we have exchanged your messages correctly. Please see that the proper forms are sent in every case.

Enclosed please find a schedule of additions to be incorporated in the supplement to your copy of the Bentley Code.

The concession referred to in your 554/2 permitting the acceptance of messages at the deferred rate will prove a boon to many. The same regulation applies of course from this side.

3. 554/3.10. The failure of the "Sorata" to ship any wool or skins was most disappointing and on receipt of your cable advising that she had taken only meats etc. I wrote strongly to the Director of Raw Materials, begging him to bring all possible pressure to bear to ensure a large shipment by the "Kenuta" so that the congestion in your

James Houston, Esq.,

Manager,

Port Stanley.

1195. 12. 9. 19.

hulks might be relieved. It is fully appreciated that unless considerable progress is made within the next three months in clearing your accumulation of produce, a very awkward and serious situation will arise when the new clip is ready to be brought into Stanley. I went to Liverpool last week expressly to lay the position before the P.S.N. Co., Mr. Lee, - the General Manager, - whom I interviewed is, I feel sure, genuinely anxious to do all that is possible for the Islands and he pointed out that until now their hands have been much tied by the shortage of vessels and certain Government requirements. As regards the latter, for instance, all their outward bound passenger steamers have been obliged to sail via New York, with returning American troops, and consequently have, for economical reasons, been obliged to make the West Coast via Panama. Mr. Lee explained that this work is practically finished, and that taking this into consideration with the fact that "Orita", "Orbita", "Orduna" and the "Oreoma" are all to be released by the Government before the end of October, he considered that they should shortly be in a position to considerably improve the shipping and passenger facilities to and from the Falkland Islands. The above named steamers when released by the Government will all have to be reconditioned and their old accommodation restored. Unfortunately in the present disturbed state of all classes of labour, it is not possible to gauge the delay which may occur before they become available.

With regard to the "Kenuta" and Monte Video, we have heard nothing whatever from the P.S.N.Co., on the subject and no request has been made from this office for the call.

I trust you have been able to arrange with Messrs. Lowden Connell & Co., for the "Falkland" to have the benefit of the freight on the cargo of stores referred to, on her

1195. 12. 9. 19.

way back to Stanley.

4. 554/4. The decreased return per head of canned mutton is certainly disappointing and every endeavour should be made to trace the cause. No doubt the reduced quantity of fat put in the cans will, to some extent account for the loss, but beyond that it would appear that the "boners" must have been at fault. Have you made any enquiries in this direction?

It is certainly pleasing to hear of the smooth working of all the Departments and credit is due to all concerned.

It is disturbing to hear of so many men leaving the Islands as, at present, owing to the greatly increased pay now being earned by all similar classes in this country and Scotland it is impossible to replace them at anything approaching the old standard of wages.

With regard to materials for next season's working, the tinplates and solder will have reached you by the "Kenuta" and the box boards now lying ready for shipment in Gottenburg will be sent forward by the next steamer. See copy of Messrs. Brice & Co's. letter of 9th September attached. The most serious difficulty, and that a very real one, is that of our coal supply. You will have seen from the newspapers the deplorable condition to which the coal trade, and in fact the country generally, has been brought by recent agitation and unrest among the miners. Owing to the ~~greatly~~ reduced output, the export of coal has had to be greatly curtailed and the enclosed copies of correspondence between Messrs. Lowden Connell & Co., and the Board of Trade will show you that not a single ton was obtainable for shipment from Liverpool. Permission has been granted to put aboard the "Jumin" in Glasgow 200 tons of Scotch coal, and this is the best that can be done. I might mention that a small parcel of South Wales Admiralty coal was offered

1195. 12. 9. 19.

in Liverpool some three weeks ago at 112/- per ton.

5. The news with regard to Menendez and his sheep buying activities is somewhat disconcerting but, if past efforts in this direction are anything to go by, there may yet prove to be a large discrepancy between his promised dates of collection and the arrival of his steamer. From my cable of the 9th instant you will have gathered that the Board has decided to pay a Bonus of 25% on invoice values, to all sellers of sheep last season who are prepared to sign a contract for the sale of their sheep next season. Those who have sold their sheep to Menendez will not participate in this. The names of those who have signed contracts here for the supply of their surplus sheep next season were given in my cable to you of the 19th August.

6. 554/4₂₀. The first filling machine sent to Goose Green was obtained through Messrs. Wildridge & Sinclair of Sydney. On account of shipment from Australia being restricted to food stuffs it is impossible just now to get a similar machine from there and we have to depend entirely on American sources of supply. Before the mail closes I hope to be able to advise that we have confirmed an order to one of three of the leading makers of this class of machinery in the States.

7. 554/6. Referred to in a separate cover.

8. 554/7. In my cable of the 9th instant I advised you that the Board has deferred its decision on the question of Great Island until Mr. Slaughter's recommendations on the point have been received. It may be that he can see his way to utilise the Island with advantage to the Company and on the other hand he may consider that, the time and attention required of him to look after it would be more profitably employed in the main stations. Please ascertain and advise his views in the matter.

9. 554/12. The particulars of work done to the

1195. 12. 9. 19.

schooners and hulks has been read with interest and it is noted that you do not consider it necessary to replace Captain Thomas when he decides to resign his appointment.

10. 554/13. It is very surprising to hear that the Governor has gone back on his word, - as advised in your 548/11, - to the effect that he would accept Bank of England notes as legal tender. In view of this promise he certainly could not justify the charge he made of 1% on the remittance referred to. It is to be hoped that his successor will see the matter in a more reasonable light and agree to the monthly payment made here to the Crown Agents being increased and so meet the changed conditions. Failing this your only plan will be to ask for an order on the Mint for a sufficient sum to meet your requirements.

11. 554/14. In connection with the question of your accepting a seat in the Legislative Council, in succession to Mr. G.J. Felton, it is fully realized that the unofficial members have little power but notwithstanding this, the Board feels strongly that, if the offer is made to you again, it should be accepted. As a Member of the Council you will at least be able to know what is going on, and when necessity arises, protest against any proposed measure that is not in the interest of the farmers.

The copy of the memorial to the Secretary of State has been read with interest.

12. 554/17. The samples of canned mutton and extract have not yet come to hand. When they are received I will cable you a report thereon after inspection.

13. 554/19. On the 4th instant a further draft from Brecht Co., for £879. 1. 4 was presented, their covering letter specifying that it is in payment for digestors on order. As I am without any advice from you as to the position of the goods or documents, I cabled asking if

1195. 12. 9. 19.

we should accept. I have your reply reading "do not". The Board would like to know if you have considered the advisability of cancelling any of the orders given by Mr. Weiss which remain to be executed.

14. Referring to remarks in my 1192/10 on the question of the acreage of Lafonia, I have now received from Sir Alexander Stenning & Partners a letter dated 5th September 1919 which is enclosed herewith, you will see this certifies that after investigating the acreage of several farms as detailed in the Second Schedule of the Live Stock Ordinance 106 of 1901, - which is the basis of taxation, - with the Admiralty Chart, the formula employed was arrived at, and that if the same formula be applied to Lafonia the acreage would be 455,000. The letter referred to is enclosed in original so that you can again take up with the Governor the question of the unfairness of the Company's assessment at 700,000 acres.

There is no firm in the City of London of higher standing than that of Sir Alexander Stenning & Partners, and it is unthinkable that in the face of their letter any sane person could fail to realize that we are being very much over-assessed in comparison with other farms.

I am,

Sir,

Your obedient Servant,

E. B. Goddard.

Secretary.

ENCLOSURES VIA GLASGOW

ORIGINALS

- 1 Copies of Cablegrams sent 28th July 1st, 19th, 22nd Aug-
4th & 9th September, 19.
- 2 Copies of Cablegrams received 31st July, 11th, 20th, 29th
Aug, 5th & 8th September, 19.
- 3 General Invoice stores per S.S. "Kenuta"
- 4 List of General Cargo per S.S. "Kenuta"
- 5 Additions to Bentley's Code.
- 6 Copy of letter to War Office dated 14th August, 19 re
shipment of Homeward produce.
- 7 Copy of letter from Munro Brier & Co. dated 9th Sept, 19
re shipment of Box Boards.
- 8 Copy of correspondence between London Connell & Co.
& Board of Trade re shipment of Coal.
- 9 Copy of letter from J.W. Madsen dated 4th Sept, 19 re
payment to J.A. & G. Duncan
- 10 Certificate for completion by Mrs Sollis re payments
of Dividends on War Bonds.
- 11 Bills of Lading Cargo per S.S. "Kenuta"
- 12 Bill of Lading for 1 case Motor per S.S. "Junia" shipped
by J.H. Dean for Pebble Island.
- 13 London Wool Committee's Market reports
- 14 Bill of Lading for 40 drums Petrol shipped per S.S.
"Solstrief" for Mr J.H. Dean.
- 15 Account Current and vouchers.
- 16 Remarks on Accounts.
- 17 Remarks on Stores.
- 18 Original letter received from Alex. Stenning & Partners
dated 6th September, 19

London 12th September, 1919



List of Enclosures (Consignees')

Suppliers detailed invoices goods per S.S. "Junin"

Suppliers' Certificates re strength of Spirits per S.S. "Junin"

List of Clients Cargo per S.S. "Junin"

LONDON 12th SEPTEMBER, 1919

Enclosures via Liverpool.

Duplicates

Despatch No. 1193 & 1194 dated 25th & 28th July, 1919
respectively

List of General Cargo per S.S. "Sorata"

General Invoice goods per S.S. "Sorata"

Account Current dated 25th July, 1919

Remarks on Accounts.

Remarks on Stores.

List of Enclosures

List of Clients' Cargo per "Kemita" (proforma)

List of Parcels.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND .. "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

61, Gracechurch Street.

London, E.C. 3 18th September, 1919.

S.S. "JUNIN"
via GLASGOW.

James Houston, Esq.,
Manager,
Port Stanley.

Dear Sir,

Referring to paragraph 3 of despatch No. 1195,
I beg to enclose herewith a copy of letter, dated 12th
September 1919, received from the Director of Raw Materials
regarding the collection of produce now lying at Port
Stanley.

Yours faithfully,

E. B. Goddard

Secretary.

per RPH

PRECIS OF DESPATCH NO. 1196 PER "JUNIN" 28.9.19.

1. S.S. "Junin" - sailing postponed.

2. Cables confirmed.

3. Hides ex "Potosi".

4. Waterson's resignation.

Mr. Milward appointed Assistant Camp Manager.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "JUNIN"

N^o 1196.

London, E.C. 23rd September, 1919.

Sir,

The sailing of the S.S. "Junin" having been postponed the mail is now fixed to close tonight.

2. Cables exchanged since the 12th instant, are confirmed on the forms enclosed.

3. In my despatch 1193, para 7, I enclosed Messrs. Anning & Cobb's reports on the hides ex S.S. "Potosi".

These were found to be "without exception in a badly heated and slipping condition, and in the case of 75% of the parcel no marks could be traced". On account of the bad condition the sale first made had to be cancelled, and the enclosed copy of Messrs. Anning & Cobb's letter of 31st July, reports that the whole parcel was sold in one line at 10d. per lb.

The difficulty now arises of fairly apportioning the proceeds among the various marks concerned, and as the whole parcel was weighed here in one lot, this can only be done on the basis of shipping weights. Unfortunately we have received from you no specifications for eleven different marks, - see statement enclosed, - and, as in the case of those for which we have the Station weights the average appears to vary from 28 to 80 lbs., it is not improbable that there was equal variation in the weights of those for which specifications are missing. Therefore before the proceeds can be credited out, we must ask you to send us the missing shipping weights, actual or estimated, to the best of your ability. How is it that no specifications were sent for the F.I.C. 24, and N.A. 74, hides respectively?

James Houston, Esq.,

Manager,

Port Stanley.

1196. 23. 9. 19.

Surely these are always made out in the case of the Company's Stations.

It is also a mystery how Lutchenberg could have 187 hides, but no doubt you can explain this.

For your future guidance, if hides are sent into Stanley without marks or with marks which will probably not be decernable on this side, you had better agree to purchase them outright and send them forward on the Company's account, or refuse to ship them home. The approximate value can be always cabled to you on receipt of a message giving the average weight.

4. Learning from a private letter of yours that Waterson had sent in his resignation, the Board has decided to create the post of Assistant Camp Manager. Mr. Slaughter, at Monte Video, was advised by cable of this decision, and was instructed to interview a Mr. Milward, - then on the "Highland Rover" en route for Buenos Aires, - and if he thought him suitable to secure his services. Mr. Milward had applied to us for such an appointment before leaving London. As the result of cables exchanged with Mr. Slaughter, Mr. Milward has been appointed at a salary of £500 per annum, and a form of agreement will be sent you later for him to sign.

I would here mention that the resignation of Waterson is a matter which should have been referred to officially in the despatch.

I am,

Sir,

Your obedient Servant,

E. A. Seward

Secretary.

2

ENCLOSURES VIA GLASGOW.

ORIGINALS.

1. Confirmation of cable sent 17th September 1919.
2. Statement re hides ex "Potosi".
3. Copy of letter from Messrs. Anning & Cobb,
dated 31st July, 1919, re Hides ex "Potosi".
4. Invoice from Messrs. John Dewar & Sons with
certificate of strength of whisky
forwarded for shipment per S.S. "Jumin".
5. do. do. Messrs. John Begg Ltd.

LONDON. 23rd September, 1919.

Extract from Writ issued 4th July, 1919

9.

It was further provided by the ^{said} agreement (by Clause 5 thereof) that the Defendants should provide the Plaintiff with an unfurnished house at Darwin Harbour rent free and a reasonable supply of butcher's meat and fuel for so long as he might require the same for the performance of his duties. The Defendants did in fact supply an unfurnished house to the Plaintiff and the Plaintiff was desirous of occupying the same, but it was verbally agreed by and between their Manager on behalf of the Defendants and Mrs Wace on behalf of the Plaintiff that the Plaintiff should vacate the house of the Defendants at Darwin which the Plaintiff then occupied in consideration of the Defendants agreeing to pay Mrs Wace's reasonable expenses which she might incur until the date of sailing. The Plaintiff did in fact vacate the said premises pursuant to the said Agreement and incurred expenses amounting to £ 11. 8 .0 but the Defendants have not paid the same or any part thereof.

PRECIS OF DESPATCH No. 1197, per "ORCOMA", 25.10.19.

1. No. mails to hand to acknowledge.
2. Cables confirmed.
Schedule of additions to Bentley's Code enclosed.
3. Advises Secretary leaving by this opportunity on trip to Islands.
4. Clerk for Stanley Office - Mr. J.D. Creamer - sailing per "ORCOMA".
5. Cadets for Camp - Mr. B. Elliott & Mr. W. Anning - also leaving per "ORCOMA".
6. Goose Green Canning Season, 1919 - Copies of Statement showing Return per head of sheep treated enclosed.
7. Filling Machine - Ordered from W.R. Perrin & Co., Chicago.
8. Coal - 500 tons to be shipped per "DUENDES".
9. E.G. Creece - copy of fresh agreement entered into with him enclosed.
10. F. Barnes - engaged as carpenter for Camp - leaving by this opportunity.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street,

Pers.s.s. "ORCOMA"

Nº 1197.

London, E.C. 25th October, 1919.

Sir,

Since writing you last on the 23rd September no further mails from the Islands have come to hand. The letters which I presume you despatched by the s.s. "SORATA", from Stanley 11th August, are unaccountably delayed for they have already been over ten weeks en route.

2. Cables which have been exchanged between us are confirmed on the usual forms enclosed.

Please make additions to the Bentley Code as per schedule herewith.

3. I have the pleasure to inform you that the Board has decided that it is desirable for me to make a trip to the Islands so as to be-come, as far as possible, personally acquainted with all ramifications of the Company's business on your side. I am therefore leaving by this opportunity and a cable advising my departure will be sent you in a few days.

4. Mr. John Denis Creamer, who has been engaged as clerk for your office, also sails by the s.s. "ORCOMA", and I trust you will find him in every way an efficient assistant. He has worked in the office for a short time and is a good shorthand writer and typist. A copy of his agreement is enclosed.

5. It has been decided by the Board that it is desirable in future to adopt the practice followed on some farms of employing one or two young men of good social standing as cadets who are anxious to acquire a practical knowledge of the sheep farming business. It is felt that, if they take an intelligent interest

James Houston, Esq.,

Manager,

Port Stanley.

1197. 25.10.19.

in the work and are otherwise suitable, they should soon be of considerable assistance to the Camp Manager. When Mr. Slaughter was here he interviewed two young friends of ours, who were anxious to go out, - Mr. Birt Elliott and Mr. W. Anning, - and the existing difficulty of accommodating them at Darwin was discussed. As however Mr. Slaughter was prepared to take them into his house until such time as special accommodation for cadets could be provided, it was decided to send them out at once and they also leave in the "ORCOMA". Both have provided their own passages, and it is understood that they shall be paid from the commencement of their service on the same basis as that obtaining for similar employees at Hill Cove, each paying for his maintenance.

6. Enclosed please find a number of copies of a statement showing the return per head of sheep treated at Goose Green this year. The figures are compiled on the assumption that the 25% bonus is made to all, but of course, as previously advised, this will not be the case unless the farmers mentioned sign contracts for the 1920 Season. Please have these statements widely circulated among all the Farmers and Managers, for there can be little doubt that the returns shewn are very considerably better than anything Menendez has offered, and should prove a deterrent to further sales in that direction.

7. Referring to par. 6 of my 1195, an order for a filling machine was given in September to Messrs. William R. Perrin & Co., of Chicago, and I am hopeful, if they keep to their promised delivery date, that the machine will be in Liverpool for shipment to you by the "DUENDES" sailing at the end of November.

8. I am pleased to be able to advise you that authority has been obtained to ship a further 500 tons of coal from Liverpool, by the "DUENDES", so that your Canning operations next season, so far as this is concerned, will be assured.

All tinplates and solder for the work have already been shipped, and the boxes, from Sweden, are now in Liverpool and

1197. 25.10.19.

will also go in the "DUENDES".

9. In recognition of the good work performed by Mr. Creece, the Board has approved of his receiving full pay while on leave away from Stanley, and a fresh agreement, - as per copy enclosed, - has been entered into with him for 5 years at £500 per annum. Mr. Creece is also travelling out by this opportunity.

10. Following cables exchanged between us an agreement has been concluded at your current rate of wages, £8 per month, with Frank Barnes a carpenter. He has been given to understand that he will be employed on the Camp. He leaves by this opportunity accompanied by his wife and child, age 4 months. Barnes came home from the Islands in 1914.

I am, Sir,

Your obedient servant,

E. N. Goddard.

Secretary.

Enclosures via GLASGOW

DUPLICATES

Despatch No:1195 dated 12th August and 1196 dated
23rd September,1919

Account Current dated 12th September,19

Remarks on Accounts.

Remarks on Stores.

List of Enclosures.

Additions to Bentley's Code

List of General Cargo per S.S."Kenuta"

Proforma List of Clients' Cargo per S.S."Junin"

General Invoice for Stores per S.S."Kenuta"

Enclosures via Liverpool

- 1 Copies of Cablegrams sent dated 3rd, 13th, 15th, 16th, 24th
27th & 29th October, 19.
- 2 Copies of Cablegrams received dated 28th Sept., 9th, 13th &
21st October, 19
- 3 Additions to Bentley's Code dated 5th November, 19.
- 4 Copy of letter from P.S.N.C. dated 24th October, 19.
- 5 Copy of letter from Chr. Salvesen & Co. dated 10th October, 19.
- 6 General Invoice Stores per S.S. "Junin".
- 7 List of General Cargo per S.S. "Junin".
- 8 Anglo American Oil Co's Invoice for Petrol shipped per S.S.
"Saistreif" a/c Pebble Island.
- 9 Copy of letter from Cocks Biddulph & Co. dated 22nd Sept., 19.
- 10 Copy of letter from P.S.N.C. dated 7th October, 19 re commission
on homeward freights.
- 11 Copy of Agreement with Mr E.G. Creece dated 30th Sept., 19
- 12 Copy of Agreement with Mr J.D Creamer dated 14th October, 19
- 13 Bills of Lading Cargo per S.S. "Junin".
- 14 Account Current dated 5th November, 19 and vouchers.
- 15 Remarks on Accounts.
- 16 Remarks on Stores.
- 17 Copy of Agreement with Frank Barnes dated 25th October, 19
- 18 Fifty copies - Summary of Goose Green Canning Season 1919.
- 19 Copy of letter from the P.S.N.C. dated 24th ^{Sept.} ~~Oct.~~, 3rd & 17th
re commission &c on passages. October.

Letters for the following:-

James Houston: (2)

T.G. Slaughter

Dr G.A. Herklotts.

Two parcels

LONDON 5th November, 1919

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND .. "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

61, Gracechurch Street.

London E.C.3 November 5th, 1919

James Houston Esq.,
Colonial Manager,
Stanley.

Dear Sir,

Your despatch No. 556 per "Falkland" enclosing duplicate of No. 555 per Sorata, the original of which is not yet to hand, arrived on October 27th, but owing to the short interval before the departure of the Orcoma, there has been no opportunity for the Directors to consider these.

I enclose an extract from the statement of Dr Wace's claim against the Company referring to an item for Mrs Wace's expenses in Stanley. Mrs Wace states that you informed her that the Doctor's house at Darwin might be required quickly for Dr Wace's successor, and that you undertook that, if she would vacate the house without delay, the Company would pay her expenses in Stanley. The Directors would be glad to have your report on this.

Yours faithfully,

W. Hardy

Acting Secretary.

PRECIS OF DESPATCH No.1198 per "DUENDES" 23.12.19.

1. Acknowledges despatches, letters and cables.
2. Mr.Weiss. Incident closed.
3. Canning. Stove and Filling machine.
4. Mr.Slaughter. Acknowledges news of his arrival in "JUNIN".
5. Bentley Code. Additons.
6. Brecht Co. Will await report on their letter.
7. Gratuity to Mills. The undertaking to give this should have been reported officially.
8. Overseer at Darwin Harbour. Remarks on termination of Waterson's service and appointment of successor.
9. Camp Manager's House. Cannot send out new one.
10. Wages. Approves proposals.
11. Stanley Staff. No general rule as to terms on which leave would be granted.
12. Sheep from Islands for Canning. Extra freight of 1/- per head.
13. "Garland". Further report required.
14. C.P.Peters. Approves his living at Goose Green.
15. Hides. Will advise as to best method of packing.
16. Septic Tanks. Will procure information.
17. Doctor for West Falklands. Salary offered probably inadequate.
18. Housing. General remarks on.
Ensilage. Probably not go great a failure as thought.
Painter. Cannot send out a skilled man.
Darwin Records. Copies taken away by Townson & Waterson to be recovered.
Welfare of men. Refers to correspondence in 1916.
19. "Falkland" rates. Revised tables.
20. Canning samples. Parcel Post samples not received.
21. Canned meat short delivered. P.S.N. will pay part claim.
22. Homeward shipments. Expresses satisfaction.
23. Land Tax. Colonial Office declines to intervene.
24. "Falkland". Grounding must be strictly prohibited.
25. Interest on debit balances to be increased from 5% to 6%.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "DUENDES"

N^o 1198.

London, E.C. 23rd December, 1919.

Sir,

Mr. Goddard wrote you last on October 25th since which the following have been received from you:-

Despatch No. 555 per "SORATA" on November 11th.

.. No. 556 " "FALKLAND" .. 5th.

Letter September 27th .. December 11th.

.. October 21st .. 1st.

Cables exchanged are confirmed on usual forms enclosed.

2. 555/6. Your full explanation of the circumstances under which Mr. Weiss's connection with the Company terminated is noted, and the incident may be considered to be closed.

3. Par. 12. All your orders for canning material including coal have now been sent with the exception of jockering stoves which Wallers are quite unable to supply. From the report of Runacres dated 10th July last (received on November 11th) it would appear that new stoves were indispensable for this season's canmaking which you were very anxious should be commenced well in advance of killing. Seeing that the single jockering stoves were unprocurable we decided to purchase one of Waller's five spindle soldering machines, and hope that it will be in time for the "DUENDES". With regard to the filling machine everything possible has been done to secure shipment, but unfortunately it was hung up by the U.S. dock strike and at the moment of writing it has not arrived in this country.

4. Par. 13. The Directors were much relieved to learn from your cable that Mr. Slaughter had succeeded in obtaining a passage by the "JUNIN".

James Houston, Esq.,

Manager,

Port Stanley.

5. Par.14. A list of a few additions to the Bantley code is enclosed.

6. Par.17, 556/13 & Letter 27th Sept. The Brecht Company have sent us a copy of their reply to you dated October 24th, and it will be better to defer any further remarks until your report on that letter has been received. In the meantime we have refused to accept their draft for £879.1.0. You mentioned in 555/17 that you would take up with them the question of their charge of 5% commission, but we find no reference to this in your letters to them dated Sept.22nd and 26th.

7. Par.18. It is unfortunate that you should have omitted to report in your official despatch the payment of £200 to Mills for his work at the Canning Factory. Your letter of April 14th was a private letter only, and so much time had elapsed that the payment was overlooked. Mills has consequently been overpaid the sum of £100, but we shall set against this the bonus of £45 for 1918.

8. Par.20. It is not understood why you should have terminated Mr.Watson's services just at a time when his knowledge of the camp would have been of value to the new Camp Manager. Your statement that "there is much scandal rampant throughout the Camp" is very vague, and the Board would have preferred to learn something more definite as to the nature of this, and its truth or otherwise. The matter of the Overseer at Darwin Harbour is now complicated by the almost simultaneous appointments of Mr.Milward as Assistant Camp Manager and of R. Finlayson as Overseer. This will have to be settled by Mr. Slaughter.

9. Same par. The Directors cannot entertain your suggestion that a new house should be sent out for the Camp Manager. The extension which provided a billiard room and extra bedrooms dates back only about 12 years, and there is no reason to doubt that the whole fabric has been maintained in good condition. Furthermore, the following points have to be taken into consideration; the site is by far the most suitable in the settlement,

the surroundings comprise a good garden which would require some years to establish on a new site, and the whole establishment, which includes necessary outhouses, has been well fenced round at considerable expense. A new house would consequently entail the demolition of the existing one, and to this the Board cannot agree.

10. 556/3. The Directors have considered very carefully your remarks on the wages question and approve of your proposals for increases. Wages here are rising by leaps and bounds, and the question is whether your proposals go far enough. It would not surprise the Board to learn that you have to give ^{even} larger increases, and they wish you to know that it is their strong desire to avoid any dissatisfaction. Discontent might result in what is known here as the ca' canny system, and the shortage of labour available in the Islands demands an increase of individual effort. This can only be secured by giving a really adequate wage, and it is left to you to give rates, the fairness of which could not be disputed.

But with regard to your hesitation to discuss the wages question with Station Managers the Directors are of opinion that it is far better in the interest of employers as a body that an attempt should be made to secure some agreement beforehand. We employ so many more than other farmers that the latter may feel that they must perforce fall into line, and this does not help towards inducing a good feeling towards us. I learn too that the old tacit understanding that no farmer would employ a man who had left another station in the middle of the season is being allowed to lapse. It will be a great pity if this is so - the lack of cohesion amongst the farmers in the past has been unfortunate and we should avoid anything which might intensify this. Hence the Directors decided to cable you to defer action until the arrival of the "ORCOMA" and in the meantime to consult the leading Station Managers. It was felt that if you had been able to ascertain their views you would be in a position on the arrival of Mr. Goddard, Mr. Mathews and

Mr. Bonner to have a useful discussion and decide upon some scale of wages that would be approved by a large majority of sheepfarmers.

11. Same par. A memorandum is enclosed detailing the conditions upon which leave has been granted in individual cases to the Stanley Office staff. The Directors are not disposed to alter materially the views expressed in the despatches referred to, nor are they willing to lay down any hard and fast rule. They will consider each application on its merits.

12. Par. 4. You will learn from the table of revised rates for the "FALKLAND" attended to in a separate paragraph that the freight on live sheep for canning has been raised to 2/- per head; this as before will be defrayed by us. If it is found possible to collect sheep for canning from Speedwell, Lively and Bleaker Islands, your suggestion that those stations should pay an extra 1/- per sheep is quite reasonable and is approved.

13. Par. 7 and letter Oct. 21st. The Directors are concerned to learn that you do not consider the "GARLAND" to be of any further use, especially in view of the favourable report of two years ago by Captains Thomas and Saanum. You do not say who examined the hulk with you in October, but it cannot have been Capt. Thomas as he had not returned from Montevideo. The Board desire that you will let Capt. Thomas take an early opportunity of thoroughly examining her, possibly in conjunction with Capt. Owen, requesting them to report if she is still sound under water, and if so whether it is feasible to tow her to Stanley. It should be possible to repair upper plates etc. there as we think you have a fair stock of ship's plates on hand but in any case there can be no need to sink her in deep water as most of the hull, deck planking etc. can be put to some use.

14. Par. 12. Your proposal to domicile Peters at Goose Green is approved. There is of course more machinery now on the Farm requiring attention, and by this time some of the Engineer's subordinates in Stanley have picked up sufficient

experience to be able to run the machinery there, with periodical visits and overhauls by the skilled engineer. The need for the presence of a skilled man at Goose Green is emphasised by what you report on the electric lighting installation at the Canning Factory.

15. Par.17. Your remarks as to the condition of hides ex "POTOSI" are noted. Messrs. Anning & Cobb will be asked to advise as to the best method of packing and marking.

16. Par.26. I have not so far been able to get in touch with anyone who can give me information as to "septic" tanks and possible results of installing, but will bear the matter in mind.

17. Par.28. From enquiries made it is feared that it will be impossible to obtain a suitable medical officer for the West Falklands at the salary offered, £600 per annum. Dr.Bolus informs me that when he held the appointment some years ago his remuneration totalled up to about £1,000 a year :: If necessary we will cable you a message for the Secretary of the West Falklands Medical Association asking them to offer better terms.

18. Letter 21st Oct. HOUSING. The Directors whilst fully sympathizing with your desire that the Company's employees should be well housed, feel that this question has to be considered in all its bearings. You are aware that, in this country housing is the burning question of the hour, and it is probable that in spite of all the resources of this country the Falkland Islanders are better off than the bulk of the working population here. There is no doubt that you have many arrears to make up owing to the houses not having received the attention that was desirable in the past few years. In Stanley a heap of work was demanded by the Government for defence purposes - whether the work was really necessary or not is a debatable point, but it had to be done, and if the Company had not done it in their own shops the Government would have requisitioned the carpenters. On our camp for some years past everything has had to give way to Goose Green, and the Directors realise that much requires to

be done for the men's accommodation. It is useless to condemn until you are in a position to replace, and the Board can only instruct you first to repair all houses as quickly as possible and to frame two new ones as circumstances permit. Houses framed here have not always been a success, and at the present time the price asked is large, for instance, Mr. Anson has had to pay no less than £488 for a four roomed house (without lean-to) for the Chartres. Stone houses are unquestionably the more lasting, but take a long time to complete and you will probably find that so much other stone and brick work is required on the renovation of the existing houses that your mason will be fully occupied for a long time to come. Apropos of this question we thought it advisable to ship as many bricks as possible by the "DUENDES" and I am glad to say that the P.S.N.C. have agreed to take 50,000.

ENSILAGE. In all probability this is not such a failure as anticipated; the smell from ensilage is always very offensive, but horses and cattle eat it in spite of that, and it is hoped that the loss will not be so great as you fear.

PAINTER. In view of the big demand for painters in this country the wages asked would be prohibitive, and seeing that there is little or no decorative work required in the Islands, the Directors are averse from sending a skilled painter. They recommend that you should endeavour to get a couple of old sailors for the work. As regards roofs, it is of course imperative that these should be well rubbed with a brush, or when coated with peat smoke, well scraped, before paint is put on, otherwise it would naturally peel off in time.

DARWIN RECORDS. The Board regrets much to learn that Mr. Townson took away copies of his letters home and Mr. Waterson his stock books. You will realize that these must be recovered somehow and will no doubt have written for them. Mr. Townson forwarded sundry farm returns direct to Mr. Blake although these should have come through you and enabled you to keep your farm records up to date. Copies of all these returns are enclosed and one set is being sent by this mail

to Mr.Slaughter for his records.

WELFARE OF MEN. The Company already contributes £10 per annum to the Darwin Sports Club, and it is understood that the cost of cricket and football gear is defrayed from the Club funds. If you think that this contribution should be increased, it will no doubt be considered.

In connection with this question I am to refer you to Mr.Allan's letter to the Secretary dated March 6th 1916, and to say that the Board reiterates the undertaking given in the Secretary's reply dated May 24th of that year to supply a suitable building for a Men's Social Club, but it must be clearly understood that this cannot be carried out until the carpenters have been able to overtake the arrears of work on the dwelling houses.

19. The revision and increase of the "FALKLAND" freights has been the subject of considerable negotiation with Messrs. Lowden Connell & Co. It was quite evident from the disastrous results of the 1918 working which shewed a loss of £3,366 that rates would have to be drastically increased, more especially as the deficit is bound to be largely increased during the current year. The correspondence enclosed will show that Messrs.Lowden Connell & Co. were strongly of opinion that rates should be increased in the same proportion as ocean rates by the P.S.N.C. vessels, such increases ranging from 3½ to 5 times the pre-war rates. Alternative rates proposed by the Ghairman were not considered adequate by Messrs.Lowden Connell & Co., and after a good deal of negotiation, the rates were fixed as cabled out to you, and shown in the enclosed statement. The result is that we have agreed to Messrs.Lowden Connell & Co's figures on homeward produce with only slight reductions, but have induced them to moderate very considerably their ideas as regards local freights and passages. Our main reason for combating too great an increase in the local charges is that their proposals would have resulted in a great outcry at Stanley, charges of profiteering, and without doubt strong protests from the Colonial Government. Furthermore we were

able to point out that doubling of the local passage rates might have defeated its own object by discouraging people from travelling except when absolutely necessary.

Incidentally it may be noted that our receipts for hulkage will be considerably increased. Messrs. Lowden Connell & Co., appealed to us to reduce this from one-sixth to one-tenth, but we pointed out that the low rates had affected us very adversely like themselves and that we could not agree to take less than one-eighth. This should increase our receipts under this heading by about £2000 per annum, and moreover our commission on freights will be increased by about £800.

The tables show that our modifications of the original proposals reduce the estimated profit by one-third, a result which must be regarded as satisfactory. Although the estimated net profits may even with these modifications seem high, we must not lose sight of the fact that there is a big deficit on the workings of 1918 and 1919 to be wiped out, and that it is imperative to build up a good reserve fund to provide for the ultimate replacing of the steamer. This could not be done under £30,000 to £40,000 and in the event of an accident this sum might be called for without any warning.

It is quite likely that you may receive protests from the farmers, but you will be able to point out to them that, in spite of the fact that the produce has for the past few years been carried at lower rates than in any part of the world, the increases now made are not in the same proportion as other ocean freights, and that on their local stores they are exceptionally well treated.

20. You wrote in 554/7 that you had sent by parcels post some single tin samples of canning produce, and that larger samples would be forwarded by first opportunity. We have not so far received the parcel post samples, and you will see from the enclosed copy of correspondence with the P.S.N.C. that the case of larger samples was picked up by the "SORATA" at Punta Arenas. Could you ascertain how it got there?

21. Correspondence with the Pacific Company is enclosed on

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the subject of the 28 cases and 52 tins meat short delivered ex "POTOSI". Mr. Goddard will note that they will probably settle for the 28 cases, but that we have been unable to move them in the matter of the 52 loose tins.

22. It has been a great relief to receive your cables reporting such excellent shipments by the "KENUTA" and "POLISH MONARCH", which presumably have now cleared up all that you had on hand in Stanley.

23. You will see from the enclosed copy of letter from the Colonial Office that the Secretary of State declines to intervene in the matter of the Land Tax. This is no more than was expected.

24. The correspondence as to "FALKLAND" freights advised in paragraph 19 ends with a letter from Sir. R. L. Connell conveying the information that the repair bill in Montevideo reaches the startling figure of £12,000, and it is possibly fortunate that our agreement had been concluded before that news was received, otherwise freights might have been fixed at still higher rates. Messrs. Lowden Connell & Co. hoped that a good proportion of this would be recoverable from the Underwriters, but they are very disappointed to learn that this will amount to only some \$5000. The reason for this very small contribution is disclosed in telegrams from Messrs. Chadwick Weir & Co., copies herewith, from which you will see that by far the greatest part of the damage to the vessel has been caused by the grounding of the steamer, and the Underwriters Surveyor has resisted liability for the cost of this part of the repairs on the ground that it is wear and tear damage. This is ^{so} disastrous for the Transport Company that it becomes a vital necessity that the "FALKLAND" should on no account be allowed to touch ground anywhere. The condition of the keel ~~XXXXX~~ is doubtless due to a succession of small damages sustained through grounding either from a desire to facilitate work, or from touching whilst alongside a jetty.

Messrs. Lowden Connell & Co. will probably send out definite instructions to the Master that grounding is strictly

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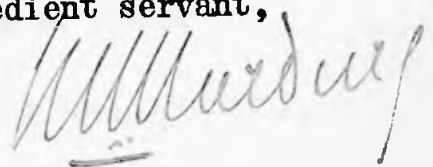
prohibited even though the bottom may be soft mud, and they rely on you also to impress this upon Capt. Owen. It is possible during the past that the steamer may have grounded involuntarily without any note being made in the logbook. In future every such grounding must be recorded.

25. Please notify all clients who have debit balances that we are compelled by the increased value of money to raise the rate of interest in account current from 5% to 6% to take effect from 1st January 1920. At the present time owing to the sluggish demand for canned meats and to the fact that we shall not receive from the Government for some time yet the balance of 20% on over 7,000 bales of wool and sheepskins we have had to borrow heavily from our Bankers. As a favour they are doing this at Bank rate only and we are charging clients only what we ourselves have to pay.

I am,

Dear Sir,

your obedient servant,



Acting Secretary.

ENCLOSURES via GLASGOW

DUPLICATES

Despatch No 1197 dated 25th October, 19

List of Enclosures.

Remarks on Accounts.

General Invoice stores per S.S. "Junin"

List of General Cargo per S S "Junin"

List of Parcels.

Proforma List of Clients' Cargo per S S "Orcoma"

Additions to Bentley's Code.

Remarks on Stores

Account Current dated 5th November and vouchers.

ENCLOSURES VIA GLASGOW

- 1 Copies of Cablegrams received dated 11th, 14th & 19th Nov.
& 12th December.
- 2 Copies of Cablegrams sent dated 12th, 22nd November &
10th December.
- 3 Copy of letter from the P.S.N.C. dated 18th & our reply of
the 19th November.
- 4 General Invoice for Stores per S.S. "Orcoma"
- 5 List of Government Wool Sales for 1920.
- 6 Copy of correspondence with Lowden Connell & Co. re revised
Coasting freight rates.
- 7 Bill of Lading for Sheep Dip per S.S. "Orcoma"
- 8 Copy of letter from P. Bogan dated 2nd November.
- 9 Copy of letter from C. Roberts dated 5th and our reply of the
12th November.
- 10 List of Cargo per S.S. "Orcoma"
- 11 Original letters dated 20th October received from the
Secretary of St. Dunstons.
- 12 Copy of letter from the Colonial Office dated 21st November
re Land Tax.
- 13 Copy of Correspondence re Meats short shipped ex "Potosi"
- 14 Copy of Mr Townson's Farm Returns for 1918/19.
- 15 Copy of letter ^{from} ~~in~~ the P.S.N.C. of 25th November re booking
homeward passages here from Port Stanley.
- 16 Bill of Lading for Woolpress shipped per "Duendes" for
Pebble Island.
- 17 Bills of Lading General Stores per S.S. "Orcoma"
- 18 Account Current dated 23rd December and vouchers.
- 19 Remarks on Accounts.
- 20 Remarks on Stores.
- 21 Copies of Cablegrams exchanged between Messrs Lowden Connell
& Co. and Chadwick Weir & Co. re S.S. Falkland.

- 22 Stanley Staff - question of leave.
- 23 Bill of Lading & Invoice stores shipped by Morris & Jones
for George Bonner & Co.
- 24 Sight Draft on Mr A.E. Martin ,with documents attached.
- 25 Additions to Bentley's Code dated 23rd December.
- 26 Copy of letter to A.H. Connell of the 19th and his reply
of the 22nd December.
- 27 Copy of letter from the London City & Midland Bank dated
23rd December re shipment of Filling Machine
from New York. per S/SEclipse

LONDON 23rd December, 1919

PRECIS OF DESPATCH NO.1199 per "KENUTA" - 28TH JANUARY, 1920.

1. Acknowledges receipt of letter of Nov.17th.
2. Hides ex"~~Potosi~~". Inability to render Account Sales.
3. Plans of Woolsheds. Blue Prints enclosed.
4. Sollis. Asks for copy of Agreement.
5. Canned Meats. Complaints as to short weight etc.
6. Hides for shipment. Enclosed Brokers' memo re method of packing.
7. P.S.N. list of sailings. Alterations in.
8. War Bonds over-subscribed for. Reports sale and loss on.
9. Assistant Camp Manager. Encloses draft Agreement.

Insurance

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

6-1, Gracechurch Street.

Per s.s. "KENUTA"

N^o 1199.

London, E.C.5. 28th January, 1920.

Sir,

I wrote you last on December 23rd and have to acknowledge the receipt on January 7th of your letter of November 17th. Letter Nov. 17th. I fear that your remarks do not in any way help towards rendering Account Sales of the hides shipped per "Potosi". In reporting that specifications had not been received in respect of eleven of the marks, I gather that what Mr. Goddard meant to convey was that proper "specifications" had not been received, the bare statement "9 or 20 hides" being of no value. Mr. Goddard proceeded to say that before the proceeds could be credited out, it would be necessary to have shipping weights, actual or estimated to the best of your ability. As these are not forthcoming the best course is to take advantage of Mr. Goddard's presence in the Islands and to ask him to go into the matter with you in order to come to some settlement. To facilitate this you will find enclosed the original papers drawn up here, with Mr. Goddard's pencil notes and calculations, and also a table showing the details of the Account Sales rendered by the Brokers which Mr. Goddard refused to accept pending the reference to you.

3. In response to your request by cable for copies of plans of woolsheds we have had further blue prints made, two of which are sent herewith, but in all probability you and Mr. Slaughter will have found your copies advised in despatch 1162 and letter to Camp Manager respectively of the same date. Mr. Blake's criticisms and Mr. Arthur Waldron's suggestions were embodied in the letter from the Secretary to the Camp Manager dated 21st March, 1916.

James Houston, Esq.,

Manager,

Port Stanley,

1199. 28. 1. 20.

4. A copy of correspondence with Mrs.Slack, a sister of Mrs.Sollis, is enclosed. Please send home a copy of Sollis's agreement, and also see Mrs.Sollis and ascertain generally her views and what her intentions are with regard to remaining in the Colony or returning to England.

5. Copies of letters from the Meat Broker on the subject of complaints received from the buyers as to shortage of weight in tins, excessive quantity of fat, and marking of cases of tongues 45/1 instead of 48/1 are enclosed. The question has been dealt with in a letter to Mr.Slaughter, copy of which is enclosed for your information.

6. Messrs.Anning & Cobb have given us the enclosed memorandum as to the correct method of salting and booking of hides for shipment.

7. Owing to an accident to the "Orduna" the Pacific Company have been compelled to revise their list of sailings, a copy of which you will receive direct from them as usual. We asked the Company to restore the call of the "Junin" at Stanley, but without success.

8. The sale of War Bonds applied for in excess of your requirements owing to the duplication of a list has resulted in a loss of £222. 8. 0. which should be debited to your Interest & Commission Account.

Dividend has accrued on these Bonds, but we are unable to draw it from the Bank of England without the usual requests signed by the persons in whose names the Bonds stand. A supply of these forms is sent for you to obtain the signatures.

9. The draft agreement for the Assistant Camp Manager enclosed herewith was approved by the Board before the receipt of Mr.W.M.Dean's letter to the Chairman, in which some doubt is expressed as to whether Mr.Milward should be given an agreement for so long a term as five years. The matter is left in Mr. Goddard's hands, but I am to suggest that the case might be met by substituting ^{one} "year" for "two years" in the 3rd line of clause 6. The effect of this would be that if the appointment

1199. 28. 1. 20.

should prove to be not a success, Mr. Milward's service could be terminated in a year and a half from the date of his arrival.

I am,

Sir,

Your obedient servant,

A handwritten signature in dark ink, appearing to read 'W. Milward', written in a cursive style.

Acting Secretary.

ENCLOSURES VIA LIVERPOOL.

DUPLICATES.

Despatch No.1198 dated 22rd December,1919

Remarks on Stores.

Remarks on Accounts

Account Current & Vouchers

List of Enclosures

Proforma List of Clients' Cargo per "Duendes"

List of Parcels.

General Invoice Stores per "Orcoma"

List of General Cargo per "Orcoma"

Sight Draft for £ 4 . 9 . 6 with documents attached

B/L for Sheep Dip per S.S."Orcoma"

Enclosures via Glasgow.

- 1 Copies of Cablegrams sent dated 1st, 2nd, 3rd., 16th. & 20th Jan
- 2 Copies of Cablegrams to Maclean & Stapledon of 1st & 21st.,,
- 3 Bills of Lading - Stores per "Duendes"
- 4 Contract for carrying Animals per "Duendes"
- 5 General Invoice Stores per "Duendes"
- 6 List of General Cargo per "Duendes"
- 7 Blue prints of plan of Wool Sheds. (2)
- 8 Copy of letter from Arnold Lupton, dated 6th January re
sundry packages per "Duendes"
- 9 Memorandum from P. Mills dated 10th Jany., re Canning
operations in 1919 and memos. from C. J. Piggott re out-turn
and short weight &c.
- 10 Copy of letters from Mrs A. E. Slack dated 9th & 21st. and our
replies of 12th & 22nd Jany. re Sollis.
- 11 Copy of letter to Keen Cobb & Lee dated 12th January re sale
of War Bonds.
- 12 Copy of Poyal's Fire Policy on Company's property in the
Islands.
- 13 Copy of letter from Anning & Cobb dated 24th Jany. re salting
and shipping of Hides.
- 14 Certificates of Kent Rams shipped per "Kenuta" for Pebble.
- 15 Statement - Hides ex "Potosi" showing how made out by
Brokers.
- 16 Bank of England forms for transmission of Dividend Warrants
by Post.
- 17 Remarks on Accounts.
- 18 Account Current dated 28th January and vouchers.
- 19 Remarks on Stores.
- 20 Additions to Bentley's Code.
- 21 Assistant Camp Manager's Agreement for completion (in duplicate)
- 22 Copy of letter to T. G. Slaughter dated 28th January.
- 23 Copy of letter, dated 23rd Jany., from the P. S. N. C.

LONDON 28th JANUARY, 1920

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

LETTERS SHOULD BE ADDRESSED TO
THE SECRETARY.

FOREIGN TELEGRAMS TO "FLEETWING" LONDON.
INLAND .. "FLEETWING" GRACE, LONDON.

TELEPHONE NO AVENUE 443.

61. Gracechurch Street.

London. E.C. 3 *January 28th* *1920*

Dear Houston,

I ought to have added a short par to the despatch this mail on the question of the rate of interest on accounts current. Mr Cobb decided that it should be raised to 6, which is now the Bank rate, but as a matter of fact we had considerable difficulty in getting the Bank to refrain from charging $6\frac{1}{2}$. I thought that there was no reason why clients, who could not borrow for themselves under 7%, should have the full benefit of our being able to get money on exceptional terms, and Mr Cobb agreed that we might well charge $6\frac{1}{2}$, and this was cabled out to you. Some explanation of the apparent inconsistency is due, and this ought to have gone in despatch this time. Will mention it next mail.

I expect that the Goddards are having a good time; they are certainly well out of the abominable weather we are having just now.

With kind regards to Mrs Houston and yourself,

Yours sincerely,

W. M. Mardie

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PRECIS OF DESPATCH NO.1200 per "ORCOMA" - 25th FEBRUARY, 1920.

1. Acknowledges despatches and cables.
2. Sanitation at Goose Green. Should take all necessary steps.
3. Gwendolin. Charge increased rates for work done.
4. Lambing. Regrets poor results due to bad weather.
5. New houses. Indent for material halved.
6. Homeward tonnage. P.S.N. sending "Junin" & "Bogota" to Stanley.
8. Hides. As to shipment of.
7. Brecht Company. Case to be discussed with Mr.Goddard.
9. Mr.Milward. Question of furnished house.
10. Tallow casks. Rushes always sent with shooks.
11. Camp teacher. Will endeavour to send one.
12. Produce 1919. Return will be very useful.
13. Acreage of Lafonia. Remarks upon Colonial Secretary's letter.
14. Interest on Account Current. To be 6½% and perhaps more.
15. H.W.Townson. No news of address yet.
16. Leave of absence. Sanctions.
17. Delay in receiving mails. Post originals via Valparaiso if necessary.
18. Ox Kidney and Tails. Not to be canned in future.
19. Camp matters. Will be dealt with in letter to Camp Manager.
20. Colonial Secretary. Mr.W.P.Martin appointed.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

6-1, Gracechurch Street,

Per s.s. "ORCOMA"

No 1200.

London, E.C.3. 25th February, 1920.

Sir,

I confirm despatch dated January 28th per "Kenuta" which sailed from Glasgow on the 3rd instant, since which date the following have been received from you:-

Despatch No. 557 per "Junin" on February 24th.

.. 558 " "Orcoma" on January 30th.

Cables exchanged are confirmed on the usual forms.

2. 557 par.5. The Directors authorise you to take any steps that may be necessary or desirable as regards sanitation and cleanliness at Goose Green, where doubtless much improvement is required. It is unfortunate that the site of the works is so low lying, but when canning was decided upon, it was a case of hurrying, and the building of the factory on any other site would have resulted in a great loss of valuable time; hence it was grafted on to the old tallow works. In view of the prohibitive cost of buildings now you may take it that the question of changing to another site is dropped, and having regard to the fact that human food is being prepared there, the Board desire that the conditions should be unexceptionable. We did at the outset invite Government inspection, which was refused, but it is not improbable that this may be imposed at any time, and we ought to be prepared. It is feared that septic tanks for dealing with the refuse as suggested in your 556/26 would not be feasible on account of the size of the tanks that would be required, but enquiries are being made as to the possibility of treating the entrails in a way similar to that adopted by the Whaling companies.

James Houston, Esq.,

Manager,

Port Stanley.

1200. 25.2.20.

This is all placed in a "press boiler" similar to our digesters, and subjected to steam pressure, the resultant being dried and converted into guano. A drying plant is expensive, but is necessary if the guano has to be shipped away. We should not propose to export, but to use it on the land ourselves and it may be possible to avoid the expense of drying plant. The question of utilizing the blood will also be considered; this would have to be dried, and might be worth exporting. The drying would be done by means of vacuum pans, the cost of which will be ascertained.

3. par.6. The commissioning of the "Gwendolin" in order to make a clearance from Goose Green was quite the best thing to be done, otherwise there would have been a congestion there which would have complicated the coming season's work. If local freight is credited to the "Gwendolin" at the old rate only a loss will be shown on the working. Had she been engaged on the Company's work ~~only~~ solely, this would not greatly matter as the Farm and Canning would have benefited by the clearance and shipment of 360 bales of sheepskins in the "Duendes". But as we understand she has done work for clients, it is only fair that the new scale of freights and passages agreed upon with the Transport Company, or something a little under those figures, should be charged in both cases.

4. par.7. The bad weather during lambing was most unfortunate, but we understand from reports received from other farms that the Company's lambing percentage is somewhat above others.

5. same par. You will have learned from 1198/18 that the Directors were of opinion that the number of new houses should be limited for the present to two, and it was decided to reduce your indent for timber by one half, more especially as we are informed by Messrs.Lamb Bros. that the price of wood may fall. This at any rate will give you enough to go on with for the present.

1200. 25.2.20.

6. par.8. The P.S.N.Co's programme of sailings was completely upset by the accident to the "Orduna" which puts her out of commission for two months. We requested them by letter to restore the proposed call of the "Junin", and on their replying that they were unable to do so, I went to Liverpool to discuss with Mr.Lee the question of getting our produce home, and am glad to say that he not only agreed to restore her call, but also to send in the "Bogota" as well. Knowing the anxiety that is felt by several who wish to get home, we have sent you cables reporting the proposed calls at Stanley, but the itineraries are so constantly upset that it is hardly safe to cable prospective arrangements. The Board wish you to send home wool in preference to tallow as it is vitally necessary to realise the proceeds as quickly as possible. Owing to the heavy payments we have had to make to the Inland Revenue, and the fact that the Government still owe us 20% of the value of all last year's clip, the borrowings of the Company at present exceed all records. Mr.Lee said that they are quite unable through lack of ships to ship produce direct home from Stanley instead of via Panama, but when the situation is easier he hopes to be able to start a service Antwerp, London, Straits, Valparaiso and back again. This would be a great advantage to us, but this cannot be inaugurated until their tonnage is increased.

7. par.15. You will have learned from 1198/6 that a copy of letter from the Brecht Company to you dated October 24th had been received here, and that some report from you on the statements in that letter, sheet 4 especially, was expected. It is extremely difficult to arrive at an equitable decision, and the settlement of the matter must be deferred until the return of Mr.Goddard with whom you will have been able to thresh out the question thoroughly. In order that this may not be overlooked an instruction to that effect has been included in our cable of the 23rd.

1290. 25.2.20.

8. par.16. Your difficulties as regards the shipment of hides are appreciated, and there is evidently a risk in shipping them by the long route via Panama. In all probability you will not have many accumulated in Stanley now, and it is a question whether it would not be advisable to postpone bringing any more in from stations until we hear more as to the chances of getting direct steamers home referred to in paragraph 6. This however is left entirely to your judgment.

9. par.17. The draft agreement with Mr.Milward sent you last mail provided for an unfurnished house only, and some surprise was expressed at the last Board Meeting that Mr. Slaughter should have promised a furnished house without reference either to London or to yourself. The Directors feel however that as the promise has been given they must fulfil it; they await further reports as to the questions of giving Mr.Milward an agreement and of housing him.

10. par.18. Coopers' "flagging" or rushes have always been shipped out with the tallow shooks, and Mr.Slaughter will probably find that this has always been used in setting up the casks. If you will refer to Bennett's invoices of Dec.15th 1917 and Dec.17th 1918, you will see that a supply was sent out in each of those years.

11. 558 par.6. It is satisfactory that you have secured Goodwin to act as camp teacher until a successor to Stephens can be sent out; there may be considerable difficulty in getting a man to go.

12. par.8. The return showing total produce shipped during 1919 will be very useful to us in clearing up the discrepancies in the marks. Up to the present we have not received any account of the marks turned out by the "Polish Monarch".

13. par.10. The reply of the Government dated Nov.21st on the subject of the acreage of Lafonia seems particularly feeble and disregards the point at issue. No one contends

1200. 25.2.20.

that Messrs. Stennings' calculation should be regarded as a survey, but we do dispute the right of any Government to arbitrarily declare that the acreage of Lafonia is 700,000 acres when all the evidence points to it being considerably less. Furthermore to write that we "accepted" this acreage for the purpose of taxation for a considerable number of years is entirely incorrect. We protested vigorously at the time in a lengthy correspondence, and as our reasonable arguments did not prevail, we had no option but to pay upon the figures that were imposed upon us. We may have one final shot at the Colonial Office over the matter later.

14. In 1198/25 you were asked to inform clients that interest in current accounts would have to be raised to 6%, and by a telegram subsequently this was increased to 6½%. It is feared that the increase may not be final, and you might mention to clients that our charge must be regulated by the Bank rate which is much more likely to rise than to fall.

15. The telegram requesting that the remittance to Mr. Townson might be suspended pending his restoration of the records abstracted from the Darwin office reached here three days after the delivery of the "Orcoma's" mail, but fortunately he did not apply for the money. We learn that he landed in Liverpool suffering from double pneumonia, and so far we have not heard of his whereabouts.

16. The Directors have pleasure in granting you leave of absence as recommended by Mr. W. M. Dean and Mr. Goddard, and assume that you will leave by the "Orita". This steamer is scheduled to leave here on April 22nd, but Mr. Lee informed me that that date was approximate, and may have to be altered. Upon your departure you will of course execute a Power of Attorney, delegating your powers to Mr. Gresham under authority contained in the Power of Attorney to yourself of March 7th 1917.

17. The time occupied in the transit of mails via Panama is so great that some means must be taken for transshipping

1200. 25.2.20.

at Coronel or Valparaiso, and posting via Andes and the River Plate. Letters carried the whole way by the "Orcoma" took 52 days from Stanley to reach London, whereas letters transshipped and sent via Andes reached in 40 days. Mails by cargo steamers are of course worse, your despatch per "Junin" which left on the 15th November arriving here only on the 24th instant, 101 days. If our appeals to the Postal Authorities to have the whole mail transshipped have no effect there is nothing for it but to post your original mail under cover to our Agents in Valparaiso asking them to re-post it via Andes. This practice obtained some years ago with our Agents at Montevideo and saved valuable time which was worth more than the double postage.

18. Our Meat Broker informs us that Ox Tails are worth only 6d. per tin, and Kidneys are unsaleable, so that it is not worth going to the trouble of canning these in future. The number of Ox Tongues is too small for a Broker to deal with, so these may as well be sold locally.

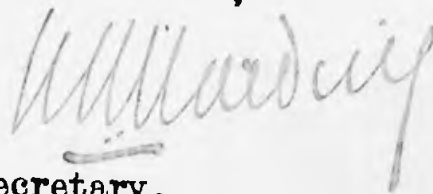
19. The preceding paragraph, as also Nos. 2, 9 and 10, refer particularly to Camp matters and should be communicated to Mr. Slaughter. In view of the fact that you will be proceeding on leave shortly, Camp matters will be dealt with in the letter to Mr. Slaughter, the correspondence passing through your office as usual.

20. We learn that Mr. W. P. Martin, late of the British East Africa Protectorate, has been appointed Colonial Secretary, and that he leaves by this steamer for the Colony.

I am,

Sir,

Your obedient servant,



Acting Secretary.

Enclosures via Liverpool.

DUPLICATES

Despatch No.1199 dated 28th January,1920

Account Current dated 28th January,1920

General Invoice Stores per S.S."Duendes.

Remarks on Accounts

Remarks on Stores.

List of Parcels .

List of Clients' Cargo per "Kenuta"

List of Enclosures.

Additions to Bentley's Code,28th January,20

ENCLOSURES VIA LIVERPOOL.

ORIGINALS.

- 1 Copies of Cablegrams sent dated 2nd.9th.& 23rd ~~Jan~~^{27 Feb}.
- 2 Copies of Cablegrams received dated 30th & 31st Jan.
4th.9th.12th & 16th² February.
- 3 Government Colonial Wool sales report dated 9th Febry.
- 4 List of General cargo per S.S."Kenuta"
- 5 Bills of Lading cargo per S.S."Kenuta"
- 6 General Invoice stores per S.S."Kenuta"
- 7 Account Current and vouchers dated 22rd February.
- 8 Remarks on Accounts.
- 9 Remarks on Stores.

Letter for the following:-

James Houston (2)

S.Miller

E.B.Goddard

T.G.Slaughter.

LONDON 26th February, 1920

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "FRANK WILKIE"

N^o 1201

London, E.C.3. 5th March, 1920.

Sir,

The above vessel is leaving Cardiff with coal for Government purposes, and the opportunity is taken to forward duplicates of the mail per "ORCOMA".

2. Could you obtain six copies of the Government Annual Stock return and report of Stock Inspector for 1919, - we are occasionally asked for a copy.

3. In your despatch No.558 you forwarded a report from Peters on the donkey boiler on the "GREAT BRITAIN". As you make no comment on this, it is assumed that you have the requisite material and that McNicholl will carry out the repairs.

4. Mr.Townson has returned the Letter Book containing ~~copies~~ copies of his outward letters. This will be sent to you by the next regular mail.

I am,

Sir,

Your obedient Servant,

W. M. M. M. M.

Acting Secretary.

James Houston, Esq.,

Manager,

Port Stanley.

Enclosures via Cardiff

ORIGINALS

- 1 Copy of Cablegrams sent dated 1st March, 20
- 2 Copy of Cablegrams received dated 2nd March, 20
- 3 Additions to Bentley's Code .
- 4 General Invoice stores shipped per S.S. "Orcoma"
- 5 Bills of Lading cargo per S.S. "Orcoma"
- 6 List of General cargo per S.S. "Orcoma"
- 7 Copy of letter from H.W. Townson dated 29th February.
- 8 Copy of letter from Mrs Catherine Campbell dated 1st March
- 9 Remarks on Accounts.

LONDON 5th MARCH, 1920.

Enclosures via London

Duplicates

Despatch No.1200 dated 25th February, 20

Remarks on Stores.

Account Current dated 26th February, 20

Proforma list of Clients' cargo per "Orcoma"

General Invoice goods per S.S. "Kenuta"

List of Parcels

List of Cargo per S.S. "Kenuta"

List of Enclosures

PRECIS OF DESPATCH NO.1202, per "JUNIN" - 9TH APRIL, 1920.

1. Acknowledges Despatch 559.
2. Assessment of Lafonia - enclosed copy of letter to C.O.
3. "PLYM" - Boiler Tubes ordered for.
4. Coal sold to Whaling factories - hope to ship 500 tons in Bogota.
5. Dr.Wace - compromise effected.
6. Mr.Milward - determination of agreement.
7. Barnes - regrets he is not a skilled carpenter.
8. Waterson - termination of agreement.
9. Sheep for canning from Weddell and other islands.
10. Darwin Sports - Coy's subscription increased to £20 p.a.
11. "Falkland" rates - hulkage 1/4th not 1/6th.
12. Interest on Clients' accounts - 6 1/2%.
13. Camp matters dealt with in letter to Mr.Slaughter.
14. Mr.Roy Felton - news of death received with regret.
15. Value of Rams on "Falkland" when stranded at Lively 1918.
16. Darwin Letter Book returned herewith.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "JENIN"

Nº 1202

London, E.C.3. 9th April, 1920.

Sir,

I confirm despatch per "Franz Wilkie" and have to acknowledge the receipt on March 20th of your despatch 559 per H.M.S. "Dartmouth".

2. Par.12. A copy of letter to the Colonial Office dated 20th March on the subject of the assessment of Lafonia for land tax is enclosed for your information.

3. Par.15. Boiler tubes for the "Plym" have been ordered, but it will probably be some time before they will be available.

4. Par.21. There would certainly be a handsome profit in selling a quantity of coal to whaling factories at \$10 per ton, and upon the receipt of your telegram of March 28rd, which did not reach us until the 25th, we immediately approached the PSNC as to taking out 500 tons in the "Bogota". This they are willing to do, but we have first to obtain a licence to export that quantity. In the present disturbed state of the mining industry we may have considerable difficulty in getting this, and therefore advised you in our reply not to run yourself too close.

5. Par.24. Upon the advice of our Solicitors a compromise has been effected with Dr. Wace - all payments in that respect will be debited to his account, and we will advise you when the final payment has been made. The balance of his account should then be transferred to Farm account.

6. Par.25. The determination of Mr. Milward's agreement at any rate puts an end to a situation of much difficulty and the terms upon which you have settled with him are noted.

James Houston, Esq.,
Manager.

Port Stanley.

1202. 9.4.20.

7. Par.26. It is regrettable that Barnes should have passed himself off as a skilled carpenter, and we can only hope that he will prove to be worth his pay in some other capacity.

8. Par.34. The whole story of the termination of Waterson's agreement does not seem to have been told quite frankly. In your despatch 555/20 of August last you wrote:-

"While at Darwin I terminated Mr.Waterson's agreement
"by paying him six months' salary in lieu of notice.
Previously
"Personally he had signified his intention of leaving our
"service in one year's time, but as the position was
"unsatisfactory I saw no other course left open to me".

You now write:-

"Mr.Waterson sent me his resignation as Darwin Overseer
"and personally asked me if I would relieve him of his
"duties at the earliest possible date".

It is not possible to reconcile these two statements as they stand, and the Directors cannot understand why, if he asked to be relieved of his duties at once, you should have found it necessary to pay him six months salary.

As regards alleged ill-treatment of stock, I am to say that this was the subject of correspondence some 3 or 4 years ago. It is uncertain whether the present "scandal" is a revival of that or whether it refers to some more recent occurrence, but the Directors will await Mr.Goddard's promised report.

9. Par.38. If you are able to freight sheep to the Canning Works from Speedwell and Bleaker Islands it will certainly be an advantage for both the farms and ourselves. Possibly the old box with rope slings which was used when shipping rams by PSN steamers to Punta Arenas is still in existence; at any rate a similar contrivance might suffice. Apropos of this Mr.L.A.Baillon discussed whether sheep could be taken from Weddell Island, and was recommended to invite Mr.H.J.Slaughter to discuss the possibility with you. He was

1202. 9.4.20.

informed that a freight per sheep would have to be agreed upon between you that would compensate the steamer for the distance and delay - of this the Canning Works would pay 2/- per head as in the case of the other Islands.

10. Par.40. The Board agree to raise the Company's annual donation towards the Annual Sports to £20 per annum.

11. Par.41. We gather that the increased rates per "Falkland" have been accepted without any serious grumbling. Our proportion for hulkage is one-eighth, not one-sixth; possibly this is a typing error in your despatch.

12. Par.44. You will learn from 1200/14 that 6½% is to be the rate of interest on clients' accounts current, to be increased if the Bank rate goes up. It was not considered worth while to cable the correction to you as the increased rate will not affect last year's accounts.

13. As your paragraphs 3, 6, 20, 23, 36 and 40 refer particularly to Camp matters, the separate questions are dealt with in the letter to Mr. Slaughter, which is passed through you as usual.

14. The news of the death of Mr. Roy Felton communicated in your cable of the 6th instant has been received with great regret.

15. Copy of correspondence with Messrs. Lowden Connell & Co. as to the valuation of the 36 rams which were on board the "Falkland" when she stranded at Lively Island in 1918 is enclosed. You will see from the Average Adjusters' letter that it is now impossible to re-open the question.

16. The Darwin Letter Book is returned herewith; some of Mr. Townson's letters to you have been perused by the Directors, who would like to know whether you wish to offer any comments upon any of them, notably May 31st 1918, June 14th (pages 275/6), Sept. 18th (page 298) and Dec. 28th (pages 324/7).

I am, Sir,

Your obedient Servant,

W. H. Mardace
Acting Secretary.

Enclosures

DUPLICATES

Despatch No.1201 dated 5th March.
 General Invoice goods per "Orcoma"
 List of Enclosures per "Orcoma"
 List of Cargo per S.S."Orcoma"
 Remarks on Accounts per "Orcoma"

ORIGINALS.

- 1 Copies of Cablegrams sent dated 11th 27th 31st March and 7th April.
- 2 Copies of Cablegrams received dated 13th 22nd 23rd 29th March 3rd & 5th April.
- 2 Report on Government Wool Sales.- report on
- 4 Bills of Lading General Cargo shipped per S.S."Junin" from Liverpool
- 5 Parcel Wedding Rings from H.J.Cooper & Co.
- 6 Copy of letter from Lowden Connell & Co.dated 31st March covering letters from Hobbs & Clark & Vere Packe re Hay short delivered ex "Duendes".
- 7 Copy of letter to the Colonial Office dated 26th March re Land Tax.
- 8 Copy of letter from Lowden Connell & Co.dated 7th April re details of rates of Glasgow cargo per "Duendes" .
- 9 Copy of correspondence with Lowden Connell & Co.re average statement of S.S."Falkland".
- 10 Account Current dated 9th April.and vouchers.
- 11 Remarks on Accounts.
- 12 Sight Draft on Mrs Alec.Martin with documents and instructions attached.
- 13 Copy of letter from Lowden Connell & Co.dated 29th March & our reply of 9th April, re coal for "Bogota"
- 14 Remarks on Stores.

LONDON 9th April, 1920

PRECIS OF DESPATCH NO.1203, per "DUENDES" - 28TH MAY, 1920.

1. Acknowledges and confirms despatches.
2. Accounts 1919 - Will be discussed with Mr.Houston.
3. Bills of Lading for homeward produce - Instructions.
4. Strike of Labourers at Goose Green - extra allowance.
5. Steel Lighters - as to cleaning and painting.
6. Mr.Milward's expenses at Montevideo. Asks for details.
7. Interest on Clients' accounts. 1% over Bank rate.
8. Canned meat. Falling prices.
9. Mrs. Sollis. Case will be considered.
10. Great and Swan Islands. Leasing of.
11. Coal. Endeavouring to send further 500 tons.
12. Ships' accounts. Duplicate signed copies to be sent.
13. Pensions to D.McKenzie & R.Cartmell. Reports grant of.
14. Bills and cheques. No bills at sight and no duplicate cheques.
15. Shortage of flour etc. "Duendes" to call at Montevideo.
16. Mr.E.B.Goddard. Despatch written to clear up questions to date.

Ind. 1002

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

6-1, Gracechurch Street.

Per s.s. "DUENDES"

N^o 1203

London, E.C.3 28th May, 1920.

Sir,

I confirm last despatch which left per "Junin" on April 13th, and have to acknowledge the receipt of the following:-

Despatch 560, March 9th, received April 26th.

561 " 12th " " 26th.

Enclosure " 23rd " May 3rd.

Despatch 562 April 6th " " 14th.

563 " 12th " " 15th.

2. Despatch 560. ACCOUNTS. The detailed accounts for 1919 with usual returns and explanations are all in order. Any remarks that may be necessary will be deferred until there has been time to discuss the details with Mr. Houston.

3. 561 par.3. The "Duendes" arrived on the 27th April. It was a mistake to enter on the Bills of Lading for produce consigned to the Company the full rate of £21, and moreover the table showing freights agreed upon with Messrs. Lowden Connell & Co. will have shown that those rates covered the carriage to Liverpool only. The practice that obtained under the old contract must be reverted to, namely the Bills of Lading for produce consigned to the Company will be at the ocean rate to Liverpool, and for produce consigned to others the full rate. On these latter the PSNC will as before refund to us the difference to be divided between the "Falkland" and ourselves for coasting freight and lighterage. A copy of correspondence with the PSNC and Messrs. Lowden Connell & Co. so far as it goes is enclosed, from which you will see that the

H.H.R. Gresham, Esq.,

Acting Manager,

Port Stanley.

1203. 28.5.20.

former repudiate the ocean rate upon wool and sheepskins which was the basis of our agreement with the latter. It is hoped that a decision will be arrived at before this mail leaves.

4. par.5. It was not altogether unreasonable that the Stanley labourers should receive something extra whilst working at Goose Green as it is presumed that most are married men who have to maintain houses and families in Stanley during their absence. Possibly the trouble may be averted on any future occasion by giving the extra allowance not as wages but by what used in the case of carpenters to be termed "grub money". This was I think ~~£~~ 1/4d. per day, or nearly 10/- per week. It will be interesting to learn whether the shipping of sheep from the Islands for canning turned out satisfactorily.

5. par.6. I am not surprised to learn that it has been found necessary to lower the "grid" upon which the steel lighters were placed for cleaning and painting. Frequently the spring tides were not high enough to enable them to be floated on, but we feared to make the grid too low as the lighters might bump heavily at the top of high water with a strong wind from North or North East.

6. par.7. We shall be glad to receive details of the amount allowed for Mr. Milward's expenses £161.17.0. This, plus £6.0.6 for exchange, totals to a very high sum, which the Board have declined to pass pending a discussion with Mr. Goddard.

7. par.8. In view of the recent increases in the Bank rate the Directors have decided to charge interest on clients' accounts current at 1% over Bank rate. Clients who do not consign produce to the Company will be charged in addition 1% commission and an additional 2½% interest. You will be notified in remarks on accounts of the dates of changes in the Bank rate.

8. par.9. We hope that the rumour that Menendes is dissatisfied with the result of sheep purchases is correct.

1203. 28.5.20.

It would not be surprising as we understand that some stations have sold their best sheep to us, and accepted Menendez's all round figure for scrags. Owing to the glut of meat here canned mutton is hardly saleable now; our broker manages to dispose of a few cases occasionally, and what had been sold up to the end of last month realised about 85/- a case. Following this drop in value we are reducing the valuation of unsold mutton at the end of the year, and we have also cabled you to ship all other produce in preference to meat. It is observed that no credits were passed out to clients in 1919 for the 25% bonus on sheep, and this still further reduces the estimated profits on canning for that year.

9. 562 par.4. The question of assisting Mrs.Sollis in regard to passages to England in case she should desire to return will be considered at the next meeting of the Board, but it is ^{most} unlikely that the Directors will commit themselves to granting assistance at some indefinite time ahead.

10. 563 par.3. The Directors note Mr.Slaughter's opinion that it would be preferable for the Company not to attempt to farm Great and Swan Islands on their own account. This being so the question of re-leasing them will have to be considered, and should anyone locally approach you on the matter you will of course report to the Directors.

11. We made every effort to induce the Coal Controller to allow us to ship 500 tons of coal by the "Bogota"; a copy of correspondence with Messrs.Lowden Connell & Co. is enclosed ^{that} showing/they too did their best in the matter, but without success. With reference to Mr.Houston's remark in 562/10 that we had omitted to advise you of the shipment of 500 tons by the "Kenuta", you will see from the correspondence with Messrs.Lowden Connell & Co. that this shipment was not made by us, but by them quite unknown to us. It would appear too that they omitted to advise you also as the coal arrived on March 28th whereas Mr.Houston's despatch is dated April 6th, a week

1208. 28.5.20.

later. Again, on April 23rd you cabled that the stock on hand was 800 tons of ours and none belonging to the "Falkland". We judge from the high amounts of the whalers' drafts that you let them have some coal; as these drafts are all dated end of March or beginning of April, you had 800 tons left after supplying them. Although this will probably carry you well through the winter we are endeavouring to ship a further 500 tons in the "Duendes".

12. I am to take the opportunity of calling attention to the omission to send the usual signed duplicate of these ships' accounts. These are wanted for two reasons;- first, because it is both useful and interesting to have the details on record here, and secondly, because in the event of the shipmaster mislaying his copy or losing it in the post or otherwise, there would be a signed account available here on which the draft could be collected.

13. The Directors have granted pensions to D.McKenzie and R.Cartmell of £43.10.0 and £36 per annum respectively. I am to point out that the statements embodying the record of their service were sent merely as an enclosure - questions of pension should be referred to in the despatch. I have to inform you that M.Finlayson died on April 12th.

14. I am instructed to inform you that the practice of drawing bills at sight must be discontinued. There used to be a general rule that all bills should be at 30 days sight, but many years ago the Government pressed for shorter sight, and the Colonial Manager was instructed to give them drafts at 10 days. Latterly on account of the obstacles raised by the present Government officials we understand that you have to cable payments to the Crown Agents. The whole question will be discussed with Mr.Houston, as also the question of issuing cheques in duplicate. In the meantime this too must be discontinued, and I might mention that within the last few days

1203. 28.5.20.

we have had an instance of the danger of this practice. The original of your cheque No.159 for £500 in favour of Mr.Roy Felton was endorsed by him to Menendez Behefty, and it eventually came to the hands of the Anglo South American Bank, London, who passed it to Glyn Mills & Co. for collection. About a week later the duplicate, which had been similarly endorsed to Menendez Behefty and passed to the Anglo South American Bank, was presented here for payment through Lloyds Bank.

15. Your telegram asking whether we could arrange for the "Bogota" to call at Montevideo reached us only on the 10th instant just four days before her advertised sailing date. A few days previously the PSNC notified us that she could not call at Stanley so that it was quite useless to approach them. As the cargo steamers do not now call at Montevideo it will be necessary in future for you to obtain all supplies of flour etc from there by mail steamers. The cancelling of the "Orita's" sailing indefinitely rendered the question of foodstuffs very acute, and you will see from the correspondence we have had with the PSNC and the Governor that immediate steps were taken before the receipt of your second telegram dated May 21st. It is very satisfactory that the PSNC have agreed to send the "Duendes" in to Montevideo though the additional freight of 30/- brings the total to a very high figure.

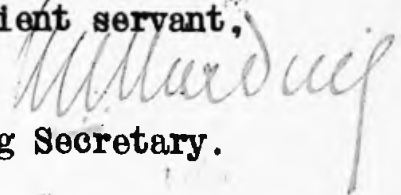
It will be as well for you to approach the Officer Administering the Government as suggested by Sir Douglas Young for we may at any moment have sprung upon us a proclamation by the Argentine and Uruguyan Governments prohibiting export of flour and other cereals.

16. This has been written a week before the closing of the "Duendes" mail in order to clear off all despatch matter to date before Mr.Goddard resumes his duties.

I am, Sir,

your obedient servant,

Acting Secretary.



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Enclosures via GLASGOW

ORIGINALS.

- 1 Copy of Telegram sent dated 2nd June.
- 2 Copies of Telegrams received dated 28th & 31st May.
- 3 Copy of letter from Lowden Connell & Co. dated 28th May
and our reply of 1st June re Fodder per "Duendes"
- 4 Copy of letter from Cooper Pegler & Co. dated 4th May,
re Glassware as per illustrations attached.
- 5 Suppliers Invoices goods per "Duendes"
- 6 Account Currents dated 3rd June and vouchers.
- 7 Remarks on Stores .
- 8 Remarks on Accounts.
- 9 Suppliers Invoices goods shipped per "Junin" a/c V. Packe.
- 10 Copy of Mrs Hansen's A/sale for 1 cask Sealskins ex
"Junin" November, 1919.

London 3rd June, 1920.

Enclosures via Liverpool

Duplicates

Despatch no 1202 dated 9th April, 1920

Account current and vouchers.

Remarks on Accounts

Remarks on Stores

List of Enclosures

Bills of Lading general cargo per S S "Junin"

Copy of letter to Lowden Connell & Co. dated 9th April

List of General Cargo per S.S. "Junin"

List of Parcels

Second of Exchange for £ 9 . 3 . 6 and B/L attached

Enclosures via Glasgow.

ORIGINALS.

- 1 Copies of Cablegrams sent dated 21st April 10th 21st & 27th May.
- 2 Copies of Cablegrams received dated 9th & 23rd April 5th. 6th. 10th. 13th. 18th. 19th & 21st May.
- 3 Report on Government Colonial Wool Sales dated 8th May.
- 4 Working Plan - re Porch for Manager's House.
- 5 General List of Cargo per S.S. "Junin".
- 6 General Invoice Stores shipped per S.S. "Junin"
- 7 Charing Cross Hospital's receipt for A.E. Felton.
- 8 Original Beaver Island Account Current to 31st December returned for Mr R.W. Thornhill.
- 9 Edinburgh Assurance Co's report for Mr C.P. Peters.
- 10 Copy of letter from Loden Connell & Co. dated 15th & 29th April 1st & 5th May re shipment of Coal.
- 11 Falkland Island Annual Colonial Report for 1918.
- 12 Copy of correspondence with Lowden Connell & Co. re shipment of Flour & copy of letter to Governor Young.
- 13 Copy of Correspondence with Lowden Connell & Co. re Fodder short delivered ex "Duendes"
- 14 Copy of correspondence with P.S.N.C. re freight rates on homeward produce to date.
- 15 Copy of letter from C.J. Piggott dated 20th May & Mr R. Wade & Son's report on Mutton .

LONDON 1st June, 1920

PRECIS OF DESPATCH No.1204, per "DUENDES" - 3RD JUNE, 1920.

1. Mr.Goddard and Mr.Houston - arrival of.
2. Mrs.Sollis - not a case for assistance.
3. Hides - not to be sent via Panama.
4. Account Sales Wool and Skins - explanation of deductions.

Enclosed

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)
REGISTERED 1902.

64, Gracechurch Street.

Per "Duendes"

N^o 1204

London, E.C.3. 3rd June, 1920.

Sir,

I regret to inform you that Mr. Goddard landed at Liverpool on May 29th suffering from a severe attack of dysentery, and is at present in hospital. Mr. Houston arrived at Southampton on the same day.

2. 562, par.4. The Directors have considered the case of Mrs. Sollis, and have decided that it is not one which calls for any assistance from the Company. Had she desired to come home immediately after her husband's death, the Directors would have regarded it as a legitimate case for assistance, but in view of the fact that she had obtained suitable employment locally and does not now wish to come to England, they cannot commit themselves to any promise of a grant at some indefinite date.

3. 563, par.5. The long voyage of cargo steamers via Panama renders the hides so liable to damage that it will be better for these to remain in the Colony until the PSNC are able to send cargo home direct. Hides should therefore not be brought to Stanley at all for the present.

4. You will receive with this a large number of Account Sales for wool brought to England by the "Kenuta" in September 1919 and for sheepskins brought in the "Potosi" and "Inca" in March and April 1919 respectively. It will be seen that deductions have been made from the net proceeds for advances already credited in respect of the 80% paid by the Government on the arrival of the produce in Stanley. It may

H.H.R. Gresham, Esq.,

Acting Manager,

Port Stanley.

1204. 3.6.20.

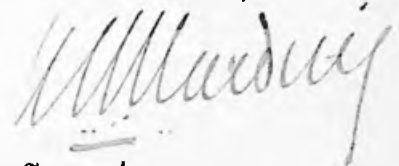
not be possible in every case to identify exactly the amounts so deducted, the reason being that the parcels sold do not always correspond with the parcels brought to Stanley by different dates. You will remember that the Government payments were based on the quantities actually in Stanley on specific dates and that only rarely were these quantities shipped as a whole. Should clients require explanations you will be able to so inform them, adding that, as soon as the wool purchased by the Government has all been sold, detailed statements will be drawn up here showing how all produce is accounted for.

I fear that it will be a long time before we shall be in a position to do this, as at present nothing but the best wool is saleable at all. Out of 4673 bales ex "Polish Monarch" which were offered for sale on the 14th May only 2100 were disposed of, there being no bid at all for the remainder. Similarly when over 300 bales of sheepskins were put up for sale about a week ago, there was not a single bid.

I am,

Sir,

Your obedient servant,



Acting Secretary.

PRECIS OF DESPATCH NO.1205 per "ORITA" - 21ST JULY, 1920.

1. Nothing to acknowledge.
2. Produce shipped per "Duendes" and to be collected.
3. Foot and Mouth disease in Patagonia etc.
4. Correspondence with Ministry of Munitions re sharing profit on wool.
5. Enclosing letter from Mr.R.W.Thornhill (Beaver Island).
6. PSNC steamers calling at Montevideo.
7. W.Craig (carpenter) & Enos J.Stanley (labourer) leaving by "Orita".
8. Excessive prices charged Farm for stores for consumption.
9. Copies of Store invoices to be attached to Clients accounts.
10. Renewal of Stanley - Darwin telephone line sanctioned.
11. Advising resignation of Mr.Houston.
12. Advising purchase of Mr.Vere Packe's property.
13. Rams - 20 bought in Kent.
14. Inquiring sheep available for killing next season.

Received
The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)
 REGISTERED 1902.

6-1, Gracechurch Street,

Per "Orita"

N^o 1205

London, E.C.3. 21st July, 1920.

Sir,

The last despatch, written to you by Mr. Harding, was dated the 3rd June and numbered 1204. Since that date no mail has been received from the Islands. The cables exchanged between us are confirmed as per copies enclosed.

2. It is satisfactory to learn from your cable advice that the "Duendes" had lifted 2021 bales of wool and skins besides other produce, and that you would have ready for shipment by the end of August and September 1130 bales and 430 bales respectively. This information has been given to the P.S.N.Co. (copy of correspondence enclosed) and they have promised that the whole shall be shipped by the "Orita", "Kenuta" and "Junin". It seems scarcely credible that the "Kenuta" which left Stanley on the 5th April has not yet arrived in the U.K. It was the intention to despatch her from Liverpool again on the 21st August, but it is probable she will not get away until September.

3. From Patagonian Farmers recently arrived in this country we have heard that foot and mouth disease is very bad over large districts in Southern Patagonia and Tierra del Fuego. The danger of this disease being imported to the Islands is appreciated by the Board and I would draw your attention to the correspondence (copy enclosed) with the Colonial Office urging the importance of prohibiting the importation of any live stock or fodder from the Coast to the Islands.

H.H.R. Gresham, Esq.,

Acting Manager,

Port Stanley.

1205. 21.7.20.

4. On the 22nd June, in reply to a question asked in the House of Commons, the Parliamentary Secretary to the Ministry of Munitions admitted that the contract made by the Government with Australia and New Zealand provided for a division of the profits, arising on the resale of the wool, as between the Government and the Colonies concerned. On the strength of this an appeal was immediately lodged by us with the Ministry asking that the Falkland wool growers should be placed on the same terms. A copy of this correspondence is enclosed from which you will see that the final decision is awaited.

5. I would draw your attention to copy of letter, - and reply, - received from Mr. R. W. Thornhill of Beaver Island, asking to be kept posted in the event of any steps being taken in Stanley to revoke a codicil to the Will of the late Mr. Henry Waldron.

6. In response to urgent appeals to the P.S.N.Co. they have agreed to allow the s.s. "Kenuta" &/or "Jumin" to call at Montevideo for stores, the rate of freight to be the same as charged in the case of the "Duendes". In that case we were informed that 30/- per ton extra freight would be charged for the deviation, but what this brings the total freight to I am unable to say. Please advise exactly the rates charged by that vessel for this service. In view of the considerable tonnage you indicate for shipment, viz: 450 tons, per "Kenuta", the proposed extra 30/- per ton is not justified and the P.S.N.Co. have been asked to waive the charge. Their decision on this point has not yet been received.

7. The agreement with William Craig, carpenter from Darwin, has been renewed, as per copy herewith. He sails in the "Orita" together with Enos J. Stanley, a labourer, who has been engaged for the Farm. His agreement for 5 years at £6 per month will be sent next mail.

8. When in Stanley I drew attention to the fact that, of late, it appeared to have become the practice to charge the

1205. 21.7.20.

Farm and the Canning account excessively for most materials supplied for consumption and I pointed out, - to quote a few instances only, - that the following percentages over the c.i.f. cost were being debited. Coal 39% in excess, Droppers 37%, Baling Twine 44%, Shooks 14%. This is altogether wrong, and there is no justification for inflating the Stanley Store profits at the expense of the Farm and Canning accounts. Please therefore note that it has been decided that all goods used for consumption in future must be charged to the accounts mentioned at prices not exceeding 10% on the c.i.f. value Stanley, plus the cost of landing. The coastwise freight to be charged separately.

9. Dissatisfaction has been expressed by several of our clients resident in this country at their inability, through the absence of any details, to check the item "Store account" appearing in the Station Account current. Please therefore, in future, attach copies of the Store invoices to these accounts sent here for Messrs. Holmsted Blake & Co., Ltd., Speedwell Island, H. & G. Cobb, Williams & Co., Stickney Bros., Dean & Anson, Baillon & Stickney, Dean & Co, J.L. Waldron, Ltd., and Packe Bros & Co.

10. The Board has sanctioned the renewal of the telephone line from Stanley to Darwin, and the special 12 gauge galvanized iron wire for this purpose will be shipped by the "Kenuta" to leave at the end of August.

11. I have to advise you that the Board have accepted the resignation of Mr. Houston of his appointment as Colonial Manager from the termination of his present agreement on the 28th February next. It is the intention to appoint some one to succeed him, and in the meantime it has been arranged for Mr. Harding to go out in the "Kenuta" to take charge temporarily

12. I have to advise that an agreement has been entered into with Mr. Vere Packe for the purchase by the Company of the whole of his property in the Falkland Islands including

1205. 21.7.20.

land, live stock, buildings, hulks, jetties etc., as from 30th April 1920.

From an open letter to Mr. Hugh Harding enclosed herewith you will see that the Company is adopting Mr. Packe's agreement with him and that, until further instructions are sent, he will continue to manage the property.

13. Twenty Rams have been purchased in Kent for the Farm, and these will be shipped in the "Kenuta".

14. A cable was sent you on the 13th instant asking the approximate number of Company's sheep likely to be available for canning next season, and I am still waiting for your reply. This information is required by the Board to enable the Directors to decide whether to close down the works next season or not.

I am,

Sir,

your obedient servant,

E. B. Goddard

Secretary.

Enclosures via Liverpool.

Duplicates.

Despatches No. 1203 dated 29th May & No. 1204 dated
3rd June.

Account Currents dated 3rd June.

Remarks on Accounts.

Remarks on Stores.

List of Parcels.

List of Clients' Cargo per "Duendes" (proforma).

List of Enclosures.

ENCLOSURES VIA LIVERPOOL.

ORIGINALS

- 1 Copies of Cablegrams sent dated 9th.23rd.30th June
1st.7th,13th & 14th July.
- 2 Copies of Cablegrams received dated 1st.4th.11th.
16th.25th.June 12th & 18th July.
- 3 Clients' Wool Reports;-

Z	60 bales Wool ex "Duendes"		
	18	"	"
J B	20	"	"
B	26	"	"
H & B	180	"	"
F B	8	"	"
L	31	"	"
W E D	15	"	"
T R	25	"	"Orcoma"
S	46	"	"
F	27	"	"
H & B	19	"	"
J B	1	"	"
H	4	"	"
W P	18	"	"
W E D	33	"	"
- 4 Brokers' press copies Reports on Co's Wool ex
"Duendes" & Orcoma"
- 5 General Invoice stores shipped per S.S."Duendes"
- 6 List of General Cargo per S.S."Duendes"
- 7 B/L general cargo per S.S."Duendes"
- 8 Copy of letter from Lowden Connell & Co.dated 21st
April.re outward freight rates.
- 9 Copy of letter from W.A.Pite dated 9th July and
sundry plans as stated.
- 10 Copy of letter from the P S.N.C.dated 2nd July re
Pebble Island claim on Turpentine ex Junin"
- 11 Original letter received from Mrs L.Dunn dated
11th July.
- 12 Copy of letter from Anning & Cobb dated 9th July re
Sheepskins ex "Duendes"
- 13 Copy of William Craig's agreement.
- 14 Report of Colonial Government Wool Sales dated 11th. June
- 15 Copy of letter to the P.S.N.C.dated 3rd and their
reply of the 4th June re freight on hogsheads
- 16 Howard's Invoice for goods shipped per S.S."Duendes"
account Pebble Island.
- 17 Priced Wool Catalogues F.I.Wool sold 9th & 12th July.
- 18 Copy of letter to the P.S.N.C.dated 1st & 13th and
their reply of 5th & 15th July re opportunities
for Port Stanley.

- 19 Copy of correspondence with the Colonial Office re
Foot & Mouth disease.
- 20 Copy of correspondence with Diretor of Raw Materials
as to share of profit on the sale of F.I. Wool.
- 21 Copy of letter from R.W. Thornhill dated 7th and our
reply of the 8th July.
- 22 Account Current dated 21st July, and vouchers.
- 23 Remarks on Accounts.
- 24 Remarks on Stores

London 21st July, 1920

PRECIS OF DESPATCH NO.1206 per "HUANCHACO" - 30TH AUGUST, 1920.

1. Acknowledges despatch No.565 of 1st July - letters 27th May and 5th July.
2. Confirming cables. New forms sent not approved.
3. Mails in future to come via Transandine Railway - noted.
4. Supplies, sugar etc. from Montevideo.
5. Acknowledges Camp Manager's and Engineer's reports on Canning. Canning next season undecided.
6. Advises shipment of Telephone wire.
7. Government action re Mr.J.Robson's farm noted.
8. New donkey boiler for "Great Britain".
9. Work on "Lafonia" noted.
10. Enclosing Power of Attorney.
11. Claims on P.S.N.C re outward cargo.
12. Mr.Slaughter's claim for expenses in Montevideo.

Peru

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street,

Per "HUANCHACO"

Nº 1206

London, E.C.3. 30th August, 1920.

Sir,

My last despatch was dated 21st July, since when I have received, - on the 27th July, Mr. Gresham's letter of 27th/^{May} and on the 24th instant despatch No. 565 dated 1st July and letter of 5th July.

2. Cables exchanged between us are confirmed as per forms enclosed.

By the mail now being acknowledged your confirmations of cables have come to hand, but a departure from the usual form is noticed. You only give the translation of the cables instead of a copy of the message with code words as handed in for transmission. Please note that a form similar ^{enclosed} to those/must be used.

3. It is satisfactory to hear that at last the mails are to be sent in future from the Islands via Valparaiso and Transandine Railway to Buenos Aires. It will undoubtedly be an advantage and shew a great saving of time en route.

4. 565/3. I note the difficulties experienced in obtaining supplies of sugar, and it is fortunate that it was secured from Brazil. From your cable dated 23rd August I gather that the importation of cereals from Monte Video has been stopped by the Government presumably on account of foot and mouth disease in Uruguay, and that although it also exists in Brazil the British Minister considers it safe to import from there. The question is being/^{asked}by cable "what cereals do you especially refer to", and when your reply is

W.A. Harding, Esq.,

Manager,

Port Stanley.

1206. 30.8.20.

received I will see if your requirements can be shipped from here and will advise you. It is satisfactory to learn from your cable of 26th July that stores imported from Monte Video per "Duendes", - which no doubt include sugar, flour, etc., - will last you until middle November

5. par.4. I am obliged for the Camp Manager's, and Mr. Peters's, reports and for the various statements relative to last Canning Season. A close examination of these has not been possible before closing this mail, but they will be examined in detail later. When at Goose Green it was pointed out to me that much of the new machinery you mention, bought by Weiss, was not really necessary, but that if the work developed it could be used with advantage. This however does not apply to the Vacuum Soldering Machine the capacity of which is totally insufficient to deal with the output of cans from the five retorts. On the subject of Fertilizer Plant, and probable results of working, one cannot accept Runacres opinion as being of any value. He went to Goose Green in the capacity of timekeeper and has ~~not~~ had no insight whatever into Canning Works other than Goose Green. It cannot be forgotten that in writing a report, dated 10th July, 1919, on the subject of short weight of mutton he stated "this department had my special attention and I can guarantee all cans 6 lbs.net". As a matter of fact the Brokers, who have only recently cleared the 1919 pack, have been inundated with complaints of short weight from buyers and the reputation of the brand has in consequence sadly deteriorated. I mention this to guide you in estimating the value of Runacres's statements. Incidentally, this points to the necessity of waiting to hear the result of the marketing of the mutton before any gratuities for the season's work are paid.

As you are aware no decision has yet been come to by the Board as to operations next season.

1206. 30.8.20.

6. par.5. The galvanised iron wire for the Stanley-Darwin line is being shipped by this opportunity. You will doubtless see that the old copper wire is collected and returned here for sale.

7. par.6. The information given with regard to the action of the Colonial Government in the matter of Mrs.J. Robson's farm has been read with interest.

8. par.7. The question of the new donkey boiler for the "Great Britain" will be decided by the Board at the next meeting.

9. par.8. The Board will be glad to know that attention has been given to the "Lafonia". Her condition when I was in Stanley was deplorable.

10. Enclosed please find Power of Attorney issued to you by the Company on the 25th August.

11. There has not been sufficient time to take up many matters referred to in the despatch per "Franz Wilkie". I notice however in remarks on Accounts, dated 30th June that claims have very properly been made on the P.S.N.C. for liquors pilfered, stoves and glass broken, and in the case of such claim a request is made "to press the Shipping Co. for settlement". It is just as well to clearly understand that such a course holds out little or no prospect of obtaining satisfaction, and the only way to handle such matters is, when there is a just and proper claim, to deduct it in account from any monies you may have in hand.

12. Referring to your letter of the 5th July, the claim which Mr.Slaughter makes for expenses in Monte Video should be supported by vouchers, or at any rate some details of how the item is made up should be given. It strikes me ^{how do you know?} that £2 a day is heavy for hotel expenses and that the item £5 is large for merely incidentals. We leave the matter in your hands to settle.

I am, Sir,

Your obedient servant,

Secretary.

*Called in
for payment
1922
12/11*

Enclosures via Glasgow

Duplicates

Despatch No.1205 dated 21st July.

Proforma list of Cargo per S.S."Orita"

General Invoice goods per S.S."Duendes"

List of Parcels.

List of General Cargo per S.S."Duendes"

List of Enclosures

Remarks on Stores

Remarks on Accounts

Account Current and vouchers

Clients' Reports :-

L	31 bales Wool ex "Duendes"		
F B	8	..	..
W E D	15	..	..
H & B	180	..	..
B	26	..	..
W P	18	..	..
H	4	..	..
J B	1	..	..
H & B	19	..	..
F	27	..	..
S	46	..	..
T R	25	..	..
W E D	98	..	..

Enclosures via Glasgow

ORIGINALS

- 1 Copies of Cablegrams sent dated 26th, 27th & 29th July,
6th, 11th, 14th, 18th & 20th August.
- 2 Copies of Cablegrams received dated 26th & 27th July,
1st, 6th, 10th, (2) 17th, (2) 17th, 23rd & 24th Aug.
- 3 General Invoice Stores shipped per S S. "Orita"
- 4 List of General Cargo per S.S. "Orita"
- 5 Rowson Drew & Clydesdale's invoice for goods shipped
per S.S. "Orita" for Pebble Island.
- 6 Copy of letter from C.J. Piggott dated 27th July re
Sheep Tongues.
- 7 Copy of E.J. Stanley's Agreement (Labourer)
- 8 Bills of Lading cargo per S.S. "Orita"
- 9 Export Pedigree Certificates of the 30 Romney Marsh
Rams shipped per S.S. "Huanchaco"
- 10 Copy of letter from the London River Plate Bank, Ltd.,
dated 23rd July with documents attached.
- 11 Messrs Hobbs & Clark's invoices for the Fodder shipped
per S.S. "Huanchaco" for use of voyage and for
landing at Stanley.
- 12 Power of Attorney (F.I.C. to W.A. Harding)
- 13 Account Current and vouchers dated 28th August, 20.
- 14 Remarks on Accounts.
- 15 Remarks on Stores

LONDON 30th AUGUST, 1920

PRECIS OF DESPATCH NO.1207, per "JUNIN", dATED 21.10.20.

1. Acknowledges despatches Nos.564, 566 & 567, and letter of 17th July.
2. Confirms cables.
3. Donkey Boiler for "Great Britain" in abeyance.
4. Repairs effected to "Samson" and "Plym".
5. Difficulty of Coal supplies.
6. Board cannot make Mrs.Poppy an allowance.
7. Acknowledges valuation of Great & Swan Islands property.
8. Work done to moorings, etc., noted - "Lafonia"
9. Acknowledges Canning statistics.
10. P.S.N.C. - Freight dispute still unsettled.
11. Changes in Bank Rate.
12. Great & Swan Island group to be rested.
13. Incorrect impression given P.S.N.C. by Sir R.Connell re shipments per the larger vessels.
14. Board unable to increase Kelway's pension.
15. P.S.N.C. keeping their engagements better, noted.
16. Refers to supplies of grain etc. from .U.K.
17. Enclosing copies of further correspondence with Government re profit sharing.
18. re utilising Fitzroy line to Darwin.
19. re West Falkland Mail service.
20. Capt.Thomas' departure noted.
21. Enclosing correspondence with Shrimpton, Mr.Packe's carpenter.
22. Refers to correspondence with Colonial Government re telephone line to Fitzroy and Port Louis.
23. Refers to correspondence with Colonial Government re supplies of sheep to McGill's butchery.
24. Work on Port Louis jetty to be suspended.
25. Re wool market and financial position. Urges economy in all departments.
26. Re millinery indent.
27. Leave of absence granted Mr.Moir.
28. Orders given in Stanley to Mr.Martinez. Order to J.R.Long for millinery.
29. Efforts to secure labourers reported.
30. Re Bank charges collecting Whaling accounts.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per "Orita"

Nº 1207

London, E.C. 21st October, 1920

Sir,

My last despatch was dated 30th August. Since then I have received the following:-

Letter from Mr. Gresham, dated 17th July.

Despatch No. 564, per "Junin", on the 16th September.

,, 566, per "Duendes" ,, 22nd ,,

,, 567, per "Orita" ,, 18th October.

The despatch No. 565 was acknowledged by last mail it having been delivered on 24th August. Although I understood from 565/1 that homeward mails would in future be despatched overland from Valparaiso to Buenos Aires, this does not appear to have been done with the "Orita" mail. That vessel, after going to New York, arrived in Liverpool on Saturday, the 16th instant, and the mail was only delivered three days ago. Had it been sent via Valparaiso and Buenos Aires it would have been here at least ten days earlier. Please point this out to the Postmaster.

2. Cables exchanged are confirmed as per copies enclosed.

3. 564/4. Alluding to my remarks in 1206/8, the question of supplying a new donkey boiler for the "GREAT BRITAIN" is temporarily in abeyance. I shall be glad to hear from you if it is not possible to carry on with the existing boiler for another year. As you are aware, the present would be a most inopportune time to purchase.

4. 564/14.15. Your remarks on the condition and repairs effected to the "PLYM" and "SAMSON" have been read with interest.

W.A. Harding, Esq.,

Manager,

Port Stanley.

1207. 21.10.20.

5. 564/16. The question of future coal supplies is one which calls for serious consideration. As you are aware the quantities for export have been of late very strictly rationed, and now that a national coal strike has broken out all supplies for shipment have been stopped. What the future has in store it is impossible to foresee.

6. 564/17. I regret to report that the Board cannot see its way to make Mrs. Poppy any allowance as this would establish a precedent, the consequences of which would be far reaching.

7. 564/18. I am obliged for the valuation of the standing property on Swan and Great Islands, etc.

8. 564/19. Your remarks on the work done to moorings and the "GREAT BRITAIN" are noted. When the "LAFONIA" is overhauled it will be interesting to hear from you the condition in which her bottom and copper sheathing is found.

9. 564/21. The information and statistics relating to last season's canning have been read with interest. In view of the extended operations, owing to shortage of labour, combined with the drop in the market value of the mutton, no profit I fear is possible.

10. 566/4. The dispute which had arisen with the P.S.N.C. while you were in London is, I regret to say, still unsettled. They still claim the £15 per ton on wool and skins, while Mr. A.H. Connell has evidence that £11.5.0. was the rate agreed on the basis of which the through rate of £21 per ton was fixed. The matter has been for some time in the hands of Sir Robert Connell, who was to see the General Manager, but so far I have no progress to report.

11. 566/7½ The 6% Bank Rate fixed on 6th November, 1919, remained at that figure until 15th April last when it was raised to 7%; since when no change has been made. I notice that the clients' accounts to the 30th June, just

1207. 21.10.20.

received, are not interested and presume that this matter will be dealt with in the accounts for the following six months. Without knowing exactly what advice was sent to them re interest it would appear only fair and reasonable to base our charge, from the 1st January, on the above changes in the Bank Rate.

12. 566/9. The Board has decided not to let the Great & Swan Island group, but to allow the Islands to rest for a year or so. Mr. Slaughter may then have some suggestions to offer as to the best use to put them to.

13. 566/19. I cannot understand why Sir Robert Connell informed the P.S.N.C. at Valparaiso that it would be difficult for you to ship anything like a large quantity of produce in their passenger steamers owing to lack of lighter accommodation. As a matter of fact when calling on the P.S.N.U. there to lodge a complaint about the "Orcoma's" failure to lift the promised quantity of cargo I met Sir Robert there and in his presence explained that the cargo booked was actually waiting in lighters in Stanley harbour when that vessel arrived. Capt. Styer's explanation of his inability to take the promised quantity was that the space which should have been left for the Falklands had been filled at Rio and Montevideo with cargo for Valparaiso, etc. I made this quite clear at our meeting. No copy of the P.S.N.Co's letters referred to appear to have been sent to London; these are always useful for reference.

14. 566/20. The Board regrets its inability to increase the pension of J.G. Kelway.

15. 567/2. It is satisfactory to note from your remarks that the Pacific Co's steamers have, following the "Orcoma", kept their engagements as regards lifting cargo.

16. 567/3. From the cables exchanged you will have gathered that supplies of grain, maize and pollard can be shipped from this country. In "Remarks on Stores" this matter is dealt with fully.

1207. 21.10.20.

17. 567/4. Copies of further letters exchanged with the Ministry of Munitions relative to our claim for a share of the profit made by the Government on Falkland Islands wool are enclosed.

18. 567/10. Your suggestion of utilizing the Fitzroy line as far as possible when rewiring the line to Darwin is one which I have already discussed with the Board and which meets with its approval.

19. 567/15. The Government's intention with regard to the future arrangements for the West Falkland Mail service is interesting. So far we have heard nothing on the subject this side.

20. 567/17. Capt. Thomas's departure by the "Orita" is noted. I assume from the wireless message received from you while on the voyage that you have found a candidate for the vacancy of Marine Superintendent, and now await your letter on the subject.

21. Enclosed I send you copies of correspondence between Mr. Vere Packe and the carpenter B.J. Shrimpton who was recently sent out at £15 per month. From his letter he would appear to be an impossible person. His case is left in your hands to deal with. It will certainly not be wise to leave him on the Farm to raise discontent amongst our own lower paid carpenters.

22. I would draw your attention to enclosed copy of correspondence between Mr. H.C. Harding and the Colonial Secretary on the subject of the most unfair treatment of Mr. Packe in the matter of charges, etc., in connection with the telephone lines to Fitzroy and Port Louis. It is hoped that you will be able to come to some more reasonable arrangement with the Authorities.

23. Copy of correspondence is also enclosed between the same persons with regard to the supply of sheep to the McGill butchery. You will know how best to deal with this matter,

1207. 21.10.20.

and it will be interesting to hear what reply your son received to his excellent letter of the 10th July.

24. A cable was sent you on the 11th instant, from which you will learn that it has been decided to suspend meanwhile all the proposed work in connection with the Port Louis Jetty.

25. The present very unsatisfactory position of the wool market is dealt with fully in my open letter to Mr. Slaughter and therefore need not be repeated here. I would merely add that the long delay in the realization of the produce, coupled with the low prices for that which has been sold, is imposing a severe financial strain on the resources of the Company and the position calls for the strictest economy in all departments. From catalogues enclosed with this mail you will see that locks were sold as low as 2d. per lb. Please therefore note that all locks for the present should be retained on the Stations.

26. In this connection I would point out that the indent from Stanley dated 30th June, for millinery goods particularly, was very heavy and I can hardly think that the present exceedingly high prices for all such articles is fully realised in Stanley. Although we very considerably reduced the order, the total account, as you will see from invoices, exceeded £1,000. On this occasion we have had the advantage of the services of a lady, conversant with the requirements of the Islands, to select the goods sent, and I shall be interested to hear if they meet with the wants of the Store more nearly than those hitherto shipped. The selection of a long list of goods, as detailed in the indent for Messrs. Cook Son & Co., entails a considerable amount of work, and unless some improvement over the past shipments is shown, the experiment is certainly not worth continuing. If this business is taken in hand seriously, both here and in Stanley, there appears to be no good reason why the Company's Millinery store should not be the premier store of its kind in town. Mr.

1207. 21.10.20.

Ref
Houston made an excellent suggestion of throwing out the shop front and making the windows larger and more attractive. At present no one can deny that they more nearly resemble the windows of a village penny sweet shop than those of a store of any importance.

27. Please notify Mr.Moir that with reference to his appeal made to me when in Darwin, I am now authorised to say that he is at liberty to take six months holiday. The homeward passages of himself wife and son will be paid for by the Company under his old agreement, and he will be paid full salary while in the U.K., this latter being dependent on his renewing his agreement with the Company. In view of the existing high passage rates it is not possible to consider continuing his salary while on the voyage.

28. During the past month application has been made to us, by fourteen separate firms, to confirm orders given to Mr. Martinez when in Stanley. In each case confirmation has been refused as it has been distinctly laid down in the past that no orders placed in Stanley will be recognised. By the mail only delivered on the 18th instant we have received your "Remarks on Stores" referring to this matter. A comparison will be made of the prices quoted by the firms in question with those recently charged by our usual suppliers of the same goods. If any advantage is shown by the new prices a portion of your indent will be ordered as an experiment.

If you could not find an address for Mr. Long, please let me know.
I would like to hear what Mr.Creece knows of Mr.J.R.Long of 281, Regent Street, W., for whom he sent a considerable order, dated 15th July, for sundry millinery goods. The indent is indefinite as to price and quality and, being likely to run into a considerable sum we called on Mr.Long, with the object of selecting the goods, only to find that his very small and second-rate office on an upper floor was closed. He has since called here, and from our conversation I gather he is merely a commission agent with no show room where goods

1207. 21.10.20.

can be selected and hardly therefore the sort of person with whom to place an open order which, at present prices, might amount to anything between £300 and £400. The order has not been placed pending hearing from Mr. Creece more about the gentleman.

29. An endeavour, made in Somerset, to secure labourers to send out has so far not met with success. It was the intention to engage up to twelve men if possible, but conditions there are at the moment unfavourable. Agricultural labourers are being paid 42/6d. per week and often more for overtime, while bricklayers labourers are making up to £3.10.0 per week. With the approach of winter there will certainly be a large number of unemployed, and men may then be obtainable.

30. I have taken up with Lloyds Bank the question of the heavy charges made by them, in May and June last, for the collection of drafts on Whaling Companies in Norway, and they have admitted that they are excessive and should not have been made. The matter is being referred to their Foreign Agents and an adjustment will follow later. The mistake was made by instructing the Bank to collect. Had they been told merely to obtain an endorsement of the bills making them payable in London the charge would only be 1/-%.

I am,

Sir,

Your obedient servant,

C. B. Foxward

Secretary.

Enclosures via Glasgow.

DUPLICATES:-

Despatch No.1206 dated 30th August.

List of Enclosures

Remarks on Stores

Remarks on Accounts

General Invoice Stores per "Orita"

List of Cargo per "Orita"

List of Parcels

Proforma list of Clients' cargo per "Huanchaco"

Account Current and vouchers.

Bills of Lading Stores per "Huanchaco"

Sight Draft for 30/- on G.MacLaren with B/L attached

Enclosures via Glasgow

Originals.

- 1 Copies of Cablegrams sent dated 3rd, 6th, 20th. Sept. 5th. 8th. 11th & 15th October.
- 2 Copies of Cablegrams received dated 29th Aug. 2nd. 7th. 8th. 11th. 15th. Sept. 9th. & 13th October.
- 3 Copy of Cablegrams sent & received - Swift & Co., B.A. dated 17th Sept. & 11th Oct. respectively
- 4 Copy of letter received from H.J. Roberts re shipment a/c J.R. Robson per "Huanchaco"
- 5 Bills of Lading - Cargo per "Huanchaco"
- 6 General Invoice Stores per "Huanchaco"
- 7 Detailed list of General Cargo per "Huanchaco"

Clients' Reports:-

8	McG	21	bales Sheepskins ex "Duendes"
9	L	12	"
10	B	3	"
11	W P	9	"
12	McG	13	"
13	B	1	bale Wool "Polish Monarch"
14	AP	20	ex "Kenuta"
15	J B	194	"
16	H & B	56	"
17	S	159	"
18	W P	29	"
19	T R	121	"
20	F	244	"
21	W E D	80	"
22	H	59	"
23	JH	11	"

- 24 Brokers' press copies reports on Co's Wool ex Kenuta"
- 25 Wool & Sheepskin priced sale catalogues.
- 26 Remarks on Accounts
- 27 Account Current dated 19th October and vouchers.
- 28 Remarks on Stores
- 29 Nine £1 Falkland Islands notes for collection.
- 30 Correspondence with Director of Raw Materials re profit sharing on Wool purchased by them dated 15th July & 6th September and their replies of 4th Aug. & 30th Sept
- 31 Copy of letter from Mr Shrimpton dated 17th July to Mr Packe and his reply of the 27th September

- 32 Copy of letter addressed to Mr Packe by the Colonial Secretary Stanley dated 14th June and Mr H.C.Harding's reply of 10th July re local butchery at Stanley.
- 33 Copy of Mr H.C.Harding's letter to Colonial Secretary, Stanley dated 16th Febry.and his reply of 30th June re telephone lines .

LONDON 21st OCTOBER, 1920.

PRECIS OF DESPATCH NO.1208 per "ORITA" - 24TH NOVEMBER, 1920.

1. No Mail to acknowledge.
2. Negotiations with Mr.Llango and Mr.Barr (Swifts) re surplus sheep.
3. The wool market, prices, sales &c. Need for strict economy.
4. P.S.N.C. freight rates. Negotiations for new season's rate. Charter of sailer "OAKLANDS" advised.
5. Major H.Brookhouse's departure advised. Agreement enclosed.
6. P.S.N.C. contribute \$500 to Battle Memorial Fund. Mr.Alex.Lee joins Committee.
7. Fitting Motor to "Lafonia".
8. Raises the question of coastwise service for motor schooners
9. Advises despatch of timber carriage for salving timber ex "Bertha".
10. Refers to Mr.Roberts's application for post of Marine Superintendent.
11. Advises despatch of two men for Farm.
12. Photo to be taken of Stanley House porch when erected.
13. Enclosing application from D.Lees, late carpenter to Colonial Government at Stanley.

Indorsed

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street.

Per "ORITA"

N^o 1208.

London, E.C.3. 24th November, 1920.

Sir,

My last despatch was dated the 21st ultimo, since when no mail has been received from the Falkland Islands.

2. Your letter, dated Bahia Blanca 30th September, on the subject of your negotiations with Llanso re the purchase of sheep is to hand. If the business can be carried through by Mr. Llanso it will be satisfactory, but there would appear to be some doubt as to his being able to obtain the necessary financial backing. He wrote us in July last soliciting the support of the Company in a scheme to purchase a 4,000 ton dead weight steamer costing £60,000 with which to transport the surplus sheep from the Islands to the Coast. The proposal was not entertained. It is however to be hoped that the new lines on which he is working will result in business. I would however point out that payment must be made here, under a Bank credit, against each shipment on receipt of a cable from you and not from Mr. Llanso as detailed in your joint letter.

The enclosed copies of cables exchanged with Mr. Barr of the Swift Company, Gallegos, will acquaint you with what has been done in that direction. Mr. Barr has since called here. While he would be pleased to take our surplus sheep if delivered Gallegos, he is quite unable to make any freight arrangements to lift them. Moreover, he explained, until it is known, about the end of the year, whether the Government

W.A. Harding, Esq.,

Manager,

Port Stanley.

1208. 24.11.20.

control of meat in this country is to be continued he cannot indicate what price he can offer. In these circumstances the position, in his case, is somewhat of a deadlock for in the event of any suitable vessel being offered for charter it would not be safe to make a contract for same without knowing what the return per head is to be.

3. Following my remarks in 1207/25, I regret to report that the wool market, especially for our descriptions, continues to decline. Prices are again lower and the demand extremely limited. At the Sales held on the 1st October and 11th November only about one half of the quantities offered were sold, the balance being practically unbid for. On the first date mentioned prices for 151 bales of Company's wool averaged 13.23d., and on the second 458 averaged 12.17d. There remains on hand of Company's and Clients ex "Kenuta" and "Junin" some 380 bales, and, in addition, the total shipment per "Duendes" and "Orita". The view is held by many who should be capable of judging that the bottom has not yet been reached and it is tolerably certain that worse times are ahead. This fact cannot be too much impressed on all clients and their attention drawn to the necessity for the greatest economy being exercised. In these circumstances their accounts will need to be very closely watched and advances kept within a safe limit.

As a result of the above mentioned conditions the question of financing has naturally become increasingly difficult and the Board wishes you to closely scrutinize all indents so as to insure that unnecessary quantities and non-essential stores and supplies of any kind are, for the present, not asked for.

4. From copies (enclosed) of correspondence with Messrs. Lowden Connell & Co., you will see that, at any rate in our opinion, the dispute with the Pacific Company as to the freight on wool and skins is not yet settled. They are still

1208. 24.11.20.

claiming \$15 per ton in place of \$11.5.0 agreed with Mr. Connell, but it appears probable the higher figure will have to be paid. I have of late repeatedly informed them that we are not prepared to continue paying the current year's high rate for next season's clip and that we must have shipment to London to save the heavy U.K. coastal freight. Their only reply was that it would not be possible to reduce rates but that they would endeavour to give us a steamer direct to London. In view of the fall in freights which has taken place during the past twelve months this was not considered satisfactory, and as the result of negotiations which I have been carrying on for some time past, I was able to tell them that unless they gave us London shipment and a very considerably reduced rate we contemplated carrying on our trade by a succession of chartered sailing vessels. Also that the sailing ship "OAKLANDS", 898 tons register, now en route to Bahia Blanca, would be available for loading in Stanley direct to London about 15th January next for a sum which would show us a saving of some £3,000 on her estimated carrying, - 1,800 bales, - and that we should fix same within a stipulated time failing a satisfactory answer from them. This had some effect for they offered to "try" to give us two steamers direct to London at \$11 per ton for wool and skins and \$10 when carried to Liverpool. However, the time limit to them having expired, and in the absence of anything definite as to dates of call of their steamers, it was decided to accept the "OAKLANDS" and charter for £6,250 for a full cargo of wool &/or other produce home. It is hoped that this action will make them see that the Falkland Islands are not entirely dependent on them and that they will be disposed to be more reasonable in future. The P.S.N.C. have been informed that if they have a steamer available in Stanley for direct London shipment about the end of February we are open to consider same provided we know definitely shortly.

1208. 24.11.20.

5. Major Herbert Brookhouse and his wife sailed in the "DEMARA" on the 10th instant for Buenos Ayres and will join the "ORITA" at Montevideo. A copy of the agreement concluded with him is enclosed herewith.

6. I have the pleasure to enclose copy of a letter from the P.S.N.C. contributing a handsome subscription of £500 to the Falkland Islands Battle Memorial Fund. Mr. Alex. Lee, the General Manager, of that Company has been nominated by them to join the Committee.

7. Primarily for the purpose of having something to fall back on in the event of a breakdown of the "FALKLAND" the question of fitting motors to one or more of the schooners has been under consideration. I have been advised in this matter by Mr. McArthur Morison of Glasgow, a Consulting Marine Engineer, who has had a wide experience in this class of work. From him I learn that the present and most efficient practice in fitting auxiliary motors is to run the shaft through the side of the vessel and so not disturb the stern post and rudder. It occurs to me that this would greatly facilitate the work entailed in Stanley. Enclosed I send you copy of Messrs. McArthur Morison & Co's letter of 25th October on the subject with the Berguis Launch & Engine Co's illustrated leaflets attached, and also a large sketch plan of the "LAFONIA" compiled by Mr. Morison from one obtained from the builders. It has been decided that it is desirable to at once proceed with fitting this schooner with a Berguis paraffin engine of 50 HP or more provided you see your way to carry out the work in Stanley. After perusing these documents kindly inform me as to this by cable, and also give as far as possible the information and measurements asked for in the schedule attached to the large plan. Some code words for this purpose are given thereon.

8. The consideration of the foregoing has led me to the further consideration of the question of carrying on the

1208. 24.11.20.

coastwise trade by means of motor schooners, and from figures I have taken out it would appear possible to carry the produce to Stanley profitably from near Stations at £1 per ton as against the £9.15.0 at present paid the "FALKLAND". I enclose the statement drawn up in this connection and shall value your views thereon. In this I have assumed that the freight on stores from Stanley must be made to pay the cost of the outward voyage. The figures are also based on the continual use of the motor whereas this should not be necessary. It should be possible to overcome the difficulty you have hitherto experienced in obtaining crews for the vessels by importing good men for the purpose, and the waste of time so prevalent in the old days might be avoided by paying the Captains a premium at the end of each three or six months of safe navigation, - free from groundings, - for each bale brought into Stanley. It is perfectly obvious, and cannot be too quickly realised that, with coal costing £7 to £8 per ton in Stanley with no prospect in sight of it being reduced, the cost of carrying on the coastwise service by means of steam driven vessels has undergone a complete change. In view of the present price of wool it would appear to be impossible to continue paying the "FALKLAND" £9.15.0. per ton, and, in addition, an ocean freight of £10 to £11 per ton. At a recent interview with Mr.A.H.Connell I raised the question of the possibility of converting her for the use of oil fuel, but he was of opinion that her furnaces would not stand it.

9. By this opportunity a four wheel timber carriage, purchased from the Government Surplus Stores for £25, is being sent out for the purpose of salving the timber ex the wreck "BERTHA". The Board hopes that you will devise means of carrying out this work as soon as possible.

10. I received your letter dated 2nd October from Bahia Blanca on the subject of Mr.D.W.Roberts's desire to be

1208. 24.11.20.

considered for the appointment of Marine Superintendent in Stanley. About the time your wireless message was received two promising applicants for the post had been interviewed, but nothing more will be done until we hear from Mr. Roberts. As you say, it will probably be more satisfactory to appoint someone who, knowing the place, is anxious for the post.

11. Two labourers, secured for us by Mr. W. M. Dean, William Maurice Westall and Henry Nunn, are going out by this opportunity. ~~As~~ they were engaged with a number of other hands for the Islands the same terms had to be paid to them as the others, ~~viz~~ £7 per month inclusive of all War Allowances, etc., but ~~It is~~ to be hoped that no difficulties will arise with the other men in consequence of this. Copies of their agreements are enclosed.

12. When the new porch for Stanley House is erected the Architect would like to have a good photo of same. Please therefore have two copies taken and sent home.

I am,

Sir,

Your obedient servant,

C. B. Goddard.

Secretary.

13. I enclose copy of letter and testimonial received today from Mr. David Lees, late carpenter to the Colonial Government in Port Stanley. He is being told that these are being forwarded to you and that if you wish to employ him you will doubtless cable to me.

Enclosures via LiverpoolDuplicates

Despatch No.1207 dated 21st October,1920

List of Enclosures

Remarks on Accounts

Account Current dated 21st October

Remarks on Stores

List of Clients' Cargo per "Junin" proforma.

List of Parcels.

List of General cargo per "Huanchaco"

General Invoice goods per "Huanchaco"

Clients Reports on Sheepskins ex "Orcoma & Duendes"

Clients Reports on Wool ex "Kenuta"

Copy of letter from Mr Shrimpton to Mr Packe dated
17th July and his reply of 27th September.

Copy of Mr H.C.Harding's letter to the Colonial Secretary
Stanley dated 16th Febry.and his reply of 30th June
re Telephone Lines.

Copy of from the Colonial Secretary, Stanley to Mr H.C.Harding
dated 14th June and his reply of 10th July local
butchery at Port Stanley.

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Enclosures via LIVERPOOL.

ORIGINALS.

- 1 Copy of Cablegrams sent dated 4th Oct. 4th. & 12th Nov.
- 2 Copy of Cablegrams received dated 24th Oct. 9th & 16th Nov.
- 3 Copy of letter from J.L. Waldron, Ltd. dated 8th Nov. & our reply of the 10th November.
- 4 Two Certificates Nos. 605/606 for shares in the Dominion Whaling Co., Ltd.
- 5 Sight Draft No. 3023 dated 11th Febry. in favour of E.J. Mathews for £150 returned.
- 6 General Invoice for goods per S.S. "Junin"
- 7 Bills of lading general cargo per S.S. "Junin"
- 8 List of Cargo per S.S. "Junin"
- Clients' Reports :-
- 9 W E D 1 bale Wool ex "Junin"
- 10 S 1 ,, ,,
- 11 H G C 40 ,, ,,
- 12 J B 7 ,, ,,
- 13 F 1 ,, ,,
- 14 Brokers' copy Company's Wool per "Junin" (report)
- 15 Priced Wool Catalogue of November 11th sale.
- 16 Account Current and vouchers
- 17 Remarks on Stores
- 18 Remarks on Accounts
- 19 Copy of letter to S. Miller dated 20th August & debit note for £25 attached.
- 20 Copy of Major Herbert Brookhouse's agreement.

- 21 Copy of letter received from Mr David Lees dated 22nd
November and testimonial attached.
- 22 Copy of letter from the P.S.N.C. dated 19th October re
contribution to F.I. Memorial.
- 23 Signed agreements- W.M. Westall & Henry Nunn.
- 24 Copy of Correspondence with Lowden Connell & P.S.N.C.
to date re rates of freight on produce.
- 25 Report on Government Colonial Wool Sales dated 20th & 23rd
November.
- 26 Particulars of Wool sold and ^{average} prices made at the sale
of 11th November.
- 27 Copy of letter received from M'Arthur Morrison & Co., dated
25th October re Engines for "Lafonia & Gwendolin"
- 28 Estimate of cost of collecting Co's produce by Schooners
fitted with 50 HP Oil Engine.
- 29 Copy of Cablegrams with Swift & Co. re sale of Sheep.

London 24th November, 1920

PRECIS OF DESPATCH No.1209 per "BOGOTA", 3RD DECEMBER, 1920.

1. Nothing to acknowledge.
2. Confirming cables.
3. Enclosing further correspondence with Lowdens, & P.S.N.C.
re freight rate
4. Enclosing copy of Charter of "OAKLANDS".
5. Enclosing copy of letter from Colonial Office re monthly
exchange.
6. Advising shipment of two dogs.
7. Pebble & Keppel produce to be dealt with by Company in future.
8. Re Account Sales kept open through freight dispute.
9. Re Spanish Cruiser "Reina Regente" - cash received.

Received
The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "BOGOTA"

N^o 1209

London, E.C. 3rd December, 1920.

Sir,

My last despatch, No. 1208, was dated the 24th ultimo.

2. Cables exchanged between us since that date are confirmed as per forms enclosed.

3. Copy of further correspondence with Messrs. Lowden Connell & Co., and the Pacific Company, on the subject of next season's freight rates, is enclosed. From this you will see that our action in chartering the "OAKLANDS" has at last made them realize that we are not so entirely dependent on them as they supposed. It was only then that any disposition to meet us was shown, and this was followed by their giving way all along the line. They signified their willingness to compromise on the matter of the ~~was~~ dispute as to the rates on wool and skins for this year by splitting the difference between their claim, £15, and ours, £11.5.0., and in addition putting on two vessels for London direct, and reducing the freight to £11 per ton to London and £10 to Liverpool. The ton in future to be based on 1,000 kilos.

4. A copy of the Charter in respect of the "OAKLANDS" is enclosed herewith. The vessel left Restigouche, New Brunswick, on the 18th October for Bahia Blanca where she is expected to arrive about the 5th December. Her loading days, as you will see from the charter, commence on the 15th January. The vessel will arrive at your port in

W.A. Harding, Esq.,

Manager,

Port Stanley.

1209. 3.12.20.

ballast and you will doubtless see that not more than is necessary is retained on board for the homeward voyage. No gratuity to the Master is provided for in the charter, and it will therefore be well if you inform him that provided he stows a good full cargo a gratuity of £25 will be paid him on arrival in London.

5. I have this morning received a letter from the Colonial Office, replying to one addressed to the Crown Agents on 29th January, 1919, on the subject of exchange and currency. From the copy enclosed you will see that the suggestion of increasing the standing monthly payment of £1,000 is not approved.

6. Two dogs purchased by McCall and Armstrong in Scotland are being sent out by this opportunity for the Camp Manager.

7. I am pleased to inform you that Mr. George Dean has decided to pass all the produce from Pebble and Keppel Islands &c., through the Company in future, and it is his wish that it shall act for him in every way as for other clients, including the insurance of his stores and produce.

8. As you are aware a large number of Account Sales for wool and skins brought home this year have been kept open pending a settlement of the dispute with the PS.N.C. with regard to the rate of freight. From par.3 you will see that this was arranged by compromise a few days ago, but time has not permitted the ~~Account~~ Sales to be completed for despatch by this mail. They will follow by the next. In view of the uncertainty of values of wool and skins it will be well, when you are approaching the completion of the annual accounts, for you to cable asking the figures on which to base the values of the unsold produce.

9. I have today been informed by Messrs. Fredk. Huth & Co., that the Spanish cruiser "Reina Regente" is in Port Stanley,

1209. 3.12.20.

and that they wish to remit to the Commander the sum of £8197.8.5., in exchange for his receipts in triplicate, for crew's wages in December. I explained that it was probably impossible for you to provide ^{this} ~~the~~ amount of coin, but that you could no doubt arrange to pay part and give the Commander an order on our Agents in Punta Arenas for the balance. I have received this sum from Messrs. Huth & Co., and cabled you fully today asking you to advise by wire what is arranged. A charge of 2% is being made by us for the remittance, plus cost of cables.

I am,

Sir,

Your obedient servant,

C. B. Goodard

Secretary.

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Enclosures per S.S. "Bogota", via Liverpool.

Originals

- 1 Copies of Cablegrams sent dated 24th, 29th November & 1st December.
- 2 Copies of Cablegrams received dated 30th Nov. & 1st Dec. (2)
- 3 Bills of Lading - Stores shipped per "Junin"
- 4 General Invoice Stores per S.S. "Junin"
- 5 List of Cargo per S.S. "Junin"
- 6 Correspondence with Messrs Lowden Connell & Co. & P.S.N.C. re homeward freight on Produce, to date.
- 7 Suppliers Invoices for goods per "Bogota"
- 8 Plan for the erection of Dipping Bath shipped per S.S. "Bogota" by Wm. Cooper & Nephews ..
- 9 Clients' Invoices Stores per S.S. "Junin"

Dean & Anson	£	357	.	12	.	9
H. & G. Cobb		75		10		-
Baillon & Stickney		46		-		11
Holmsted Blake & Co.		-		-		-
Williams & Co.		13		5		8
G. Bonner & Co., Ltd		18		-		10
Speedwell Island Co.		146		12		7
- 10 Brokers copies reports on Sheepskins (Company) ex "Kenuta" & "Duendes"
- 11 " (Clients) ex "Kenuta" & "Duendes"
- 12 on Wool (Clients) ex "Orita"
- 13 Copy of letter from the Colonial Office dated 2nd December re Island Currency.
- 14 Charter- Party ship "Oaklands".
- 15 Remarks on Stores.
- 16 Copy of letter from F. Huth & Co. dated 3rd and our reply of the 3rd December.
- ~~17 Copy of letter from F. Huth & Co. of 3rd and our reply of the 3rd December.~~
- 18 Copy of letter from Lowden Connell & Co. dated 30th Nov. and debit note attached.

London 3rd November, 1920.

PRECIS OF DESPATCH NO.1210 per "BURDALE". 20TH JANUARY, 1921.

1. s.s."Burdale" carrying coal to Stanley for Government.
2. Acknowledges despatches 568/9.
3. CANNING - notes Mr.Slaughter's reasons for advising cessation of.
Sale of Sheep to Coast - no further developments.
Tallow barrels.
4. Death of Mrs.Orissa Dean - news received with regret.
5. "LAFONIA" - acknowledges carpenter's report on.
Installation of motor - note you do not consider in practicable.
6. Claims on P.S.N.C. for short deliveries - correspondence sent.
7. Treasury Notes - £1,000 being sent per "Orita".
8. P.S.N.C.Agency - to be continued as from 7th April 1920.
9. Insurance of property being taken over from Mr.Packe.
10. Coal - strict economy needed in use of.
11. Labourers.
12. Carpets for Manager's house being sent per "Orita".

*Received through Haccen + Staples
Jan 12/21*

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "BURDALE"

Nº 1210

London, E.C. 20th January, 1921.

Sir,

I have just heard from the owners of the above vessel that she will be sailing for Port Stanley in a few days with a cargo of coal for the Government. The vessel is being consigned to your Agency and the Captain has consented to carry any small parcel we may have to send to you. This gives me an opportunity of writing you a short despatch.

2. Mr. Gresham's despatches, per "Huanchao" Nos. 568/9, dated 4th & 8th October, were delivered here on 15th December, and also his letter dated 8th October. That vessel only arrived in Liverpool on the 16th instant, and the envelope containing the Bills of Lading came to hand on the 18th.

3. 568/2. Mr. Slaughter's reasons for recommending a cessation of canning operations this year are noted; also that he considers that more stock could be carried on the farm. There are no further developments here with regard to the sale of sheep to the Coast, although I hear that an inquiry is going the round of the freight market for a 4,000 ton steamer for the shipment of sheep from the Falkland Islands to Bahia Blanca. This possibly emanates from Mr. Llanso, and should he be successful in obtaining a suitable vessel we may hear from him. In this connection Messrs. J.L. Waldron, Ltd. cabled to Ernest Hobbs at Punta Arenas enquiring if he was open to make an offer, but he replied that he was not interested. I presume you have on hand an ample supply of barrels if the

W.A. Harding, Esq.,

Manager,

Port Stanley.

1210 20.1.21.

tallow boiling down is resorted to, otherwise you would doubtless have cabled for supplies.

4. 568/4. The news of the death of Mrs. Orissa Dean was received here with much regret,

5. 568/6. The carpenter's report and your account of the work done to the "Lafonia" has been read with interest, and it is satisfactory to hear that the vessel is now in a seaworthy condition. It is however disappointing to hear from your cable of the 6th instant that you consider it impracticable to carry out the proposed work of installing a motor without a slipway being available, and when I receive your despatch dealing with the subject, doubtless explaining your difficulties, I will consult Mr. Morison with a view to seeing if he has any proposals to make to overcome same. It was hoped that by adopting the, now most favoured, principle of fitting the propeller at the side of the rudder instead of through the stern post your troubles, incident on the conditions at Stanley, would be sufficiently reduced to enable the work to be done.

6. 568/7. Referring to the summary of claims for short deliveries, dated 1st May, amounting to £288.2.1., rendered to the P.S.N.C., I enclose copies of letters exchanged with them.

7. 568/9. With regard to the request to send you £2000 in £5 Bank of England Notes, it occurred to me that possibly the new Governor may have his own views on the subject and decide to again make Treasury Notes legal tender in the Islands. I therefore cabled asking if you would prefer the former or the latter, and I now have your reply asking for £1,000 of £1 Treasury Notes. These will be sent you by the "ORITA".

8. Agreement has been come to with the P.S.N.C. for the continuation by the Company of their Agency as from the 17th April last, and a copy of the correspondence and terms is enclosed.

1210. 20.1.21.

9. I understand from Mr. Vere Paoke that fire insurance policies effected by him on buildings, etc. at Fitzroy, Port Louis and Stanley expire in July next. Please send a schedule of these, - and also of any other buildings or hulks which should be covered against fire, - so that the whole may be incorporated in the schedule of property covered here with the Royal Insurance Co. Ltd. That Company has agreed to reduce the annual rate from 8/6d% to 6/8d%, less 15%.

10. Having regard to the necessity for the most strict economy in all directions, and the present excessively high price of coal, its use at Darwin &/or Goose Green should be watched closely and the consumption there reduced to the lowest possible minimum. Please advise me of the quantity and value used at these places for household ~~pleasure~~ purposes in the years 1913/20. It is hoped that when Mr. Slaughter proves the capabilities of the Ford lorry, being shipped by the "ORITA", for the rapid collection of peat it should be possible to have ample supplies on the settlement for all purposes.

11. Following on the great increase of unemployment all over the country it has become possible to engage, at Coy's rate of pay, practically any number of men for the Islands. However, in view of the fact that there will be no opportunity of sending any engaged earlier than by the "Orita" due Stanley at the end of March, it was decided to cable asking your opinion as to the desirability of engaging them. I have today received your reply "can do without labourers" and therefore none will be sent until hearing from you that it is desirable.

12. Referring to your report on the condition of carpets in the Manager's house it has been decided to take advantage of the reduction in prices current for the January sales and buy carpets for the following rooms. Drawing Room, Dining Room, Bedroom and Dressing Room, and spare Bedroom, also the

1210. 20.1.21.

stairs and landing. These will be sent by the "ORITA", as well as most of the articles referred to in your report dated 23rd October, to which I will refer in more detail by next mail.

I am,

Sir,

Your obedient servant,

C. N. S. S. S.

Secretary.

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Enclosures per S.S."BURDALE

ORIGINALS

Despatch No.1210 dated 20th January.

Copy of letter to the P.S.N.C.dated 16th and their reply
of the 17th December and Agency Agreement
(copy) attached.

Copy of letter to the P.S.N.C.dated 23rd and their reply
of 29th December re claim for short deliveries
Wool market reports.dated 20th December.

Messrs Jacomb Hoare & Co.and Du Croz Doxat & Co's ~~new~~
priced catalogue of sales held 11th & 13th Jany.

London 20th January,1921

Received... 9th July 1921. 4

Answered
PRECIS OF DESPATCH NO. 1211 per "SORATA" 7TH APRIL, 1921.

1. Acknowledges despatches 570/572. Records suplicate via Andes arrived before original.
2. Commission to be charged clients for purchases.
3. Acknowledges receipt of Stock Inspector's certificate for dead ram.
4. Enclosing Annual Accounts 1916/19.
5. Value of unsold produce. Result of Canning etc.
6. "Falkland" - possibility of continuing. Schooners coasting. Motoring "Lafonia".
7. Interest to be charged on freight paid.
8. Claims for pilferage etc.
9. Chartering sailer impracticable. Timber from Sweden. Inspection of.
10. Stanley cold store proposal. Question of poor sheep sent Stanley.
11. Government schemes.
12. Slip.
13. Policy re Stanley. Hulkage - Mail Agency.
14. Wool Sheds - Suggested concentration at Goose Green. Canning.
15. Wages.
16. Enclosing copy of a letter from Mr. Vere Packe re land payments.
17. "Samson" - offer from Punta Arenas.
18. "Great Britain" - New boiler.
19. "Plym". re disposing of.
20. Noted.
21. Mr. Roberts appointed Marine Superintendent.
22. Carpenter Shrimpton. Inquiry re Jay.
23. Millinery Store.
24. No more men will be sent out.
25. Charges on Whaling bills.
26. Pebble Island rate of freight.
27. Runacres.
28. New Island slip.
29. "Bertha" wreck.
30. Increase of interest to 3 $\frac{1}{2}$ % on deposits approved.
31. Mr. Hugh Harding - leave granted.
32. Stock of coal - 800 tons to go in "Sorata".

33. Transshipment at Montevideo - charges.
34. Manager's House. Furniture etc.
35. Debit balances of clients.
36. Mr. Vere Packes property. Power of Attorney for transfer enclosed.
37. 7 copies of despatch & Camp Manager's letter required for Directors.
38. Clients, purchases on commission, 3½% to be charged.
39. Credit to outsiders. Greenshields Bros a/c. Whaling Co's credits.
40. Colonial Office letter re cable and wireless - suggested stoppage.
41. Skin market. Felton's consignment of pelts.
42. Camp cadets.
43. Markets for produce - condition of - re advances to clients.
44. Stanley House - replacement of furniture.
45. Motoring "GWENDOLIN". Inquiry if possible at Golding Island Board's views as to power.
46. W. Jennings - pension of £2 per month granted.
47. Acknowledges despatch 573.
48. Question of bonus (1920) deferred for Board's decision.
49. Invoicing clients orders.
50. Interest on outsiders coastal freight.
51. "OAKLAND'S" cargo - satisfactory.
52. Executive Council - your election to.
53. Mail sent by collier "Burdale". Voyage since abandoned.
54. Removal of Sullivan House property - to be advised later.
55. Landing and storing rate - increased approved.
56. Photos of Stanley House Porch received.
57. Refers to final accounts 1920 enclosed.
58. C.P. Peters - leave.
59. Lloyds Agency.

6 *London*

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "SORATA"

N^o 1211

London, E.C. 31st March, 1921.

Sir,

I wrote you last on the 18th ultimo by the collier "BURDALE" and have since received the following despatches from you:-

No. 570 dated 29th November delivered 24th January.

571 " 22nd December " 14th February.

572 " 3rd February " 12th March.

It is worth noting that the duplicate of your 571, posted at Valparaiso "via Andes", was received on the 3rd February, eleven days before the original. It will certainly be a good plan if you adopt this practice with any future mails via Straits route as it seems hopeless to get your Postmaster to send mails in that way notwithstanding all the representations that have been made to him on the subject.

2. 570/3. It is fully realized that 2½% commission for purchasing for clients' account is inadequate, but in view of the fact that other firms would be willing to do the work on these terms there is some hesitation in increasing the charge.

3. 570/4. I am obliged for the Stock Inspector's certificate relative to the ram which died; a claim on the Underwriters has been lodged.

4. 570/5. Copies of the Annual Balance Sheets for 1916, 17, 18 and 19 are sent you under separate cover. These have been forwarded privately to Mr. Houston each year.

5. 570/6. A cable was sent you on the 24th ultimo giving the value, as per statement herewith, at which the produce

W.A. Harding, Esq.,

Manager,

Port Stanley.

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detailed in your statement can be put in the Balance Sheet for 1920. In the message I asked for a pro-forma account of the probable result of the year's working. This was done in accordance with an arrangement come to with the Inspector of Taxes who has meanwhile agreed to hold up the demand for payment of Excess Profits Duty for 1919. The Account Sales for 1920 produce, which could not be completed before owing to the freight dispute with the P.S.N.C., are all going forward this mail, and the final closing of the books will be unavoidably delayed.

Your proposal to take into account the canning material on hand at £7,000 is approved. The enormously increased cost of all materials supplied for the canning works in 1919 and 1920 has been fully realized here, and your suggestion to write off from revenue the new plant referred to is sanctioned.

The figures you give relative to the position of the account confirms those I ~~have~~ had taken out. It must, however, be borne in mind, - what is not apparent at first sight from your remarks, - that the debit balance of £104,000, - the starting point of your calculation, - practically represents the total outgoings for two years with little or no realizations of produce credited on the other side. With the rapidly falling value of skins and tallow on the one hand, and, vastly increased expenses on the other, it has for some time been apparent that the results of the 1919 and 1920 seasons will show a disastrous loss. This I have calculated on the latest obtainable basis of produce at, for 1919, £9,700, and, for 1920, £12,000, which together, approximately reconcile your estimation of £20,000 to be written off. Of this £20,000, however, we have provided some £9,000 out of the 1919 accounts, but this you would not have known at the time of writing your despatches. The account sent you on the 22nd November last will have shown you that £9,000 of the originally estimated profit for 1919 was written back

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principally on account of the reduced value of canning produce.

The increased coal consumption, - shown on sheep canned, - is undoubtedly attributable to the unduly prolonged season incident on the shortage of labour.

6. 570/7. Your remarks re the loss of the "FALKLAND'S" earnings through the cessation of canning this year are duly noted. 572/6. & 5. The question of our ability to continue running her in the trade is one which of late has occupied much attention and it is practically agreed that with wool and other produce selling at present ruinous prices it will not be possible. Although ocean freights will certainly fall, perhaps considerably lower, they are not likely to get down to pre-war rates having regard to increased wages and cost of coal. For the same reason the "FALKLAND" cannot be expected to run at rates much lower than at present since she will always be employed where coal is probably dearest. Your suggestion as to laying her up in the Colony for four months after the produce is collected is not favoured as it would mean that during that time there would be no service to the outports, and it is also obvious that a vessel considerably in excess of requirements is being maintained 12 months in order to do 8 months work. In all the circumstances it is practically agreed that the only economical solution of the problem is to let the "FALKLAND" go as soon as arrangements can be made to fit the schooners with motors and put them in commission. You will, therefore, understand that your cable of the 6th January was disappointing and we are anxiously awaiting the mail by the "BOGOTA" hoping to hear details of the difficulties which make the work of fitting the motor engine in Stanley impossible.

Since writing the foregoing your despatch No. 572 has been received. Your estimate of the probable cost of working the schooners may, and may not, be nearer the actual costs than the figure I sent you. It matters not for either, as you say, show a very great saving as compared with the "FALKLAND" rates.

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Your proposal to buy two vessels capable of carrying at least 180 bales each would certainly be the best solution if the Company has the available cash. Should it prove to be the case that such craft cannot be purchased under, say, £6,000 or £8,000 for the two, it becomes a question whether it would not be wiser to motor engine the two idle schooners we already possess for, after all, three such vessels,- with no motors,- did carry the produce of the Islands for more than 30 years.

Your remarks in 572/5 have been sent on to Mr. Morison for his comments and these I hope to receive in time to send you with this. As to the proposed power of the engine and the comparison you make between the suggested 50 HP Kelvin and the Gardner engine fitted in 1907 to the "Malvina", I do not know where you get the 125 HP of the latter from. I see that in despatch 1022/27 it was stated that the "Malvina" engine would give 40 BHP at 350 r.p.m; the proposed "Kelvin" is stated to give 50 BHP. It must not, however, be overlooked that the modern 50 HP engine is capable of developing nearly twice the HP as the 50 HP engine of 1907. They are really not comparable. There is another point. It is not the intention that the motor should be used constantly, but that the vessel's sails should be availed of to the utmost extent and the motor only when necessary; in this way the fullest economy would be maintained. A higher HP engine is considered inadvisable. However, as to this and all the other points mentioned by you Mr. Morison's opinion will be taken. He has had considerable practical experience in these matters.

7. 570/8. You will have gathered from my cable of 9th February that it has been decided to fall back on the old practice of charging in Account Sales interest on the coasting and ocean freights, and this will be done in future in all cases from the respective due dates. In the case of the outsiders who pay the ocean freight to the P.S.N.C., their accounts can be charged with the interest when you receive

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freight adjustment statements from here.

8. 570/9. Copies of further correspondence with Messrs. 571/18 & 20. Lowden Connell & Co. on the subject of the claims against the P.S.N.C. for pilferage and broken and damaged cargo are enclosed. The Underwriters on our policies covering us against pilferage are demanding an immense amount of detailed information but I hope to obtain a satisfactory settlement of our claims shortly. In view of the growing amount of these I doubt if they will be willing to continue accepting the risk at an additional 2/6d% only.

9. 570/10. The proposal to charter a sailer for outward cargo is at the moment impracticable on account of the necessity of buying only a minimum quantity of goods. Your sailing ship indent has therefore been placed for only the reduced quantities of materials indicated. The cancelling of the "ORITA'S" sailing, originally fixed for the 24th February, gave me the opportunity of buying the timber direct from Sweden, and I am pleased to say that a saving of £500 on droppers alone was thereby effected. These are being supplied in red deal and should prove good enough for the purpose. Mr. Dean has mentioned that some very inferior timber has been supplied from time to time. This matter was also brought to my notice when in the Islands, and I shall be glad to know if the instances referred to by Mr. Dean are of recent occurrence. If so my attention was not called to the matter as it should have been by the mail following its delivery in Stanley. I have lately endeavoured to obtain the services of a practical man to inspect the timber here before acceptance for shipment, but the fee asked, -£20 for a parcel which was not large, - was so high that the idea was abandoned. It would be a good plan if you made a point of getting your foreman carpenter to report on each shipment as it arrives. This information would be of great value when placing orders.

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10. 570/11. The Stanley Cold Store proposal has been
571/9.
fully considered and a quotation (copy herewith) obtained from the J.D. Insulating & Refrigerating Co. Ltd., of Liverpool. From this you will see that the approximate price indicated for the Store alone is £5,000 f.o.b. Liverpool. At anything like this figure the project is not considered feasible because the necessary capital is not available and, if it were, it does not look like a payable proposition. This for the reason that in respect of a large proportion of the annual output, say 3000, carcasses killed for sale in Stanley, the saving to be effected in pounds weight of mutton has always to be calculated at the very low value of 2½d and 3d per lb., and this would yield barely sufficient to pay interest on the capital outlay. The balance of the estimated annual output, say 5000 carcasses, would have to provide cost of working, depreciation and profit. Further, it is considered to be very doubtful whether the Islanders could be persuaded to eat frozen mutton and the outside sales are at best problematical.

In connection with this matter I send you copy of figures taken out with a view to arriving at the average weight of sheep passing through the Stanley Butchery in the winter and summer months. I am aware of the "pitfalls" in this calculation consequent on the possibility of a number of sheep being debited to the Butchery on the last day of one month while the relative mutton sales would only come out the following one. To eliminate this error as far as possible several months have been averaged and the results obtained are very puzzling. The figures do not indicate the loss of weight in the winter months which was expected. One fact is, however, apparent and that is the mutton passing through the Butchery is much lighter than used to be the case years ago. The Chairman suggests one possible explanation of this - that while in his days the sheep were carefully drafted and selected from the Mount Pleasant Camp the returns show that considerably increased quantities have of

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late been sent in from as far as North Arm and that possibly the sheep are no longer drafted and selected but are secured by merely taking a "cut" of the required number from the flock. Please make enquiries and advise as to the present practice in this respect.

11. 570/12. Your full account of the various schemes which the Government have in view have been read with much interest and detail comment thereon is useless. In the main they are so extravagant that with the sudden fall of the Colony from affluence to penury - coupled with the change of Governorship - many of the projects will no doubt be dropped.

12. 570/13. The proposal of the Government to construct a slip is noted. Also, that the whale catchers are to be compelled to use it. How this is to be done remains to be seen as such compulsion would be without precedent. Certainly there is no power given under the Merchant Shipping Act to compel any British owned vessel to use a slip or dry dock and, personally, I would doubt if the Colonial Office would sanction such a condition.

As you are aware, the necessity of the Company owning a slip has always been recognised and the need of it has never been more pathetically emphasized than recently when it is found impossible to repair the "SAMSON" or carry out the simple job of remetalling the "LAFONIA" and fitting a motor. It was practically decided in 1914 to construct one, but the matter had to be dropped on account of the war. The Board is far from agreeing to surrender the project to the Government now and have every intention of going on with the work when finances permit. It is therefore desirable that you should let the Government know this. As a matter of fact I have of late obtained quotations and a considerable amount of information in preparation for the day when the work can be taken in hand. From consultations with Mr. Morison on the subject it is agreed that, most desirable as it would otherwise

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be, the site in front of the engine shop is impracticable. A place is required where can be found more room on shore, and, if possible, a steeper incline of the under water bottom. From the largest chart of the inner harbour ~~the~~ the only handy place where these conditions exist appears to be near to the Company's Slaughter House and the Sanitary Jetty where the inshore soundings are given as 16'. Please let us have your views as to the suitability of this place, or, alternatively, any other you would suggest and if we have not the necessary foreshore rights, which is doubtful, it will be well to take a favourable opportunity of sounding the Governor as to obtaining his permission. If the work cannot be taken in hand now there will be every advantage in being prepared for the day when it can. A copy of letter from Messrs. McArthur Morison & Co. is enclosed. Please let me have the information they ask for therein in respect of the site you consider most suitable.

13. 570/14. With regard to your remarks as to future policy, the Board is agreed that at any rate for the next few years the Farm will need all the cash that can be spared. At the same time it considers it most important that all property, floating or otherwise, in Stanley, essential as it is for the final marketing of the Firm's produce, should be kept in a high state of efficiency. While doing this it would certainly be sound policy to endeavour to develop any and all outside business that is possible. In this connection when the Company's slip is an accomplished fact we might see a considerable revival of ship repairing business incident on the extensive repair work which must attach to the annual overhaul of from 20 to 30 whale catchers. In this way the Company's excellently equipped engineer shop and skilled men, - now comparatively idle, - would be justified.

The mail agency has certainly not been profitable in the past, but with the higher rates of payment now ruling its position is entirely reversed. The same may be said of the

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Hulks and lighters. If in the past these have not shown the profit they should it simply means that too little has been debited to the Farm and our clients for the essential work performed by them. Had they been the property of outsiders there is little doubt that the Farm would have been called upon to pay for hulkage many thousands of pounds more than it has. In this way it is considered that the economical marketing of the Farm's produce is inseparably wrapt up with the Stanley business.

14. 570/14. The Board, as you know, have been for some time aware of the necessity of replacing the Darwin and Walker Creek Wool Sheds, and the same applies to the one at Fitzroy.

The suggestion of concentrating at Goose Green the work at present done at Darwin and Walker Creek is most interesting, but is one which the Board feels will require much consideration. With the return of Mr. Dean the whole subject will be discussed and reference made to it later. Meanwhile, the Board cannot forget the fact that the insanitary condition of Goose Green has always been an admitted fact and that, as you are aware, the need of a sufficient water supply brought the Canning Works to a complete standstill for many days in 1915. During the six weeks I was at Darwin and Goose Green last year no semblance of any stream feeding the reservoir was at any time to be found so ~~the~~ it is clear that the supply is dependent on the springs of doubtful constancy.

With regard to the resumption or abandonment of Canning operations, it must not be entirely lost sight of that under normal conditions, and given sufficient labour, we can pack mutton profitably when no other Company is able to do so. This for the reason that all other Canning Companies have to buy their sheep in competition, whereas we should have an annual surplus of 20,000 head of our own to deal with.

15. 570/17. Your remarks on the wages question and the figures comparing the position now of six camp hands with that of 1914 is interesting. It is satisfactory to hear that no

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agitation exists at present for a further increase and it is to be hoped that the now very rapidly receding cost of living in this country will soon be reflected in the Islands for, as you know, the present is not a time to consider increase of expenditure in any direction.

With regard to your remarks: "We must not lose sight of the fact that if a man saved, say £30 in 1914, he must now save £60 - to be in an equally good position for the purchasing power of the sovereign in 1920 is about 8/- compared with that of 1914". This is a condition of things which exists all the world over and the Company cannot be expected to make it good in this case.

16. 570/18. Your remarks are noted. Mr. Packe has pointed out that he has not received credit in your adjustment of certain payments on account of land purchase. See copy of his letter dated 24th February enclosed.

17. 570/23. I cabled you on the 9th February to ask Mr. Scott of Punta Arenas £6,000 for the "SAMSON" and to intimate that a counter offer would be considered. Your 572 has since come to hand from which it is evident that the condition of the tug is such that she is unlikely to prove a saleable proposition. The alternative proposals you submit will be fully considered and the decision arrived at will be referred to later.

18. 571/2. It is satisfactory to hear that you can see your way to defer for the present asking for a new boiler for the "GREAT BRITAIN". It will certainly be purchasable at a much lower figure than now in twelve months time.

19. 571/3. The reduction in the working steam pressure of the "PLYM'S" boiler is unfortunate. Do you not think that the launch is somewhat of a luxury and that it would be wiser to endeavour to sell her to the Coast?

20. 571/5. Noted.

21. 571/6. Your views on the question of appointing a successor to Capt. Thomas were discussed by the Board and the

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following conclusion come to. That having regard to the amount and value of the Company's floating property and the necessity of keeping it in a thorough state of efficiency,- the importance of a close supervision of all discharging and loading operations,- the proper supervision of the Jetty men by a person who is not one of themselves (for after all Walsh is),- it was considered advisable to appoint Mr. David W. Roberts, late Chief Officer of the s.s. "HUANCHACO" whom you had recommended. He is to leave by the next opportunity and a copy of his agreement is enclosed. The Board trusts that as soon as possible after his arrival you will instruct him to take steps to find out definitely the condition of the bottom of the "LADY ELIZABETH". We must know for certain if the diver's report as to damage is true before entering into any negotiations for the sale of the hulk.

22. 571/7. It is a good thing to have got rid of the
572/11. carpenter Shrimpton. Is it a fact that Jay, carpenter,- has left North Arm and gone to Fitzroy at considerably higher wages. No reference has been made to the matter so far as I can see. Please inform me.

23. 571/10. With regard to your remarks re the Millinery Store, I could only repeat what I have previously stated, merely adding that several of the ladies of Stanley, including the Administrator's wife, expressed to me the opinion that our Millinery Store was most unattractive and wholly unworthy of the Company that owns it. It is gratifying to read that the business now being done there is proving satisfactory and there is therefore now no reason for closing that branch. While wishing to see all essential necessities sold at a narrow margin, the Board desires that as much profit as possible, within reason, should be made on the sale of all other things.

24. 571/12. No more men will be sent out until it is
572/9. known that they are wanted.

25. 571/13. Our Bankers have been unable to recover the charges made by the Foreign Bankers who collected the Whaling

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Company's drafts last Spring. In future cases I shall advise the Company concerned that we hold a draft on them payable in London and request them to put up the cash. This has been done in recent cases and all charges saved,

26. 571/16. The correspondence re Pebble Island coasting freight is noted. When these freights were advanced to £9.15.0 per ton no mention was made by Messrs. Lowden Connell & Co. of surcharging that Station beyond that amount, and the Station has therefore only been charged the same rate as others. Our future Account Sales for Pebble Island will be made up accordingly.

27. 571/21. The question of Ramaeres was considered by the Board. That he has been a very useful man is appreciated and that this has been recognised is obvious from the fact that whereas he went to the Colony in 1912 as a labourer at £5 per month his remuneration for some time has far exceeded this, and, in addition, he has had substantial bonuses for the special work he was called upon to do. Should canning be resumed he would undoubtedly be useful in some capacity, and for that reason the Board hopes that you may yet be able to "place" him somewhere. It is of course out of the question to consider continuing to pay him at the rate of £15 per month as that was fixed for the special work he did at Goose Green. The Board does not feel called upon to pay the passages of himself and family home, but authorise the payment to him of £50 as bonus in respect of last year's canning. His letter to you and agreement are returned herewith.

28. 572/5. As regards your reference to the New Island Slip, I may say that I closely inspected it in 1919 and found it to be completely collapsed and unusable.

29. 572/7. The Board notes with satisfaction that you are keeping in view the salving of the timber from the "BERTHA" wreck. The overcarrying of the timber cart wheel is most annoying, but I hope to hear you succeeded in getting it returned from Valparaiso by the "DUENDES".

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30. 572/13. The increase of interest to 3 1/2% on deposits left with the Company by the men is quite approved and the arrangement should, and we hope will, go far towards reducing the exchange transactions with the Government which have been the cause of such unfair charges.

31. 572/20. The Board learnt with much regret of the illness of Mr. Hugh Harding, and I cabled on the 18th instant to the effect that the necessary leave of absence was sanctioned. I sincerely hope that the proposed trip will fully restore him to health.

32. 572/21. Stock of coal noted; the P.S.N.C. have promised to take some 800 tons - for the Transport Company and ourselves - by the "SORATA" sailing 9th April.

33. 572/25. The particulars you give of the costs of transshipping cargo at Montevideo are as advised me direct by Messrs. Maclean & Stapledon.

34. 572/27. I confirm cables exchanged relative to carpets for the Manager's House. From these and from para 12 of my 1210 you will have learnt that it was decided to take advantage of the reductions made in the January Sales and secure, at any rate, sufficient to make the Manager's house comfortable. As the offer only held good for January it was not possible to keep the matter open as suggested in your wire. Notwithstanding the so-called reduced prices we have had to pay from 12/9 to 14/6d per yard for carpet that would have cost only 4/6 to 5/- per yard in pre-war years, and these will amount in all to about £200. You must clearly understand that unless one was prepared to go considerably beyond the prices named the selection was extremely limited, and we could only take the best offering at the price. In addition to the carpets for the four rooms and stairs, all the articles specified in your list, dated 23rd October, are being forwarded except such things as afternoon tea and sideboard cloths. These are refinements which the Company is not prepared to supply and should be provided by the

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housewife. The 17 curtains brought home by Mr. Houston for cleaning and dyeing were sent to Maples for the purpose, and that firm informed me that once having been coloured the range of colours to which they could now be dyed was very limited, and they recommended leaving it to the dyers to give them a shade of colour they would best take and one which would least clash with other colourings in the room. Whether this will prove to be realized I am in some doubt. However in these circumstances you will see it was quite impossible to carry out the request for delicate tints made by Major Brookhouse in a letter to me.

35. 572/30. The debit balances of clients accounts at 24th November, amounting to £60,000, to which you refer is about covered by the credits for realization of produce being sent you by this mail. When however you charge up the supplies of stores for the six months to the 31st December there will probably be several accounts on the wrong side. If the markets remain as at present, and there is no likelihood of any improvement, the new season's wool will barely pay for freight and expenses and will provide no additional cover for these. In these circumstances please note that all advances must be very strictly limited to bare necessities, and even timber, fencing material, etc., should be conserved for the Company's Farm use and not issued to clients if it means that thereby an existing debit balance will be increased.

36. In connection with the transfer of Mr. Vere Packe's property I enclose his Power of Attorney granted to Mr. G. J. Felton enabling him to act in the matter, and also one from the Company to you. The will enable the conveyance to be completed in Stanley. I also enclose, for your information only, a conveyance which was actually completed here, but as the Solicitors subsequently advised that Stamp Duty to the extent of £858 could be avoided by executing the Deed in the Colony it was decided to fall back on that course and, when completed, to destroy the conveyance.

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enclosed. The 50,000 £1 Shares have been allotted to Mr. Packe and he has been duly elected a Director of this Company.

37. Please note that as there are now seven Directors it will be necessary for you to send that number of carbon copies of your despatches. The same applies to Mr. Slaughter's correspondence. Only four carbon copies of your No. 572 arrived with the mail and three of Mr. Slaughter's letter. This caused unnecessary delay in providing the Directors with copies.

38. Since writing par. 2 it has been decided to in future charge clients 3½% on purchases made on their account. Please notify them accordingly.

39. I cabled you on the 17th instant to stop all further credit to outsiders unless the necessary security is provided and, in the case of Greenshields Bros., whose account shows a far too large a debit balance, to request Mr. Greenshields to instruct Messrs. Jacob & Co. to pay us at once £2000 on account of same and the balance as can be arranged. It is satisfactory to have received that sum today as the result, but I am informed that Hoare & Co. have not received any instructions as regards the balance. Please therefore take the matter up with Mr. Greenshields.

No market has been more seriously affected by the existing trade depression than that of whale oil, and I hear that, as a result, the Whaling Companies, with little or no liquid resources to fall back on, find themselves in considerable difficulty. In these circumstances a cable was sent you on the 17th instant to make no advances on their account unless letter of credit is first established here. There is no reason whatever why we should run any risks whatever in connection with their business.

40. A copy of a letter, dated 15th March, from the Colonial Office, is enclosed asking a representative of the Company to attend a meeting to be held there of others interested in the Colony to discuss the position arising on the decision of the

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Admiralty to close down the Wireless and Cable Stations hitherto maintained in the Islands from Naval Funds. It is quite unnecessary to enlarge on the seriousness of this step and the possibility of the entire severance of any telegraphic connection, and this too at a time when we have experienced an interval of four months between outward sailings.

The Chairman attended the meeting, and Messrs. W.M. Dean, E.J. Mathews and C.G.A. Anson were also present. Mr. Grindle, who was in the chair, explained that for reasons of economy the Admiralty had decided to discontinue the heavy expenditure entailed in keeping up the large Wireless Station in Stanley and the cable from Montevideo. That it was clear the Colony could not afford to do so, but that in view of the almost total absence of any regular mail service, it was most important to devise some measures of maintaining telegraphic communication.

The suggestion was made that the original Colonial Government plant should be made use of but some uncertainty exists as to the possibility of this, and Mr. Grindle decided to make enquiries on the point. He was also anxious to know if those present would guarantee an annual sum to do this, but no promises were forthcoming and no decision came to. The Chairman took the opportunity of informing Mr. Grindle of the complete change which has recently taken place in the ^{position} financial / of Island Farmers and warned him that it was more than probable that many would be unable to meet their payments for Land Tax and Rent in the current year.

41. The appalling condition of the Skin market will be apparent to you on reference to the Account Sales, accompanying this, for the realizations effected at Auction on the 10th March. In most cases, the proceeds have been insufficient to cover freight and charges, and in others a considerable debit balance has resulted.

I would also draw your special attention to Account Sales for "F" 12 casks Pelts and to the copy of the Brokers' report

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thereon enclosed herewith. It is clear from their remarks that being short wool skins they were not in any way fit for pickling, and it is difficult to ~~what~~ understand who advised Mr. Felton to treat them in this way. The shipment shows a clear loss of £83 after payment of freight and charges.

42. Referring to your memo on the subject of the Cadets. You will find in despatch 1197 par.5. full details of the arrangements made with Anning and Elliott. As therein stated both paid their passages and were therefore considered to be at liberty to leave at any time, and there was no suggestion whatever to the effect that if either remained two years their return fare was to be paid by the Company. I informed Mr. Slaughter when in Darwin that their rate of pay for two years was to be on the same scale as the ordinary labourer.

43. From the Sale Catalogues and Account Sales sent herewith you will see that the wool market goes from bad to worse, and the same may be said of those for all other produce. Fleece wool cannot be valued at more than 7d to 8d per lb., while locks, bellies, britch and pieces make only 2½d to 3d. Skins have been sold as low as 1½d. and tallow is nominally valued at about 38/- per cwt. In these circumstances you will appreciate that the financial position is causing the greatest anxiety. In 1901 when similar conditions obtained you will remember the Company came to the assistance of the Farmers and kept them afloat with advances. In the present crisis it will be impossible to do so, and it will therefore be necessary for you to watch the indebtedness of each Station and individual most closely, and, in the case of clients whose produce we hold, to limit your advances of cash and stores strictly to the cover provided by their produce calculated on existing values. Beyond that point the Board is not prepared to go. In the absence of this security there is no reason why the Company should advance any necessities whatever other than bagging and hooping to enable the wool and skins to be shipped.

1211. 31.3.21.

home. In other words, there is to be a complete shut down on all advances beyond the amount for which we hold value. Farm stores, such as fencing, wire, timber, etc., must be conserved as far as possible for the Company's Farm use and so save the necessity of any outlay on that account for as long as possible.

Please also scrutinize most closely all indents sent home and cut them down to the smallest possible limits. I would point out that although you have no doubt done this in respect of the October, November and December indents (Nos.557/9) they amount to the alarming total of over £21,000 without freight and charges. See statement enclosed. All these goods are going forward by the "SORATA" and though I am aware they represent what would nominally be three months shipments, the total is too great.

44. Alluding to my remarks in par 34 re furniture etc., being sent out for Stanley House, you will see from the schedule herewith that practically everything asked for in your memo of 23rd October is being supplied. Please however note that although such things as dusters, towels, etc. are being supplied to properly equip the house now, the Company does not expect to be called upon for replacements during the currency of the occupation. The future occupier of the house must be considered to be in exactly the same position as a tenant of a furnished house here. That is, he will take over all articles on going in and be expected to deliver up the same on giving up possession. If for instance, 12 dusters were there on taking possession, that number must be in the house when he leaves.

45. Since writing par.6., and after further consultations with Mr.Morison, it has been practically agreed that the work of installing the motors in the schooners in Stanley is impracticable on account of the small rise and fall of the tide. Also, in the case of the "LAFONIA", - apart from the above

1211. 31.3.21.

adverse conditions,- on account of the amount of work entailed for resheathing and refastening, the proposal must be turned down. I may however mention that so far as the refastening is concerned the cost would be greatly reduced by using galvanized iron bolts at 2d to 3d per lb instead of yellow metal at about 1/-. I am assured it would be perfectly satisfactory. The only question remaining therefore is whether it would be possible to send the "GWENDOLIN" with the necessary hands and do the work somewhere around Golding Island where the spring tides rise and fall from 9 to 10 feet. Mr. George Dean informs me that there are in the locality suitable sheltered coves where the "RICHARD WILLIAMS" was repaired. Mr. Morison says that all that would be necessary to do there would be to bore the hole for the stern tube, fit the wooden boss, as shown in his drawing, and fit the stern tube. The hole could then be plugged and the vessel returned to Stanley for the engine to be fitted. If, after reading the method of procedure detailed in Mr. Morison's letter of 10th February,- copy enclosed,- you think it possible to carry out this work, please advise me by cable. So far as vibration is concerned Mr. Morison says that if the vessel is ordinary seaworthy there is nothing to fear on that account from an engine of the size proposed. Such engines are commonly fitted to yachts in this country of very ordinary construction without evil results. The Board is most anxious that this work should be carried out if at all practicable, and so prepare to dispense with the "FALKLAND" as soon as possible. It is against the employment of motor driven vessel pure and simple and all in favour of wind power plus a motor to provide auxiliary power only. The purchase of a cruising yacht is under consideration, but owing to the war there are very few suitable boats available.

I return the drawing previously sent you, and if you see your way to proceed with the "GWENDOLIN" as suggested above, please return the drawing in due course with the information

31.3.21.

asked for previously in respect of the "LAFONIA".

46. Please note that the Board has sanctioned the payment of a pension of £2 per month to William Jennings on his retirement. It is a condition that he does not remain on the Farm.

7th April, 1921.

47. Your despatch No.573, dated 3rd March, was received yesterday and has not yet been before the Board.

48. 573/2. Your reference to the question of Bonus for 1920 is one on which I will communicate to you the decision of the Board later.

49. 573/3. Where it has been known that indents for clients were in fullfilment of orders on commission basis separate invoices have been sent from here. Your indents never indicate, in the case of items against which a Station mark appears, whether it is an order on commission or not. This information is desirable. In any case, for the present, until the mail service becomes more regular, it will be better to carry on as we have been doing for the reason that owing to the fact that the details of weights and measurements are not received from Liverpool before the ship sails it is not possible to send the invoices with the shipment. They have therefore to go by the following vessel which, in the present case, is four months later. This is very undesirable for the reason that during all that time you are in the dark as to the indebtedness of the client. On the other hand, under the existing system, you should receive with the arrival of the goods all details necessary to compile the invoice and the account can be made out and the client debited at once. There is no reason why any loss of interest should arise as the amount is properly chargeable as from the date of the vessel's sailing from the U.K. when the purchases are paid for. As regards your reference to unduly swelling your Store account, this can easily be avoided by charging to a separate account

1211. 7.4.21.

goods purchased on commission. In fact this would be more correct bookkeeping than including them with stores imported for re-sale as has been done in the past.

50. 573/4. Referring to your remarks it is now clear to me that my cable of 9th February re charging interest on freights was not sufficiently explicit. I intended to convey that in the case of outsiders only interest on the coasting freight from the due date was to be charged. To debit them in your accounts with the freight and rate their Bills of Lading at the ocean rate only is to cause us to stand out of the money for a longer period than at present, which is undesirable. If freight is charged in Stanley we get repaid only when the clients six monthly accounts are settled. On the other hand if Bills of Lading are, as previously, rated at the through rate we take credit, on the arrival of the ship, for the proportion of coastal freight due to us by deducting it from our payment made on account of other freight. The Transport Company can then be paid on account, and so we are able to finance the "FALKLAND" without standing out of the money. That is in the case of outsiders. I shall be cabling you in a day or so to make the position clear and to revert to the old practice.

With regard to the rate of interest to be charged it was the intention to charge our clients $\frac{1}{2}\%$ over Bank Rate, and outsiders 1% as per 1203/7. It will perhaps save confusion if it is settled to charge 1% all round and this will be done in future.

51. 573/5. The amount of ~~the~~ cargo shipped by the "OAKLANDS" is most satisfactory.

52. 573/6. I am sure the Directors will be gratified to hear of your re-election to the Executive Council.

53. 573/7. Since writing your despatch you will have learned that the Falkland portion of the voyage of the collier "BURDALE" was abandoned, the Admiralty having decided to sell at Montevideo the coal intended for Stanley. A despatch was

1211. 7.4.21.

forwarded to you by that vessel, but I am in the dark as to what the Captain did with the package on hearing he was not to call at your port.

54. 573/8. These are matters which will come before the Board at the next meeting.

55. 573/10. The increase in the rate for landing/storing & cargo is fully justified.

56. 573/11. I am obliged for the photographs of the porch to Stanley House.

57. 573/14. It was quite impossible to send you the final accounts to 31st December last by the opportunity you mention. The amended statements of freight and charges for practically the whole of 1920 were not received from P.S.N.C. until 25th January and although extra assistance was employed to get^{out} the 343 Account Sales concerned they were not ready for despatch until middle of February. The accounts were ready for despatch by the "ORITA" fixed to sail 24th February. That vessel was taken off and sent on the Panama route and the "ORTEGA" substituted, to sail 24th March. The "ORITA" struck wreckage at La Pallice having to abandon her voyage, and the "ORTEGA" in turn was taken off the Falkland route to replace her. The "SORATA" by which the mail leaves is fixed to sail on the 9th, but in consequence of the miners strike, which now looks like extending to the transport and railway men, it is uncertain when she will get away. As a result of these disturbances the shipment of 800 tons of coal for the "FALKLAND" and the Company's use has been prohibited, and ~~we~~ we quite expect that vessel will be brought to a standstill at the end of May in consequence. In this event is there any chance of your being able to borrow coal from the Admiralty?

I am,

Sir,

your obedient servant,

E. N. Soand

Secretary.

1211. 7.4.21.

58. 572/19. It is clear from Peter's contract that he agreed to serve for five years after succeeding Mills on his retirement "at the end of the war". Mills's stay was prolonged ~~by~~ five months after the Armistice was signed and to this extent only Peters has grounds for consideration by the Company. It is recognised that owing to hostilities being prolonged so much more than was expected his stay in the Islands will have been longer than he intended, but there are few people whose calculations have not been similarly upset by the same cause. The Board hopes that you will be able to persuade him to ~~be~~ stay his full time.

59. I enclose copy of a letter just received from Lloyds with regard to the appointment of the Company's Resident Manager in Stanley as their Agent.

REPLIES TO MEMORANDADated

- 29th Nov.20. Post Office Directory for 1920 sent this mail.
 Pyramid Balls do
 Copy of Coasting Policy do
 Invoices for clients goods - carbon copy will be sent.
- 23rd Dec.20. re Cadets. - See despatch No.1211 par 42.
 Speedwell & Lively Islands. Medical Subscriptions.
 The proposal to double the fees is approved.
- 24th Dec.20. 1. Carbon copy of Camp Manager's letter will be sent you in future.
 2. Your suggestion re stopping Lloyds & Engineer adopted.
 3. Referred to in despatch. All along I told Anning and his father that he, like my boy George, would have to pay passages both way and would be free to come and go as he liked.
 4. Runacres referred to in despatch.
 5. Assistant Camp Manager's reports have been circulated and appreciated by the Directors.
 6. Ear Markers-noted.
- 5th Feb.21. 1. Repetition - see reply to memo 24th Dec.
 2. Sale catalogues. Home assures me that two have always been sent. Have given instructions they must always be sent you.
 3. Speedwell cutter. Will refer to matter again when I get answer from R.E.Cobb.
 4. Dean Seymour. We have discontinued the practice since the war as all are published regularly in the papers. I will write him.
 5. Kippers. We will pay.
 6. Will look into this.
 7. Balance sheets going this mail.
- 3rd Mar.21. 1. The Duendes arrived yesterday. The Corcovado left Valparaiso on the 4th, but I will cable you about the casks returned immediately I can obtain a report from Bass & Co.

London, 7th April, 1921.

REPLIES TO MEMORANDA.Dated

- 3rd Mar.21. 2. Will receive attention.
3. Your suggestion was anticipated in the case of the "BURDALE", the voyage of which collier was cut short at Montevideo.
4. Good suggestion - will be adopted.

London, 7th April, 1921.

EP

ENCLOSURES via Liverpool.

Duplicates.

Despatch No.1209 dated 3rd December,1920

List of Cargo per S.S."Orita"

General Invoice goods per S.S."Orita"

List of Enclosures .

List of Parcels.

Remarks on Stores.

Clients Invoices :-Stores per "Orita"

Speedwell Island Co.	146 . 12 . 7
G.Bonner & Co.,Ltd	18 . - .10
Williams & Co..	13 . 5 . 8
Baillon & Stickney	46 . - .11
H.& G.Cobb	75 .10 . -
Dean & Anson	357 .12 . 9

Enclosures via Liverpool.

- 1 Copy of Cablegrams sent dated 13th, 24th December, 7th, 11th, 23th January 2nd, 8th, 9th, 18th, 24th February 17th, 18th, 22nd, 30th March, 1st & 6th April.
- 2 Copy of Cablegrams received dated 7th, 13th, 14th, 22nd December, 1st, 4th, 6th, 13th, 18th, 28th January, 3rd, 13th, 23rd February, 5th, 19th, 22nd, 25th & 29th March.
- 3 Wool & Sheepskins priced sale catalogues.
- 4 Copy of Despatch No. 1210 per "Burdale"
- 5 Wool market reports dated 20th December, 27th January & 5th March
- 6 Copy of letter from A.C. McCorquodale dated 16th March and documents re James Campbell's Executors attached.
- 7 Receipt from Zoological Society for J.S. Hamilton.
- 8 Copy of Brokers' reports on Wool & Skins per "Duendes" & Huanchac
- 9 Mrs Orissa Dean's cheque for £20 on London Joint Stock Bank returned unpaid.
- 10 Copy of David W. Roberts' agreement.
- 11 Copy of letter to W.H. Townson dated 9th December.
- 12 Copy of correspondence with Lowden Connell & Co. re pilferage to outward cargo.
- 13 Copy of letter from the Colonial Office dated 15th March.
- 14 General Invoice for Stores per S.S. "Bogota"
- 15 Copy of letter to P.S.N.C. dated 4th December.
- 16 Copy of letter from Lloyds of 25th & 28th and our reply of the 27th January.
- 17 List of General Cargo per S.S. "Bogota"
- 18 Bills of Lading for Cargo per S.S. "Bogota"
- 19 Coasting Schooners Insurance Policy.
- 20 Copy of letter from MacArthur Morrison & Co. dated 9th, 10th Febry & 18th March re Slipway, Lafonia & Gwendolin.
- 21 Copy of letter from J.D. Insulating & Refrigerating Co., Ltd dated 7th March re cold storage for Stanley.

- 22 Copy of letter from Somervell Brothers dated 15th and our reply
of the 19th January re boat orders.
- 23 Copy of letter from Vere Packe dated 24th February.
- 24 Mr Bunacres original letter to W.A.Harding dated 16th December
and agreement dated 7th December, 1912 returned.
- 25 Schedule of Goods ordered for Manager's House at Port Stanley.
- 26 Conveyance of Vere Packe's Property to F.I.Co. dated 14th February
for registration .
- 27 Power of Attorney F.I Co. to W.A.Harding. dated 18th March.
- 28 Power of Attorney Vere Packe to G.J.Felton dated 8th March.
- 29 Blue Print of "Samson" Boiler.
- 30 Details of weights of Sheep sold to Butchery in 1900, 1901 & 1902.
- 31 Copy of letter from Anning & Cobb dated 24th March re casks Pelts
per "Junin" & "Huanchaco"
- 32 Rough Summary of Stores per S.S. "Sorata"
- 33 MacArthur Morrison's Plan showing fitting of Motor to Lafonia.
- 34 Copy of letter from Lowden Connell & Co. dated 1st April re
settlement of your account 31st December.
- 35 Copy of letter from Cox's Shipping Agency dated 15th January.
- 36 Remarks on Stores.
- 37 Account Current dated 31st March and vouchers
- 38 Account Current dated 5th April and vouchers.
- 39 Remarks on Accounts .
- 40 Copy of letter to J.Houston dated 28th February with account
attached.
- 41 Valuation of Produce
- 42 Copy of letter received from Lloyd's dated 7th April.
- 43 Copy of letter dated 31st March to T.G.Slaughter.

LONDON 8th APRIL, 1921.

Received 8th July, 1921.

37

Answered.....

PRECIS OF DESPATCH NO.1212 per "ORUBA", 25TH MAY, 1921.

1. Explains mail posted per "SORATA" will be taken by "ORUBA".
2. Acknowledges despatches 574/6 of 23rd, 26th April and 19th May.
3. Refers to question of bonus.
4. Property around Sullivan House. Suggestions approved.
5. Acknowledges Pro-forma Profit and Loss Account.
6. Financial arrangements re payment of Whaling duties.
7. Dr.Herklots's agreement. Extension approved.
8. "OAKLANDS" - satisfactory stowage noted.
9. Boiler v Oil Engine for "GREAT BRITAIN".
10. re suggestion to dispense with Engineer.
11. Outside shippers - defines financial facilities to be given.
12. Exchange business. Suggestion to send Postal Orders.
Despatch of £1,000 Treasury Notes advised
13. Colonial Office and wireless and cable communication.
14. Reports arrival of Messrs.Gresham, H.Harding and Moir.
15. Sheepskin specifications. Further information wanted.
16. Where is petrol stored in Stanley.
17. Bank Rate. Change in.
18. Wool Market - improvement noted.
19. re purchase of schooner.

Answer

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "ORUBA"

N^o 1212.

London, E.C. 25th May, 1921.

Sir,

The latter portion of my last despatch was written on the 7th ultimo in anticipation of the "SORATA" sailing on the 9th April. The miners strike has however upset all arrangements and she is still detained in Glasgow. The mail intended for the "SORATA" is now to be forwarded by the "ORUBA" sailing from Liverpool tomorrow.

2. The following further despatches have since been received from you:-

No. 574 dated 11th March, received 23rd April.

575 ,, 24th ,, ,, 26th ,,

576 ,, 2nd April ,, 9th May.

3. 573/2. I am still unable to give you the Board's decision in reply to your remarks as to the payment of a bonus in respect of 1920. It is felt that while your arguments probably apply to the Stanley hands those on the Farm are in a very different position. It has always been distinctly laid down that the bonus to employees was paid in respect of a good year, and the Board is by no means prepared to accept the contention that, no matter what the results of a year's trading may have been, a bonus must still be paid. It is the intention to discuss the matter, as affecting Farm hands particularly, with Mr. Moir and the decision come to will be cabled to you.

W.A. Harding, Esq.,

Manager,

Port Stanley.

1212. 25.5.21.

4. 573/8. The Board approves of your suggestions with regard to the property around Sullivan House.

5. 574/2. I am obliged for the pro-forma Profit & Loss Account. This has enabled me to compile an approximate statement of the profits of the year's (1920) working to put before the Tax Inspector, and this has resulted in our being able to quash the demand for Excess Profits Duty on the 1919 accounts as the amount to be recovered in respect of 1920 will throw the balance over and make a sum of approximately £3,000 due to us.

6. 574/5. I wrote to all the Whaling Companies on the 1st March with regard to financing the increased tax payments, and the replies received were to the effect that arrangements had been made to pay the Crown Agents in London direct.

7. 574/6. The Board approves of your extending Dr. Herklot's agreement a further two years at the proposed increase, viz: £100 per annum.

8. 575/2. It is gratifying to hear of the excellent cargo stowed in the "OAKLANDS", and her arrival is looked for any time after the end of this month.

9. 575/3. I have consulted Mr. Morison as to your proposal to instal an oil engine on the "GREAT BRITAIN" in place of supplying a new boiler. My enquiries in that direction are not yet complete, but I enclose herewith a copy of the correspondence to date on the subject.

10. 575/4. The Board is disposed to agree to your proposal to temporarily dispense with the services of an Engineer at the termination of Peter's agreement provided that you are thoroughly satisfied that all machinery can be kept in proper order. It cannot however lose sight of the fact that the mere inspection of the "PLYM'S" boiler and machinery is but a very minor matter in comparison with the prevention of undue deterioration of the ^{other} costly plant and the machinery at Goose Green. Are you satisfied that the man who would be put in charge there has had sufficient experience

1212. 25.5.21.

in such work ?

11. 575/6. With regard to outside shippers' accounts,
576/4. the following is the decision of the Board in the matter.
In the cases of Messrs. Dean & Co., and J.L. Waldron, Ltd.,
if, when the debit balance exceeds say £1,000 you will cable
me the amount an adjustment can easily be made with those
firms here. With regard to W.K. Cameron and Greenshields
Bros., no credit must be given them either by way of supplies
or cash
of stores/unless you obtain a lien on their produce or they
establish a credit to cover same. A copy of correspondence
with Messrs. Jacomb Hoare & Co. on the subject of these
accounts is enclosed from which you will see that Greenshields
Bros. are, after crediting the £2,000 recently received here,
still owing a balance of £1705.18.9. This is exclusive of
the coastal freight which by making it payable here in the
through freight rate is secured by the produce. The account
ought not to have been allowed to reach such high figures,
and the stores, amounting to £981 in the last half year of
1920, should not have been supplied without cover.

12. 576/2. The attitude of the Government with regard
to exchange is most unreasonable, but it has occurred to me
that their plans could be entirely upset, and economy
effected, by sending you each mail £1,000 or so of Postal
Orders on the Stanley Postmaster. The official Post Office
Guide (page 120) distinctly states that "British Postal
Orders are issued and paid" in several colonies mentioned
including the Falkland Islands. This would put you in the
position of being able to demand payment from the Government
in local currency, and the attempt to penalize us to the
extent of 3% would be so far frustrated. These orders are
issued for sums up to £1.1.0 only, the commission of which is
2d. This cost would therefore work out at about 16/-%, or
with interest added for say 30 days, £1.6.8.%. Unless this
scheme is upset by some special action of your Government it

1212. 25.5.21.

X
seems to me it would be possible to carry the transaction sufficiently far to compel the Governor to appeal to you to make payments to the Crown Agents on his account. It would then be opportune for you to say "our charge is 3%". I cabled you on the 17th instant acquainting you of the proposal and asking if there was any objection to this course being followed, and I have since received your reply "do not send Postal Orders at present". I am therefore falling back on your original request and am sending by this opportunity £1,000 of Treasury Notes. Please say if these are accepted by the Government as legal tender in the Islands.

13. 576/6. Following my remarks, 1121/40, I enclose copy of letter addressed to the Colonial Office, dated 17th May, on the subject of the cable and wireless communication with the Islands. From this you will see that the Company is prepared to guarantee a sum of not less than £300 per annum for cost of messages to and from the Islands. This is done to meet the wishes expressed by Mr. Grindle at the meeting held at the Colonial Office previously referred to.

14. Mr. Gresham, Mr. Hugh Harding, and Mr. Alex. Moir all arrived safely and are at present in the country.

15. It has been found impossible to complete important statistics for 1919 and 1920 Sheepskins through, in some cases, the lack of complete information in the specifications received as to the number of skins, and in others to the non-receipt of any specifications at all. Particulars of what is required are given on statements herewith. Please send the information asked for therein.

16. With reference to our conversations before you left for the Islands as to the practice adopted in Stanley in connection with the storage of petrol, please advise if any special isolated store has been built for it, and if not, where it is kept.

17. The Bank Rate was changed on the 28th April from 7% to 6½%.

1212. 25.5.21.

18. I am glad to report that the wool market at last shows signs of recovery from the recent slump, but while it cannot be said that the improved prices will do much more than pay expenses, it is satisfactory to record considerably more animation and competition largely due to the presence in considerable force of Continental buyers. Catalogues of our Auction Sales to date are sent herewith, and also a statement of sales, effected privately, of some 800 bales ex "DUENDES";^d the Company's wool included therein showing an average of 8.89 per lb.

19. I have still nothing definite to advise with regard to the purchase of a schooner. I am in correspondence with American, Canadian and Danish firms, and every endeavour will be made to secure as soon as possible a boat, with motor, capable of carrying at least 200 bales of Company's wool.

I am,

Sir,

your obedient servant,

E. A. Sodair.

Secretary.

+3
Received *8th July 1921*
Answered.....

ENCLOSURES VIA LIVERPOOL.

ORIGINALS

- 1 Copy of Cablegrams sent dated 1st, 6th, 14th, 15th, 20th April, 5th & 17th May.
- 2 Copy of Cablegrams received dated 10th, 12th, 14th, 16th, 24th, 29th April, 1st, & 14th May.
- 3 Copy of letter from John Begg, Ltd. dated 12th April.
- 4 Brokers' reports on Company's Wool ex "Duendes" & "Junin"
- 5 ditto. Skins ex "Junin"
- 6 Wool market reports dated 15th April & 12th May.
- 7 Copy of letter from Lowden Connell & Co. dated 19th and our reply of the 20th May.
- 8 Suppliers Invoices goods per S.S. "Oruba"
- 9 B/L Sheep Dip shipped per S.S. "Sorata" at Glasgow by Wm. Cooper & Nephews.
- 10 B/L Wines shipped per S.S. "SORATA" by Poulet Pere & Sons
- 11 Copy of letter from the Western Telegraph Co. dated 26th and our reply of the 28th April.
- 12 DuCroz Doxat & Co's priced Wool catalogue of the 3rd May sale.
- 13 Jacomb Hoare & Co's priced Wool catalogue of the 5th May sale
- 14 Anning & Cobb's priced Sheepskin catalogue of the 28th April sale.
- 15 Edinburgh Assurance Co's Bonus certificate & report for C.P. Peters.

Brokers' Reports:-

- | | | | | |
|----|-------|-------------------------------|----|----|
| 16 | AP | 164 bales Wool ex "Duendes" | | |
| 17 | H & B | 170 | .. | .. |
| 18 | C C W | 7 | .. | .. |
| 19 | F | 4 bales Sheepskins ex "Junin" | | |
| 20 | JH | 4 | .. | .. |
| 21 | H | 2 | .. | .. |
| 22 | Z | 8 | .. | .. |

- 23 H & B 11 bales Sheepskins ex "Junin "
- 24 AP 5 .. " Duendes "
- 25 F 2
- 26 Copy of letter to Jacomb Hoare & Co. dated 10th and
their reply of the 11th May.
- 27 List detailing Sheepskins Specifications required
to complete 1919/20 shipments dated 29th April
- 28 Account Current dated 25th May and vouchers
- 29 ditto. ditto. (Supplementary to
31st December, 20)
- 30 Remarks on Accounts
- 31 Remarks on Stores.
- 32 Copy of letter to the Colonial Office dated 17th May
re Wireless communications .
- 33 Copy of letter to Wm. M'Arthur Morison of the 19th
& his replies of the 23rd & 24th May & enclosures
- 34 Copy of letter from Charles Romer dated 2nd May and
documents attached.
- 35 List of Parcel in case No. 6884.
- 36 Prices of Wool sold privately on the 13th & 18th May
ex "Duendes"
- 37 Copy of letter received from Chr. Christensen dated
19th May.
- 38 Sale contract note for F 55 bales Wool .
- 39 Copy of letter to T. G. Slaughter dated 25th May (two)

LONDON 25th May, 1921.

(23)

45

PRECIS OF DESPATCH NO.1213 per s.s."SORATA" dated 3.6.21.

1. Acknowledges receipt of No.577 dated 29th April.
2. Authorising payment of 10% Bonus.
3. Question of retention of Skins on Farms affecting insurance.
4. Acknowledges particulars of Fitzroy & Port Louis insurances.
5. Carbide by whalers.
6. Land required by Government for grazing.
7. Reports arrival of "Oaklands" and "Corcovado".

Received 12/1/21

4155293735

16

Handwritten: 12/1/21

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)
REGISTERED 1902.

64. Gracechurch Street.

Per S.S. ASORATA

Nº 1213.

London, E.C.3. 3rd June, 1921.

Sir,

Since writing you on the 25th ultimo, I have received your despatch No.577, dated 29th April.

2. The question of the payment of a bonus in respect of 1920, in connection with your remarks 573/2, was considered by the Board last Monday, and the presence of Mr.Graham and Mr. Moir enabled the Directors to discuss with them the position of the Farm and Stanley hands. The decision of the Board was to the effect that, while it declines to admit that because a bonus has been paid annually for some years past in respect of good profits obtained it must be continued whatever the result of the year's trading may be, it realises the case of the Stanley men and the Camp married men would be difficult if the bonus was entirely stopped this year. And, as it is impossible to differentiate between those mentioned and others, it has decided to instruct you to pay a bonus, all round, of 10%. Please make it clear that the results of the 1920 trading, so far as they can be ascertained, and the present state of the markets, certainly do not warrant any such payment, and that the Board has authorised the present grant expressly with a view to obviating the possible hardship which might be felt by the employees by the total suspension of the bonus.

3. 577/2. Unless the retention of the wool etc., is far more general than at present there is no necessity to raise the question you mention with the Underwriters.

W.A.Harding, Esq.,

Manager,

Port Stanley.

1213. 3.6.21.

4. 577/3. I am obliged for particulars of the Fitzroy and Port Louis insurances. These will be covered here as from 3rd July.

5. 577/4. Arrangements will be made to ship the 8 tons of carbide to you by the whalers.

6. 577/9. The matters referred to will come before the Board for consideration at its next meeting, after which I will advise you of its decision.

7. The "OAKLANDS" arrived in London on the 27th May and the "CORCOVADO" on the 1st June.

I am,

Sir,

your obedient servant,

E. A. Soddard

Secretary.

Enclosures per "Sorata" Liverpool

General Invoice Store shipped per S S "Oruba"

List of General Cargo per S S "Oruba"

Sight Draft on R. & A. Hardy for £ 9 . 18 . 0 with documents
attached for collection .

Suppliers' invoices goods per "Oruba"

LONDON 3rd JUNE, 1921

Received.....12/1/21.....

Answered.....

PRECIS OF DESPATCH NO.1214. per "ORITA" 15TH JUNE, 1921.

1. No mails received from Islands since writing on 3rd inst.
2. Acreage of Lafonia. Notes fresh assessment.
3. Encloses copy of Colonial Office letter re cable and wireless matters.
4. Schooners. Particulars of several vessels under consideration
5. Slipway. Particulars laid before new Marine Superintendent.
6. Bonus. Previous conditions still hold good.
7. Alleged unnecessary steaming of "Falkland".

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851

REGISTERED 1902.

61, Gracechurch Street.

Per "ORITA"

N^o 1214

London, E.C. 15th June, 1921.

Sir,

I wrote you on the 3rd instant, since when no further mails have been received from you.

2. 576/3. In my last despatch I omitted to acknowledge receipt of the correspondence with the Colonial Secretary on the subject of the acreage of Lafonia. It is very satisfactory to know that our efforts in this direction have at last been successful, and 591,000 acres appear to be a fair assessment. There is no doubt that in this matter thanks are due to Colonel St. Johnson who, - following my interview with him in Stanley, - admitted that for the first time he saw the justice of our claim and wrote to the Colonial Office accordingly. Have you made any application for a refund of the amount overpaid annually since the imposition of the tax?

3. Enclosed I send you copy of a letter from the Colonial Office in reply to mine of the 17th May re cable and wireless matters.

4. Particulars of several American, Canadian and Scandinavian schooners have been obtained and are under consideration, but the chief difficulty in coming to a decision arises in connection with getting them inspected by a trustworthy expert. It seems agreed that no one on the other side of the Atlantic can be depended on, and the cost of sending some one across would be heavy.

5. I have taken the opportunity afforded by the presence of Mr. D. W. Roberts, - Marine Superintendent, - to lay before him

W. A. Harding, Esq.,

Manager,

Port Stanley.

the recent correspondence relating to the "LAFONIA" and "GWENDOLIN" with a view to interesting him in the matter of improvising some simple form of slipway, - such, for instance, as that used in Punta Arenas, - which will enable the schooners to be properly overhauled and painted annually, and such simple jobs as the fitting of a motor carried out. With this object in view I have obtained introductions for him to Messrs. Crichtons yards near Liverpool where the most primitive forms of slipways are still in use, and I think as a result he is keenly interested in the proposal. The idea of carrying out the more elaborate and expensive scheme for a vessel of the size of the "FALKLAND" must, for the present, remain in abeyance, but if Mr. Roberts can, as I think he will be able to, satisfy you that for a comparatively moderate outlay he can devise means of hauling up the schooners and other small craft, it is most desirable that the work should be carried out as soon as possible. It is useless waiting for the talk of Colonial Government Slip as it may never be carried out. When Mr. Roberts has had time to thoroughly think out the matter on the spot I shall be glad to have his report and recommendations, and also particulars of any material he considers necessary.

6. Following my remarks in 1213/2, you will of course understand that all previous conditions with regard to minimum time of employment which will entitle an employee to share in the bonus still hold good.

I am,

Sir,

your obedient servant,

C. N. Coard

Secretary.

1214. 15.6.21.

7. Enclosed please find copy of letter from Messrs. Lowden Connell & Co., dated 3rd instant, and my reply of the 6th, on the subject of unnecessary steaming of the s.s. "FALKLAND". Have you any knowledge of the incident referred to ?

Enclosures per "Orita" via Liverpool.

ORIGINALS.

- 1 Despatch No.1214 dated 15th June,21.
- 2 Copy of Cablegrams sent dated 31st May,& 10th June.
- 3 Copy of Cablegrams received dated 22nd May,5th & 12th June.
- 4 Bills of lading cargo per S.S."Oruba"
- 5 Bill of lading cargo per S.S."Sorata"
- 6 List of General Cargo per S.S."Sorata"
- 7 DuCroz Doxat & Co's priced sale catalogues of 7th June.
- 8 Jacomb Hoare & Co's ditto. ditto.
- 9 General Invoice Stores shipped per S.S."Sorata"

Brokers' Reports:-

- 10 F 197 bales Wool ex "Duendes"
- 11 AP 164 ,, ,,
- 12 JH 4 bales Sheepskins ex "Junin"
- 13 H 2 ,, ,,
- 14 F 4 ,, ,,
- 15 AP 5 ,, ,,
- 16 F 2 ,, ,,
- 17 Account Current dated 15th June and vouchers.

~~18 Remarks on Accounts~~

- 19 Remarks on Stores.
- 20 Copy of letter received from the Colonial Office
dated 6th June re Wireless telegraphic.
- 21 Copy of letter from Lowden Connell & Co.of 3rd and
our reply of 6th June re S.S."Falkland"
- 22 Copy of letter to T.G.Slaughter dated 15th June.
- 23 Precis of Despatch No.1213 per S.S."SORATA" dated 3/6/21
- 24 Memoranda for W.A.Harding.

LONDON 15th June,1921

DESPATCH 1215 MISSING

PRECIS OF DESPATCH No.1216. per S.S."ORCANA" - 10.8.21.

Answered 12 Sep

1. No mails to acknowledge.
2. Refers to wool on hand, markets etc.
3. Reports negotiations for purchase of schooner.
4. Draws attention to economy of using low grade paraffin in Bolinder engines.
5. Qualifying previous remarks re land deal with Government.
6. Advising change in Bank Rate to 5½%.
7. Interest on freight will be charged at average rate.
8. Re Bonus.
9. Enclosing copy of Agreement with Mr.Alex.Moir.
10. Acknowledges cable advice of profit for 1920.
11. Re coal supplies.
12. Reports negotiations with Pacific Co. and Dutch Lines re freight.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street,

Per s.s. "ORCANA"

Nº 1216.

London, E.C.3. 10th August, 1921.

Sir,

Since writing you last on the 13th ultimo no mails from the Islands have been received.

2. The shipments of wool per "CORCOVADO" and "OAKLANDS" are still on hand for realization. It was not possible, on account of the accumulations of Government and other wools, to offer them in the June or July series of auctions and they will be put up in those commencing on the 28th instant. The market reports, enclosed, of last sales will show you that although there has been a satisfactory improvement in the attendance^{of} buyers, - particularly Continental, - resulting in keen bidding, and the clearance of all lots offered, there is no marked improvement in values to record.

The statistical position as regards coarse wool is not bright there being some 28,000 bales of Puntas on hand to be disposed of, but on the other hand many of the industrial troubles in this country have been settled and this should lead to more confidence among manufacturers generally.

3. Referring to par.8 of my last despatch it has been decided that the "VENUS", - inspected by Mr. Morison in Copenhagen, - is too bluff in the bow and therefore lacking in those good sailing qualifications essential to a boat trading about the Falkland Islands.

Several vessels on the Canadian coast were put before

W.A. Harding, Esq.,

Manager,

Port Stanley.

1216. 10.8.21.

us and of these the only one appearing likely to suit was the "MARION MOSHER" a two masted auxiliary schooner lying at Halifax, Nova Scotia, for which \$ 8,500 was being asked. This vessel we have had inspected by the New York branch of Messrs. John Reid, Ltd., Consulting Engineers of this City, and the report received goes to show that she is not entirely satisfactory. Messrs. Reid's representative has therefore been given further time in which to inquire for any more suitable vessels on the other side which may be offering for sale.

4. I wish to draw your attention to the economy that can be effected in the use of the lower grades of paraffin ~~in~~ in those engines for which it is suitable, such, for instance, as the Bolinder type as fitted to the Stanley Motor Boat. When I was in Stanley this boat was being run on the ordinary refined paraffin as commonly used for burning in lamps, etc., and as only the one quality appears to have been bought in Montevideo I assume that this is still the practice. I am authoritatively informed by the engine makers that all the bulb type of engines, - known as semi-Deisel, of which the Bolinder is one, - are more efficient when run on what is known in the trade as American Gas Oil with a specific gravity of 845/870. The export cost of this here today is 5⁸d. per gallon against 1/6d per gallon for Royal Daylight, lamp quality, the specific gravity of which is about 800. The saving to be effected is obvious. I enclose copy of letter from the Anglo-American Oil Co. on the subject giving full details. It is possible that the engine may not be quite so easy to start with the lower grade, but this is the only objection. I am informed that the Gardner engine in the motor at Darwin is not suitable for the lower grade of paraffin referred to above.

5. It is necessary to somewhat qualify what was written in par.4 of my last despatch on the subject of the proposed

1126. 10.8.21.

deal with the Government in connection with the land required for grazing etc. Since writing that the matter has been discussed with Mr.H.C.Harding and he has explained that the land,- south of the proposed line from the Murrell River to the head of Sparrow Cove,- which you suggest should be surrendered to the Government contains nearly all the land of any use in Section 57 and that the land north of that line is practically ~~not~~ worthless so that the freehold of same would in no way be a quid pro quo. In these circumstances you will doubtless do nothing in the matter until the return of Mr.H.C.Harding when you can decide on the best suggestion to make.

6. The Bank Rate was reduced on the 21st July from 6% to 5½%.

7. In par.50 of my 1211 I advised that in future interest would be charged to clients etc. on coastwise and ocean freights at 1% over Bank Rate. On getting down to the practical working of this scheme it is found that owing to the frequent changes in the Bank Rate, and the complications which arise through shipments home being seldom in line with their transport coastwise, the work involved makes it necessary to strike an average rate which will be fair to all parties. This will therefore be done in future.

8. I note from your cable of the 13th July that there was a mutilation in my message advising the bonus to be paid in respect of last year and that you read it as 5% instead of 10%. Also that you have paid the former rate and that no dissatisfaction has been caused. As however several employees at present in this country have been advised that 10% would be paid it will not be desirable to take any advantage of the position by paying only the smaller amount.

9. Enclosed please find copy of agreement entered into with Mr.Alex.Moir.

1216. 10.8.21.

10. I note from your cable advice that the profit shown in the Stanley books at 31st December last amounts to £24,051.12.2 after charging to the Farm the cost of running Fitzroy & Port Louis Sections from the date of taking them over in April, 1920 from Mr. Vere Packe.

11. I am obliged for your cable of the 31st ultimo advising that you ^{have} 150 tons of coal on hand and asking that no more should be shipped than was required for the "FALKLAND". I advised Lowden Connell & Co., accordingly, see copy of letter attached, and suggested that instead of shipping 800 tons of coal by the "HUANCHACO", as was their intention, that probably 300 tons would be sufficient in view of the fact that it is intended to do away with the "FALKLAND" as soon as possible.

12. I have recently approached the Pacific Company on the subject of next season's freight in the hope of obtaining some reduction on the existing high rates. The prospect is not very promising, and I will advise you in due course what is settled.

In the hope of introducing some competition with the P.S.N.C. I have also been in correspondence with the Royal Netherlands Steamship Co. and the Dutch Line - Koninklijke Hollandsche Lloyd - both of which lines run to the Plate, and have laid before them particulars of our annual tonnage and asking if they would consider an extension of their service to include the Falkland Islands provided we could guarantee them our full support. Copies of their replies are enclosed from which you will see that while trade with Punta Arenas remains as it is they cannot entertain the idea.

I am,

Sir,

your obedient servant,

E. A. Soddard

Servant.

Enclosures per "Orcana" via Liverpool

Duplicates:-

Despatch No. 1315 dated 13th July, 1921

List of General Cargo per "Orita"

General Invoice goods per "Orita"

Proforma list of Clients' cargo per "Ortega"

Remarks on Stores.

Remarks on Accounts.

Account Current and vouchers dated 13th July.

List of Parcels in case No. 8105

List of Enclosures .

Additions to Code dated 13th July.

Enclosures-via Liverpool

ORIGINALS:-

- 1 Despatch No.1216 dated 10th August.
 - 1^A Copies of Cablegrams sent dated 21st.July & 9th August.
 - 2 Copies of Cablegrams received dated 13th,15th,23th,27th
& 31st July.
 - 3 Bills of Lading General Cargo per S.S."Ortega"
 - 4 Wool Marker reports dated 28th July.
 - 5 General Invoice Stores per S.S."Ortega"
 - 6 List of Cargo per S.S."Ortega"
 - 7 Account Current and vouchers dated 10th August..
 - 8 Remarks on Accounts.
 - 9 Remarks on Stores.
 - 10 Copy of Mr Moir's agreement dated 5th August.
 - 11 Copy of letter to Lowden Connell & Co.dated 9th August
re coal for "Falkland"
 - 12 Insurance on Produce form - note on same re requirements
 - 13 Copy of letter from the Anglo American Oil Co.dated
8th August quoting price for Oil.
 - 14 Copy of letter to the Koninklijke Hollandsche Lloyd
dated 27th and their reply of the 29th July.
 - 15 Copy of Brokers' reports on Co's Wool ex Oaklands &
Corcovado
 - 16 Copy of Clients ditto.
 - 17 Copy of letter to T.G.Slaughter dated 10th August.
 - 18 Copy of letter to Van Ommeren(London) Ltd.dated 27th
July and their reply of 2nd August.
 - 19 Addition to Bentley Code dated 10th August.
London 10th August,1921.
-

PRECIS OF DESPATCH NO.1217. per "HUANCHACO" - 17.8.21.

1. No mails to acknowledge.
2. Coal supplies - enclose copy of further letter on the subject.
3. Ocean Freight Rates - correspondence enclosed.
4. Land deal with Government - letter from Mr.Packe on the subject enclosed.
5. J.L.Waldron,Ltd. & Dean & Co's balances.
6. Insurance of tug "Samson".
7. Note not desirable to send out Gay Shute as cadet.
8. A.A.P.Neave - note he can be provided with unfurnished house.

Indesced
The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "HUANCHACO"

Nº 1217.

London E.C. 17th August, 1921.

Sir,

I wrote you last on the 10th instant. In the absence of the receipt of any mails from you there is little fresh matter to refer to by this opportunity.

2. Referring to remarks in my last despatch, par.11, I enclose copy of further letter, dated 15th instant, on the subject.

3. I also send you copy of correspondence with the P.S.N.C. on the subject of freight rates for next season. You will see that so far little progress has been made in the direction of obtaining any substantial reduction.

4. With further reference to par.5. of my last despatch I enclose for your information and guidance a copy of letter from Mr.Vere Packe, dated 14th instant, on the subject of the proposed deal in land with the Government.

5. I am obliged for your cable advice of the balances of Messrs.J.L.Waldron, Ltd. and Dean & Co's accounts as at 31st December,1920 and 30th June,1921, and am collecting amounts from them in liquidation of same.

6. The insurance of the tug "SAMSON" expires on the 19th, and as, from your recent advices, I infer she is not being used, I wired you on the 11th that it was proposed to allow the policies to lapse and asking if you agreed. I await your reply.

7. I gather from your cable of the 15th that it is not desirable to send out Gay Shute,-the proposed cadet,- and

W.A.Harding, Esq.,

Manager,

Port Stanley.

1217. 17.8.21.

he will therefore be advised accordingly.

8. It is also noted that you can provide Mr. A.A.P. Neave, the Admiralty Civil Engineer, with an unfurnished house, and that you may be able to lend him furniture. As regards Sullivan House, I should in any event have left the matter in your hands to arrange.

I am,

Sir,

your obedient servant,

E. R. S. Oadish

Secretary.

Enclosures via Liverpool.

DUPLICATES. (Originals per S.S."Oreana" on 10th August)

Despatch No.1216 dated 10th August.

Remarks on Accounts

Account Current dated 10th August.

Remarks on Stores.

Additions to Bentley's code

List of Parcels in case No.8200

List of General Cargo per S.S."Ortega"

General Invoice Stores per S.S."Ortega"

Proforma List of Clients' cargo per S.S.Oreana"

List of Enclosures

Enclosures via Liverpool

Originals

- 1 Copy of Cablegram sent dated 11th August.
- 2 Copy of Cablegram received dated 11th August.
- 3 Bills of lading cargo per S.S. "Orcana"
- 4 General Invoice goods per S.S. "Orcana"
- 5 List of General Cargo per S.S. "Orcana"
- 6 Suppliers Invoices goods per S.S. "Huanchaco"
- 7 Account Current and vouchers dated 17th August.
- 8 Proproma list of cargo per SS. "Huanchaco"
- 9 Copy of letter from the Pacific Steam Navgn. Co. dated
26th July and our reply of 16th August re rates
of freight on next season's produce.
- 10 Copy of letter received from Mr Vere Packe dated 14th
August re land.
- 11 Copy of letter received from Lowden Connell & Co. dated
10th August re coal for "Falkland"
- 12 Copy of letter received from Lowden Connell & Co. dated
15th August re Falkland Coastal Rates.
- 13 Remarks on Accounts.
- 14 Contract for Quantity of Salted Hides ex "Oaklands"
- 15 Copy of letter to A.H. Connell dated 17th August re
"Falkland Coastal service"

London 17th August, 1921

PRECIS OF DESPATCH No.1218, per "ORITA" - 21.9.12.

1. Acknowledges despatches 578 & 579.
2. Confirms cables exchanged.
3. Stanley Labourers - Utilization of by Government in slack times noted.
4. Sullivan House - Prepared to consider sale of to Govmt.
5. Store Sales.
6. Land Tax.
7. Coal supplies to "FALKLAND" - debit at a fair cost.
8. Discusses Engineer's report on Goose Green machinery.
9. Leases of property taken over from Mr. Packe enclosed for endorsement.
10. Goose Green Working Costs 1912/1920 - Staement enclosed.

Handwritten: March

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Pers.s. "ORITA"

Nº 1218

London, E.C.3. 21st September, 1921.

Sir,

Since writing you last on the 17th ultimo I have received your despatches Nos. 578 and 579 of the 12th & 14th July. These were delivered on the 3rd & 17th September respectively.

2. Cables exchanged are confirmed as per copies enclosed. In connection with your confirmations received, I would point out that your message of the 8th June, advising the intended departure of Mr. H. V. Cobb by the "ORUBA" to San Julian, was not received here. Following on enquiries of the Eastern Telegraph Co. I received their reply - copy enclosed - stating that they had no record of the message in question.

3. The Board is gratified to hear of the way in which the Governor is utilizing our labourers, and other hands, in the slack times and notices with satisfaction that the practice is likely to be continued.

4. The Board is prepared to consider the sale of Sullivan House and will be glad if you will discuss the question of price with the Governor when an opportunity arises. It is agreed, as you suggest, that it is desirable to retain a paddock there.

5. No comment was passed by the Board on your remarks as to the heavy Store sales in the first half of the year. Doubtless, however, it will be considered satisfactory that you have "passed on" such a large proportion of your high

W.A. Harding, Esq.,

Manager,

Port Stanley.

1218. 21.9.21.

priced stocks, although the inevitable result must be to increase the debit balances of many clients' accounts.

There is no doubt that prices for all commodities have now fallen appreciably. To take two instances, our contracts for bagging and hoops have been placed this year at 9^s 4^d per yard and £14.5.0 per ton as compared with 2/5^s 4^d per yard and £53.10. 0 per ton in 1920.

6. While the Directors do not depart from the opinion expressed some years ago that, theoretically, a tax on land would be preferable to an export tax on wool, for the reasons then given, I am to say that they had no idea at the time that the inequitable and unjust graduated tax was contemplated, and that in the absence of a flat rate they agree that the tax on exports, notwithstanding all its disadvantages, is, in the circumstances, preferable. Since you gauged accurately their opinion as having been based on the anticipation of a flat rate on land, they are not disposed to find fault with your decision to support the general body of farmers, especially as it adds materially to the solidarity of opinion, to which any Government except in a Crown Colony would be expected to pay due regard. It seems strange that the Colonial Office should have issued a fiat that more revenue must be raised from the Falkland Islands, in the face of the Chairman's statement to Mr. Grindle that the whole Colony at the present time was practically insolvent. It would seem that in order to bring this home to the authorities some overt act demonstrating the fact will become necessary; as long as all dues and taxes are met it is quite possible that they will not believe it, and if you had refused to advance payment of the land tax in the case of those who owe the Company money, if there are any, the Directors would have had no reason to object to your action. We cannot allow ourselves to be regarded, in the present crisis, as the general Colonial milch cow from which all needed supplies can be drawn, and it

1218. 21.9.21.

will need the greatest watchfulness on your part to see that we are not imposed on. You say that the general idea of the Government is to relieve small farmers; why? Surely the right thing would be to relieve those who are most worthy of consideration, and those are ^{the Companies and firms} who do the most for the Colony and the people. It would be very easy to show that the general good derived from the small farmers is practically nil.

7. Your remarks on the position of coal supplies to the "FALKLAND" are duly noted and instructions were cabled you yesterday to pass a charge to the steamer at a fair cost price for the coal already supplied. The coal going out per "HUANCHACO" has cost considerably less and there is no reason why the Company should merely receive repayment for coal supplied in kind and so stand the loss on value and the fallen market.

8. Mr. Peters's report on the Goose Green machinery is to hand and has been read with interest. It has been noticed that in this he makes no mention of the second boiler landed at Goose Green about 1919. The Board would like to hear from him if it has yet been put under cover or protected in any way from the weather as for some months after arrival it was still lying in the open. Mr. Peters also makes no mention of the high chimney and its condition. Have the top stays been repaired yet? In 1919 these were broken and, in consequence, it was then obviously impossible to keep the top section of the chimney in repair. Mr. Houston then arranged with Mr. Peters that a man would be sent out from Stanley to attend to the matter, but no reference has since been made to it in the Engineer's reports.

An order for the digester door will be put in hand at once.

9. I duly received your telegram of the 13th instant and note that the Leases for Mr. Vere Packe's property need to be exhibited in Port Stanley before the Registrar for

1218. 21.9.21.

endorsement, and we therefore enclose documents relating to
this property as per schedule. Please return same after
the transfer transaction is completed.

10. Enclosed please find copy of a statement of interesting
statistics of working costs and results per head of sheep at
Goose Green, seasons 1912/1920.

I am,

Sir,

your obedient servant,

C. B. Goudard.

Secretary.

+ This Schedule is copied on page 759 of Dispatch
Book. Original returned to London in
dispatch 590

Enclosures via Liverpool.

DUPLICATES.

Despatch No.1217 dated 17th August.

Second of exchange for £ 52 . 2 . 11 on L.Williams Estate
for collection.

General Invoice Stores per S.S."Orcana"

Proforma List of Cargo per S.S."Inanchaco"

List of General Cargo per S.S."Orcana"

Account Current and vouchers dated 17th August.

Enclosures via Liverpool.

ORIGINALS:--

- 1 Copies of Cablegrams sent dated 29th August, 9th, 14th & 20th September.
- 2 Copies of Cablegrams received dated 14th, 17th, 23rd Aug. 2nd & 7th September. 12th September.
- 3 Wool market reports dated 15th September.
- 4 DuCroz Doxat & Co. Wool sale catalogues of 30th Aug. & 9th September.
- 5 Jacomb Hoare & Co. of 1st September
- 6 Anning & Cobb Skins sale catalogue of 8th September
- 7 Copy of letter from the Eastern Telegraph Co. dated 12th September
- 8 General Invoice stores shipped per "Huanchaco"
- 9 List of cargo per S.S. "Huanchaco"
- 10 Copy of Thomas Hunter's agreement dated 14th September.
- 11 Bills of Lading goods per S.S. "Huanchaco"
- 12 Copy of letter from W.P. Martin dated 17th September & letter addressed to W.A. Harding attached
- 13 Account Current dated 21st September and vouchers.
- 14 Remarks on Stores
- 15 Remarks on Accounts
- 16 Goose Green Statistics 1912/20
- 17 Copy of letter to T.G. Slaughter dated 21st September.
- 18 Sundry Leases & Grants relating to Vere Packe's
Property as per detailed list enclosed.

London 21st September, 1921

PRECIS OF DESPATCH NO. 1219, per "ORUBA" - 5TH OCT. 1921.

1. Acknowledges despatches 58/581 of 28th July & 8th Aug.
2. Acknowledges Annual Accounts.
3. Valuation of Stock at 31st Dec. Probable reduction of.
4. Sundry Debtors - Mrs. J. Robson.
5. £50 Pacific Agency fee to be debited in Stanley.
6. No further claim from Brecht Co. received.
7. re Jay carpenter.
8. re Coal Shipments.
9. Furniture at Manager's House.
10. re copies of Despatches.
11. Mr. Peters - Engineer.
12. "GWENDOLIN". Remarks noted. Proposal to instal engine abandoned in view of your advice.
13. Purchase of schooner "MARION MOSHER" off.
14. Clients' accounts - advances and security.
15. Enclosing copy of a letter given Mr. Gresham.
16. Advising agreement with P.S.N.C. for next season's rates.
17. Interest to be charged on freights paid.
18. Position of hoops ordered.

44
hand
The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "ORUBA"

Nº 1219.

London, E.C. 5th October, 1921.

Sir,

I wrote you last on the 21st ultimo, and have since received, - on the 27th ultimo, - your despatches Nos. 580 & 581 of the 28th July and 8th August.

2. ANNUAL ACCOUNTS. These, together with the various statements in support, have all come to hand, but time has not permitted of more than cursory examination.

3. STOCK VALUED AT £85,000. From your remarks it is gathered that this valuation is the c.i.f. cost as at 31st December. In view of the fact that these costs, in the case of many articles, were very considerably in excess of those current during this year it is highly improbable that all the stocks will be cleared at the valuation. It is therefore likely that it may be considered necessary to make a liberal deduction from your valuation. Information as to this will be sent you later.

The suggestion made in your par. 11 for apportioning the Stanley Office expenses is approved. When this is done at the end of the year please send a summary of the office expenses showing the apportionment.

4. SUNDRY DEBTORS. The position of Mrs. J. Robson's account certainly did come as a shock to the Board and you were undoubtedly right in wiping off £800 as a bad debt. The matter can only be left in your hands to watch with a view to securing any monies that may ultimately be coming to Mrs. Robson.

W.A. Harding, Esq.,

Manager,

Port Stanley.

1219. 5.10.21.

5. 581/2. The £50 allowed by the Pacific Company for Agency fee can be deducted by you in their account.

6. 581/4. Nothing further has been heard from the Brecht Co. relative to the balance of their claim for £879.1.0.

7. 581/12. The question in my 1211/12 with regard to the carpenter Jay is considered by the Chairman to have been a perfectly legitimate one to ask. Jay, who was engaged here, had for years been in the employ of the Company and you were merely asked if it was a fact that he had left North Arm and been re-engaged at Fitzroy at a larger wage.

8. 581/16. The position with regard to coal shipments has been dealt with in previous despatches.

9. 581/17. With regard to the regret expressed at the expenditure on furniture for the Manager's House, I have only to say that your memo, - Manager's House and Furniture, dated 23rd October, 1920, - was fully considered by the Chairman, and notwithstanding your remarks on the subject of carpets, was read as an indication that all the goods mentioned therein were sorely needed.

10. 581/19. In reply to your remarks 8 readable copies of the despatches to you are taken in this office every mail, but this would be impossible if we used other than good carbons. There is no mechanical contrivance on the market by means of which unlimited copies can be taken except that with which it is necessary to cut a wax sheet stencil. I do not think you would approve of this method. It is not possible to type out the despatches here on the day of the mail's arrival, and it is very expensive to give them out to be done. An arrangement will be made to first circulate the copies received from you to those Directors who do not wish to retain them, sending later to those who do.

11. 581/25. Mr. Peters certainly spoke to me about his agreement when in the Islands, and I promised to submit his proposition to the Board. Beyond this I did not go and the

1219. 5.10.21.

Board's decision you already have.

12. 581/33. Your remarks on the subject of the "GWENDOLIN" have been fully considered by the Board. I would however point out, in connection with the concluding words of you para "should the Board however decide to try the ~~an~~ experiment at once we would have of course to do our best over the installation", that in view of your previous definite advice that the installation of a motor was practically impossible in Stanley in the absence of a slip the idea has been, necessarily, dropped.

13. Following my remarks in par.3 of 1216, a definite offer was made on behalf of the Company for the "MARION MOSHER", subject to certain conditions of inspection of bottom and generally putting the vessel into order to the satisfaction of our Surveyor. This was at first accepted, then we were advised that the owners disagreed amongst themselves, and finally we were advised that the schooner had been sold elsewhere. As to this there is some doubt. We can now only fall back on two other American vessels offering for sale, and when anything definite is fixed advice will be sent you. Meanwhile it is evident that the "FALKLANDS" must carry on for the present.

14. 581/23, 25. The question of future action in connection with clients' accounts has received the long and earnest consideration of the Board. It is appreciated that it is most difficult to lay down definite and exact lines for you to follow, for instance, with regard to stopping cheques issued by Stations etc. A cable on the subject generally will be sent you in a few days. Meanwhile I can say that it is the Board's express instruction that in the case of those Stations showing a debit balance and insufficient credit, supplies to them are to be limited strictly to hoops, bagging, dip, and bare necessities.

In the absence of the June balances it is impossible to

1219. 5.10.21.

estimate how many of the accounts stand at date, but all those on the debit side at 31st December have been listed and their approximate position arrived at. A copy of this statement is enclosed. This comprises most of the Stations where the proprietors reside on this side and it is the intention, during the next few days, to interview them on the subject of providing cash/^{or} security. The Board is of opinion that in such cases as of Wesell and Luchtenborg the accounts should be absolutely closed at once, otherwise they must go from bad to worse. With regard to Morrison & Grant can you not obtain cash from Morrison ?.

An opportunity was taken of going through the list of Store Debtors and Butchery Debtors with Mr. Gresham, and it is evident from the information obtained that there are many accounts which will need your very drastic attention.

Mr. C. G. A. Anson is being asked to give the Company a mortgage covering his share of Chartres Station as security for his personal debt.

15. Enclosed please find copy of letter given to Mr. Gresham which should have been sent you last mail.

16. After rather protracted negotiations an agreement for next season's rates on produce has been come to with the Pacific Company. The new rates amount, in the case of wool and skins, to a reduction of 15% on their last rates, and in the case of tallow about 20%. See copy of letter from them dated 29th September enclosed.

17. Local Freight. The suggestion, - in your Remarks on Accounts, - that now the bulk of the produce is being shipped direct from Stanley to London the interest on the freight should no longer be charged is not approved. This for the reasons that notwithstanding the direct shipment, - as for instance in the case of the "Corcovado" produce, - we have actually been out of the money paid for coastal freight over 5 months and for the ocean freight by the same steamer 3½

1219. 5.10.21.

months. During all that time in the existing circumstances, we have been paying interest on the cash borrowed to pay the freight, and you will therefore see that unless we charge this interest we should be actually losing money except in the few cases where the clients have a sufficiently large credit balance to cover these commitments. It has been decided that we will continue to charge interest on both freights, ocean and coastal, in the Account Sales. In the case of those Stations having a sufficient credit balance with you to meet the freight payments when due you are at liberty to credit back the interest so charged. It appears unlikely that you will be troubled to do this in many cases during the next year or so. By next mail will be sent you full detailed statements showing how the interest debited in each Account Sale has been arrived at. The point to bear in mind is that we pay the Transport Co. every month on account of the produce brought into Stanley to date, and that the ocean freight has to be provided immediately on the arrival of the steamer in the U.K., and that these outgoings do not come back until the prompt date of the Account Sale. The total cost to us for interest in this connection amounts to several hundred pounds a year, and the Company cannot afford to lose so large a sum.

18. With regard to your cable of the 1st instant re hoops, I am sorry to say we have been let down rather badly by the contractors for this year's supplies. An order was placed in June last with Messrs. Rowson Drew & Clydesdale for our main supplies at the very favourable price of £14.5.0 per ton. Early July delivery was promised. The goods were coming from the Continent and we have been definitely assured in the case of each vessel which has sailed since for Stanley that we could depend on them being shipped. So far only 100 bundles have come forward and these were shipped by the "ORITA". Today I am assured that the balance of the order is actually on board a vessel in Hamburg bound for Liverpool, and if in

1219. 5.10.21.

three days time this is found to be incorrect, Messrs. Rownsons' order will be cancelled and supplies brought here for certain shipment by the "ORONMA" sailing 3rd November. It has been decided, for reasons of economy, to send no more Hales hoops as they cost considerably more than the ordinary type.

I am,

Sir,

your obedient servant,

E. R. Soudart.

Secretary.

Enclosures via Lisbon per Messrs Pinto Basto & Co.

- 1 Memoranda for W.A.Harding, Esq.
- 2 Suppliers Invoices goods per S.S.Oruba"
- 3 Sundry Debtors at 31st December, 1920
- 4 Copy of Cablegram sent dated 6th October.
- 5 Precis of Despatch No 1219 per "Oruba" dated 5th October
- 6 Duplicate copy of Account Current dated 4th October
- 7 Letter to S.Miller, Esq.
- 8 List of General Cargo per S S "Oruba"
- 9 Letter for W.A.Harding.

London 7th October, 1921.

Enclosures via Liverpool.

Duplicates (Originals per S.S."Orita" 21st Sept,21)

Despatch No.1218 dated 21st September,21

Account Current and vouchers dated 21st Sept.

Remarks on Stores

Remarks on Accounts.

List of Enclosures

General Invoice stores per "Huanchaco"

List of General Cargo per "Huanchaco"

London 5th October,1921

Enclosures via Liverpool

Originals

Despatch No.1219 dated 5th October

- 1 Copy of Cablegram sent dated 29th September.
- 2 Copy of Cablegrams received dated 1st October
- 3 General Invoice stores per S.S.Orira"
- 4 List of cargo per S.S.Orira"
- 5 B/L goods per S.S."Orira"
- 6 Clients report on Tallow

H W	10	casks	Tallow	ex	"Sorata"
Club	5				
R B C	31				
			report on		
- 7 Brokers press copy Co's Tallow ex "Sorata"
- 8 Copy of letter received from W.Carpenter & Son dated
30th September and our reply of 4th October.
- 9 Copy of letter received from J.G.Turner dated 1st Oct.
- 10 Account Current dated 5th October and vouchers.
- 11 Remarks on Accounts.
- 12 Remarks on Stores.
- 13 Copy of letter from the P.S.N.C.dated 29th September
quoting rates for next year produce.
- 14 Copy of letter to H.H.R.Gresham dated 19th September.
- 15 Copy of letter to T.G.Slaughter dated 5th October
- 16 Memoranda for W.A.Harding

London 5th October.1921.

PRECIS OF DESPATCH No.1220 per "ORCOMA" - 2.11.21.

- Redacted*
1. Acknowledges receipt of despatch No.582 of 8th Sept.
 2. Governor should not be allowed to assume that financial position of farmers is now satisfactory.
 3. Board's view re Sparrow Cove land to be surrendered to follow.
 4. Coal advised per "HUANCHACO" including Admiralty supplies.
 5. re "FALKLAND" going to Buenos Ayres for boiler repair.
 6. Crews for schooners. Sundry requirements.
 7. Schooners coasting and Board of Trade requirements re certificated masters.
 8. "FALKLAND'S" earnings at reduced rates.
 9. P.S.N.C. rates on produce for next season. Reduction made in coastwise rates. Statements classifying ports and of new through rates enclosed.
 10. Noted that timber not wanted. re Kerosene and Petrol.
 11. Government purchase of drifter.
 12. Enclosing Mr.Crichton's proposal re slipway.
 13. re Tugs offered by Crichton Thompson & Co.
 14. 15 rams to be shipped next mail.
 15. Agreed rates of division of "FALKLAND'S" surplus profits.
 16. re cable advising "do not appoint clerk".

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

6-1, Gracechurch Street.

Per s.s. "ORCOMA"

Nº 1220.

London, E.C.3. 2nd November, 1921.

Sir,

Since writing you last on the 5th ultimo, I have received, - on the 26th October, - your despatch No. 582 dated 8th September.

2. 582/3. The account of your conversation with the Governor will be of interest to the Board. It would however appear to me to be a mistake to allow him to labour under the impression that the advent of the German buyer has solved the difficulties of the Falkland farmers. So far as the figures can be at present calculated, - basing the output of wool on 1920, - taking the wages and materials used in that year, - and charging freight at the present reduced rate, the cost of production, freight and marketing, works out at approximately 8.76d. per lb. On the other hand the average sale price of 1932 bales sold this year is 7.9d. per lb., which will result in a loss of about 2d per lb. It is more than probable that this will be a fair indication of the results which most other farms will show.

3. 582/4. The Board's views with regard to the portion of Sparrow Cove section to be surrendered to the Government will be sent you by next mail. No meeting has been held since the receipt of your despatch.

4. 582/7. The cable advice sent of coal shipped by the "HUANCHACO" gave the quantity as 770 tons, but this included 150 tons which the Admiralty had arranged should be discharged at Stanley on their account. This, however, after the departure of the vessel from Liverpool was cancelled.

W.A. Harding, Esq.,

Manager,

Port Stanley.

1220. 2.11.21.

5. 582/8. You will have gathered from cables sent you that Messrs.Lowden Connell & Co., wished the "FALKLAND" sent to Buenos Ayres for boiler repairs and that Messrs.John Wright & Co. there would carry out the work. Your cable of the 29th ultimo has been received from which it is noted that the steamer will leave Stanley on the 1st November calling at the West. It was an extraordinary and unfortunate coincidence that the message sent you by Messrs.Wright ~~was~~ in Scott's Code asking when the "FALKLAND" would leave should have been capable of interpretation in the Bentley Code, and in such a sense that it conveyed the impression that they could not carry out the work. Our message of the 21st October will have told you that the message should be exchanged by the Scott's Code, and it is evident that all is now in order for them to receive the vessel.

6. 582/9. It is satisfactory to hear that you can probably find crews sufficient for two schooners. Your requirements as regards flags, binoculars and charts are noted. Enclosed please find charts of Stanley inner and outer harbours for your office.

7. 582/13. A letter has been addressed to the Board of Trade enquiring whether a schooner coasting in the U.K. is allowed to sail without a certificated master. I hope to enclose the reply with this mail.

8. 582/14. The particulars given of your estimated cost of running the two schooners is noted. Enclosed you will find a memo drawn up showing that, at the reduced rates now agreed, the "FALKLAND" will be paid for ^{next} ~~this~~ year's produce, basing quantities on 1920,

	£ 12,150
plus freight on Stores	<u>2,500</u>
	14,650
and that deducting the cost of	
running two schooner	<u>5,600</u>
the will remain a credit balance of,	<u>£ 9,000</u>

1220. 2.11.21.

This is such a large margin that it would appear that freights could, with the schooners, be reduced considerably and a handsome profit remain.

9. The final results of our negotiations with the P.S.N.C. is that their offer of a reduction of 15% on the rates current last season has been accepted. The following will be the new rates:-

WOOL & SKINS	to London direct	9. 7. 0 per 1000 Ks. weight
"	" " "	3. 2. 4 per ton of 40 cu.feet
"	" Liverpool	8.10. 0 per 1000 Ks. weight
"	" "	2.16. 8 per ton of 40 cu.feet
TALLOW	" London or Liverpool	8. 0. 0 per 1000 Ks.
MEATS	" "	8.10. 0 per 1000 Ks. or 40 cu. feet at ship's option.
HIDES	" "	8. 0. 0 per 1000 Ks..

We are also promised steamers direct to London to call at Stanley about the middle of January, one a month later and, if possible, another in March. In reply to their enquiry I have indicated that for the steamer arriving about mid January you might have 1500 bales for shipment and a further 2000 bales for the boat a month later. If you see any reason to amend these quantities it will be advisable for you to let the P.S.N.C. at Valparaiso know as soon as possible.

Following on the above settlement it has been agreed with Messrs.Lowden Connell & Co. that the coastwise rates by the "FALKLAND" will also be considerably reduced. They have intimated that,- basing their figures on the 1920 results,- they are prepared to make a reduction of about £7,700 from the annual earnings. In applying this reduction it has been decided to differentiate between those ports which have good wharf accommodation and those without where lighterage, and consequent delay, is incurred. The rates in the former cases will be reduced 40%, and in the latter 30%. Enclosed I send you a memo on the subject, a statement classifying the ports,

1220. 2.1121.

and a further one showing what the new rates will be. The Transport Co. have intimated that they are prepared to grant a rebate of all profits made in excess of £3,000 to the shippers at the end of the season and that in this distribution the stations with wharves will receive preferential treatment.

10. 582/15. Your position as regards timber is noted, and also that you are in need of tonnage space for kerosene and petrol.

11. 582/10. It is interesting to hear that the purchase of a coasting vessel by the Government is an accomplished fact, and it cannot be denied the price paid is a low one. What however will concern the Islanders more seriously is the annual cost of running the vessel which must result in increased taxation to the Colony. There is little doubt that the Falkland Islands Transport Co. would have been prepared to carry the mails at a lower figure than £1,800 per annum if the Government were not too exacting in the conditions laid down.

12. We have lately received from Mr.Crichton of Crichton Thompson & Co.Ltd. suggestions for the construction of a slipway in Stanley which are more simple and economical than any proposals previously put before us. I refer to them here, and send you by this opportunity all the particulars received, so that you may be in possession of the information should the Board at some ~~future~~ future date decide that the work can be put in hand.

Under this scheme the slipway is built on longitudinal and thwart timbers, in sections, on the shore, is then floated out, sunk, and ballasted. A complete cradle is provided with necessary wheels etc. The total cost of all materials, including pitch pine timber throughout and freight, comes out under £1,000. In this price no winding gear is provided as it is considered probable that you have some old capstan that could be adapted for the purpose. The engineer assures me

1220.2.11.21.

that steam power is unnecessary unless it is required to haul the vessel up fairly quickly. It would of course make a better job, if the rails under water, were laid on concrete walls instead of on timbers liable to destruction by worms. These walls would only need to be about six to ten inches high from the bottom and about 2'6" wide. It is possible these could be constructed at a cost not greater than that of timber ways. Your mason Crawford has had considerable experience of under water foundation work and can explain how easily it can be carried out without diver work being necessary.

13. The question of the purchase of a tug has again come under consideration, and it is probable the Board may decide to avail itself of the opportunity now afforded of acquiring a craft suitable for our purpose at a very low figure.

Messrs.Crichton Thompson & Co., who represent the syndicate to whom the Government sold an immense quantity of floating property of all descriptions lying at the port of Richborough, have offered two wooden tugs of which the following are the details. Built in 1917/1918 by Philips & Son and W.G.Stephen & Son, Banff, both are 60'6" long by 14'0" beam by 7'6" depth. C.S.C. engines, cylinders dia.9" and 18", 12" stroke, I.H.P.

140. 1 Boiler P.W.140 lbs. Bunker capacity 6 tons, speed 8½ knots. Both fitted with 6" steam Salvage Pumps. The boats are offered at £2,900 each and could probably be bought for less. Mr.Morison has been instructed to inspect these vessels and report fully on their condition.

14. Please note that 15 Rams purchased at Ashford will probably reach Stanley by the mail steamer following this.

I am,

Sir,

your obedient servant,

E. A. Board

Secretary,

89
1220. 2.11.21.

15. Referring to remarks in par.9 re coastwise trade, it has since been agreed to divide all profits made by the "FALKLAND" in excess of £3,000 as follows:-

60% to those ports with wharf accommodation

40% to others.

16. I have received your cable of the 29th ultimo, reading, "Do not appoint clerk Port Stanley at present" and your further advice in that connection is awaited.

E.H.G.

Enclosures via Liverpool

DUPLICATES

Despatch No.1219 dated 5th October,1921

List of Enclosures

List of Parcels

List of Clients Cargo per S.S.Oruba (proforma)

Remarks on Stores

Remarks on Accounts

Account Current dated 5th October and vouchers.

List of General Cargo per S.S."Orita"

General Invoice stores per S.S.Orita"

Clients Reports on Tallow:-

H W 10 casks Tallow ex"Sorata"

R B C 31

Club 5

ENCLOSURES

ORIGINALS

- 1 Copies of Cablegrams sent dated 11th, 18th, 20th, 21st & 21st October.
- 2 Copies of Cablegrams received dated 7th (2) 22nd, & 29th October. (2)
- 3 General Invoice stores per S.S. "Oruba"
- 4 General Invoice stores per S.S. "Sorata"
- 5 Wool market reports dated 28th October.
- 6 DuCroz Doxat & Co's priced Wool catalogue of 24th Oct. sale
- 7 Anning & Cobb's priced Sheepskin catalogue of 6th Oct. sale.
- 8 Brokers' reports on Company's Skins ex "Sorata"
- 9 Clients Reports:-

D H	3	bales Sheepskins ex "Sorata"
Club	5	" "
T R	7	" "
F B	3	" "
B B	2	" "
P B C	5	" "
Heart	12	" "
S & S	6	" "
W E D	6	" "
L	7	" "
H G C	6	" "
A F C	3	" "
- 10 Copy Neilsen & Co's invoice for Carbide shipped per "Sal
"Salstreif" and B/L attached.
- 11 Copy of Gliby Carbide Co's invoice for Carbide shipped per
S/S "Orn 11"
- 12 Copy of letter from James Crichton dated 21st September
and plans attached.
- 13 Copy of letters to the P.S.N.C. dated 21st & 28th and
their replies of 26th & 29th October
- 14 ~~Copy of letter to London Connell & Co. dated 21st Oct.
& their reply of 1st November.~~

- 15 Copy of letter from J.L.Waldron dated 1st November.
- 16 Account Current and vouchers dated 2nd November.
- 17 Remarks on Accounts
- 18 Remarks on Stores.
- 19 Classification of Ports and Rates of freight and two
memorandums thereon
- 20 Copy of letter from Lowden Connell & Co. dated 27th Oct.
re J.H.D.1 case Tobacco per "Oruba"!
- 21 Copy of letter to T.G.Slaughter dated 2nd November.

London 2nd November, 1921

PRECIS OF DESPATCH No.1221, per "ORITA", 21.12.21.

1. Acknowledges despatches 583 to 586 - 21st Sept. to 7th Nov.
2. Time saved by sending mails via Andes.
3. Re land wanted by Government - Mr.Packe's views.
4. Board of Trade reply re coastwise, uncertificated masters.
5. Reports purchase of tug - "STURDY".
6. Enclosing statement of outturn of cargo 1920 & 1921.
7. Sending samples of heavy (paraffin) motor oil.
8. Average Bank Rate. Clients to be charged 7%.
9. Fire insurances - Royal & Coy's risks.
10. Uruguayan misunderstanding re slip.
11. Transfer of Mr.Packe's property. Board's views re approval &c.
12. Furniture at Sullivan House to be taken at £500.
13. Correspondence with Lowden Connell & Co. re payment for coal borrowed.
14. Valuation of Stocks 31/12/21. No duplication of purchases.
15. Dependencies share of Administrative expenses.
16. Re Canning figures.
17. Slipway. Asks for details of materials required.
18. Correspondence with Clayton & Co. Oil Tank Contractors.
19. "GREAT BRITAIN" boiler.
20. "BERTHA" wreck.
21. "LADY ELIZABETH". Diver probably going to "Guvernoren" wreck.
22. Correspondence with P.S.N.C. re tonnage home.
23. Negotiations for purchase of schooner.
24. "FALKLAND" at Buenos Aires.
25. Rams shipped per "SUTHERLAND GRANGE" to Montevideo.
26. Report & Balance Sheet for 1920 enclosed.
27. Reports signing of agreement to mortgage by Mr.Anson.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street.

Per s.s. "ORITA"

N^o 1221.

London, E.C.3. 21st December, 1921.

Sir,

I wrote you last on the 2nd ultimo, and have now to acknowledge receipt of the following:-

Despatches			delivered
583	of 21st Sept.	per "Huanchaco"	2nd Dec. '21.
584	,, 17th Oct.	,, "Orita"	9th ,,
585	,, 31st Oct.	,, "Falkland"	5th ,,
(duplicate) 586	,, 7th Nov.	,, "Oruba"	16th ,,
	also your letter of 22nd Sept.		5th Nov.

2. The duplicate copies of those per "HUANCHACO" and "ORITA", posted overland from the Coast, arrived here on the 5th and 24th November, or, 27 and 15 days respectively ahead of the mail proper, and it appears probable that the "ORUBA" duplicate will be 14 days ahead. It was understood from 563, para 1, that your Postmaster had given instructions that in future all mails were to be forwarded from Valparaiso per Transandine Railway, via Buenos Aires, and it is a pity this plan has not been followed. If you consider that any good purpose will be served by again bringing the matter to his notice, and giving him the above facts, no doubt you will do so. In the event of his not giving the necessary instructions, please forward all despatches in future - in the summer months - marked "via Los Andes".

3. 582/4. Your remarks, and those of Mr. H. C. Harding, 583/9. have been read with interest by the Board. I am instructed to say that the Board adopts the views on the subject expressed by Mr. Packe in his letter to you dated 31st October, 1921.

W. A. Harding, Esq.,

Manager,

Port Stanley.

1221. 21.12.21.

So as to incorporate this in the official correspondence an extract of that letter is enclosed herewith.

Your proposal as to the retention of the paddocks west of Sullivan House is approved.

4. 582/13. Herewith you will find letter, in original, received from the Board of Trade in reply to mine clearly stating that any Home Coasting vessel carrying less than twelve passengers can sail without a certificated Master.

5. Alluding to remarks in No.1220/13, an inspection of the tug lying at Richborough offering for sale was made by the Chairman, Mr. Morison and the writer on the 7th ultimo. Following on this and subsequent negotiations we have bought from Messrs. Crichton Thompson & Co., Ltd., the tug A.S.87. She is somewhat smaller than the craft detailed in the above mentioned despatch, and was therefore considered to be more handy and suitable for the harbour work at Port Stanley than those vessels. It is perhaps as well to record here that in selecting this tug the idea was not entertained of sending out a tug suitable for trips outside Port William. The following are the details of construction. Built of steel in 1916 by Messrs. Philip & Son Ltd., of Dartmouth. 48' long, 12'1" beam, 6'6" depth. Engine by Philip & Son, C.S.C., N.H.P. 10, I.H.P. 85, speed 8½ knots.

It is intended to ship her ~~xxx~~ in one of the P.S.N.C. steamers, and this may mean delay in getting her out for the reason that their only boats capable of accommodating and lifting out a craft of her size and weight, approx. 30 tons, are the "MAGELLAN" and the three motor vessels, "LA PAZ", "LOBOS", and "LOSADA". The Shipping Company have promised to keep the matter in view in arranging their cargo boat sailings to Stanley. Application is being made to register the vessel as "STURDY" of Port Stanley.

6. 583. Enclosed please find detail statements of the outturn of cargo by all vessels in 1920, and 1921 to date, including the "OAKLANDS".

1221. 21.12.21.

7. 583/3. By this opportunity two barrels of the heavy oil (paraffin) for motor boats are being sent you. The f.o.b. price is 8^s 1^d per gallon as compared with 1/5 for White Rose (burning quality).

8. 583/4. The enclosed statement will show you that the average Bank Rate for the year works out at 6.09% assuming that no further alteration is made before the 31st December. This is practically 6%. It has therefore been decided that a flat rate of 7% should be charged to clients whose accounts are in debit, and a cable to this effect will be sent you in a few days.

9. 583/7. The change in policy made in 1919 of insuring against fire with the Royal Insurance Company, - instead of with the Company's Underwriting Account, - all farm buildings was decided on for the following reason. The premium with the Royal Insurance Co. having been brought down to 5^s 8^d % net it was considered not worth while running the small risk of fire occurring in any building particularly having regard to the fact that at that time, - and the same applies now, - none of them could be replaced at anything like the valuation at which they stood. Moreover the total credit to be transferred to the Underwriting Account, at that rate, was so small as to be negligible. If the suggestion made in your memo of 17th September, 1921 was adopted, whereby the Royal Policy ~~was~~ would be reduced from £196,921 to £195,830, and a further £5,880 on sundries, as detailed, taken on Underwriting Account the total saving, - or transfer to that account, - would be less than £19 against which we should be running the risk of fire on more than fifty houses averaging from £300 to £400 each. It is still considered that this risk is not worth running and the items will therefore be again covered with the Royal and the valuations given by you will be adopted in each case.

10. 583/8. The misunderstanding between the Uruguayan Government and Mr. Stella caused by correspondence between

1221. 21.12.21.

Mr.Crichton and the latter gentleman on the subject of a slip was brought to our notice some time ago. Should we find at some future date that we are in a position to deal with the slipping of Whaling steamers there is little cause to fear that any inducements the Uruguayan Government can offer will enable Montevideo to compete with Stanley for the business.

11. 583/10
584/2 Your remarks and the correspondence with the
585/77. Government with regard to the transfer of Mr.Packe's property have been read with interest and some surprise by the Directors. It is unfortunate that Mr.Packe's letter to the Governor asking approval of the transfer was not dated before the Deed contracting to transfer the property, but at the same time there is nothing in the Land Ordinance stipulating that "approval" should first be applied for. The Board is of opinion that there are only two leases in respect of which approval must be obtained and these are Section 57 Sparrow Cove and West Cove Reserve. With regard to the land under purchase there are no leases in existence they having lapsed on payment of the first instalment of purchase money. This view is based on a letter - copy enclosed - dated 2nd January 1891 from Lord Knutsford, then Colonial Secretary, stating that the "Company will be virtually owners of the land from the 1st instant (date of first instalment) subject to the lien of the Crown for the remaining instalments of the purchase money". It follows from this that the ownership of the property passes on the first payment and therefore the lease lapses. This being so there would be no object in providing £12,000 to complete the purchase of Mr.Packe's land and his title cannot be disputed on the face of Lord Knutsford's letter. Mr.Packe is writing to the Governor expressing regret that his application for approval of the transfer of the leases was not made before signing the contract to transfer the property, and it is hoped that this will smooth matters over. His application for the renewal of the lease of West Cove Reserve

1221. 21.12.21.

is being sent, as requested, under cover to you.

12. 583/11. The Directors have agreed to pay Mr. Packe the sum of £500 for the furniture in Sullivan House as per inventory herewith. There are a number of items included which in an ordinary way the Company would not have thought of purchasing and you will doubtless use your discretion as to selling any unnecessary things separately, or, if the Government proposal to purchase comes to anything, selling the lot as they stand.

13. 578/10. Correspondence with Messrs. Lowden Connell & Co. on our refusal to accept repayment in kind for the coal supplied by the Company to the "FALKLAND" is enclosed. They certainly appear to take an extraordinary view of the position.

14. 585/3. Referring to your question as to the extent to which the cost of stocks, on hand at 31st December, 1921, should be depreciated, a cable will be sent you before that date instructing you to reduce values to a figure at which you consider the goods will be realizable.

With regard to your comments on the large quantity of stores shipped out in the "ORUBA", - from Liverpool 26th May, 1921, - and the suggestion that possibly some of your indents have been duplicated, the matter has been thoroughly investigated. It has been found that no such duplication was made here. By that opportunity, it being the first since the sailing of the "BOGOTA" on the 4th December, 1920, - goods were shipped in fulfilment of your indents as follows:- 557 of 4th October, 1920, 558 of 30th November, 559 of 22nd December, 560 of 1st February, 1921, 561 of 1st March and 562 of 23rd March. No. 558 was a large requisition for supplies by sailing vessel in the event of one being chartered. As none was sent your Remarks on Stores of 29th November were followed exactly. These read "In case you are not able to charter a sailer, the quantities ordered may be modified according to the red ink figures in the margin. Where there are no red ink figures, please execute

1221. 21.12.21.

by steamer according to original indent. We are short of most of the goods ordered and really require all that are asked for." It occurred to us at the time that this indent, even as amended to meet the case of no sailer, still left a larger quantity of goods than you really needed, but in the face of your specific request quoted above no reduction was made.

15. 585/4. Your remarks and the figures sent were of much interest to the Board. As you are aware the Directors entirely agree with what you say as to the unfairness of the Revenue raised from the Dependencies being allocated to such purposes as Research Funds without being made to bear a proper share of the Colony's administrative expenses. It is hoped that the Governor, having given you an opportunity of expressing your views on the subject, will make strong representations to the Colonial Office and that their directions may be changed accordingly.

The Government's view of the advantages of small holdings, - described in your remarks, - is considered to be all very well so far as it goes, but it should not be overlooked that probably neither of the two mentioned are being run at a profit and one of them certainly appears to be hopelessly bankrupt. In the long run neither of these will prove to be of much permanent value to the Colony.

16. 585/8. The sum of £37,400 written off the Canning Account bears no relation to the £20,000 shown in the statement from which you quote. That statement is what it was intended to be, merely a record of factory costs of treating the sheep and returns obtained for the various products, - per head, -.

17. 585/9. The Board is pleased to learn that Mr. Roberts can see his way clear to erect a slipway without importing skilled labour on an economical plan. That suggested is practically the same as the one I inspected in Punta Arenas last year and it worked admirably, the rise and fall of tide there being no more than in Stanley Harbour. If you will send a specification of the timber required I will get quotations

for same and the Board will be in a position to consider the matter further.

18. 585/10. A copy of your remarks has been sent to Messrs Clayton & Co. and one of their reply is sent herewith. Correspondence exchanged on the subject of coal supplies is also enclosed.

19. 585/12. Quotations were obtained for the boiler for use on the "GREAT BRITAIN" last July, but in view of the fact that prices were then high and were certain to fall towards the end of the year it was decided to defer placing the order. Mr. Morison has ^{again} been consulted as to the advisability of sending an oil engine and winch instead of the boiler, and a copy of his letters on the subject, dated 13th and 15th December, are enclosed. In view of what he says in the two concluding paragraphs of the latter letter it has been decided to send the boiler and an order will accordingly be placed so that it can be shipped by the next cargo steamer.

20. 586/3. Your account of Mr. Roberts's visit to the "BERTHA" wreck and your proposals with regard to the salvage of the timber have been read with much interest. It is satisfactory to hear that the work presents no real difficulty and will be taken in hand when you can see your way clear.

21. 586/4. As only the duplicate of your despatch has so far been received we must wait the arrival of the mail before comment on Mr. Roberts's remarks on the "LADY ELIZABETH" is possible. In the meantime we have heard from the Salvage Association that a first class diver may be sent to Stanley in connection with the wreck of the "GUVERNOREN". If this eventuates you might make use of his services in connection with the "LADY ELIZABETH" and, possibly, the examination of the sea bottom on the site of the proposed slip.

22. Correspondence with the Pacific Company on the subject of tonnage to be provided for the new season's wool is enclosed herewith.

23. So far there is no definite progress to report in the

1221. 21.12.21.

matter of buying a schooner although a great many have been put before us. After eliminating many on account of age, iron vessels, because it is considered unwise to send them out in the absence of a slipway in Stanley, and Scandinavian boats on account of their shallow draft and bluntness of build, there only remain the boats of Canadian and American build to choose from. Our Agents in New York - Messrs. John Reid & Co. - writing on 17th November report that they are keeping a sharp lookout and will advise us immediately anything suitable is offering. It would have been ^{all} useless, and indeed impossible, to send you particulars of the craft put before us, but as soon as anything is definitely fixed, full details will be forwarded.

24. The latest information we have of the "FALKLAND" is that welding work to the boilers was the cause of delay in Buenos Aires and that she was expected to leave there for Stanley on the 17th instant. In a recent letter from Messrs. Lowden Connell & Co. in connection with the reduction in rates of freight they asked us to advise you that wages in the steamer must be reduced. They are doubtless writing direct on this matter.

25. The 15 Rams referred to in No. 1220/14 were shipped yesterday by the "SUTHERLAND GRANGE" to Montevideo for trans-shipment there to the s.s. "ORITA". The Pacific Company's arrangements with the Spanish Emigration Authorities prevented them being carried from the U.K. by the mail steamer. Please note that the pens have been supplied by us and are our property.

26. A copy of the Report and Balance Sheet for 1920, together with the detailed statement of same, is enclosed herewith for your private information only.

27. In connection with the advances made to Mr. C.G.A. Anson he has now signed an agreement with the Company undertaking to give a mortgage on his share of the Chartres Station. When completed it will be sent you for registration.

I am, Sir,

Your obedient servant,

Secretary.

Enclosures via Liverpool.

Duplicates

Despatch No.1220 dated 2nd November.

List of Enclosures.

Remarks on Accounts.

General Invoice stores per S.S."Oruba"

Remarks on Stores

Proforma list of Clients Cargo per "Oreoma"

List of Parcels.

Account Current dated 2nd November and vouchers.

Enclosures via Liverpool.

- 1 Copy of Cablegrams sent dated 7th.21st.November 9th & 15th December
- 2 Copy of Cablegrams received dated 10th.28th November.1st & 8th
December.
- 3 List of General Cargo per S.S."Orcoma"
- 4 Bills of Lading cargo per S.S."Orcoma"
- 5 General Invoice Stores per S.S."Orcoma"
- 6 Copy of letter from the Colonial Office dated 2nd January.1891.
- 7 Copy of letter from McArthur Morrison & Co.dated 13th & 15th Dec.
re Donkey Engine.
- 8 Particulars of Out-turn of Wool & Skins for 1920 & 1921 to date.
- 9 Certificates for the 15 Romney Marsh Rams per S.S."Sutherland Grange"
- 10 Average Bank Rate for 1921.
- 11 DuCroz Doxat & Co's Wool Market Report dated 8th December.
- 12 Extract from letter from Vere Packe to W.A.Harding dated 31st
October,1921.
- 13 Original letter from the Mercantile Marine Office dated 10th Nov.
- 14 Copy of letter from the Bank of Liverpool & Martins.dated 29th Nov.
- 15 Mr Charles Romer's Account & receipt for A.Pitaluga.
- 16 Copy of letters from Lowden Connell & Co.dated 9th & 14th and our
replies of the 13th & 16th December re coal.
November & 20th December
- 17 Copy of letter from Clayton Son & Co.dated 11th & 15th and our
reply of the 16th November.
- 18 Copy of letter from the Director of Navy Contracts dated 11th Nov.
& our reply of 15th November.
- 19 Receipt for £200 5/- War Stock purchased for Trustees of Christchurch
Cathedral,Stanley.
15th
- 20 Copy of letters to Walter D.Fair & Co.of 5th & 16th December and
theirs of 4th.7th Oct.14th Nov & 15th December re Skandia
Engine.
- 21 Inventory of Furniture at Sullivan House
- 22 Copy of letter from the P.S.N.C.dated 1st 5th & 16th and our replies
of 2nd & 19th December re homeward shipments .
- 23 Copy of letter from M'Arthur Morison & Co.dated 22nd August.re
Schooners.

- 24 Memoranda dated 17th October replies to dated 21st December.
- 25 League of Nations -2 Printed Drafts for W.A.H.
- 26 Account Current and vouchers dated 21st December.
- 27 Remarks on Accounts.
- 28 Remarks on Stores.
- 29 Copy of letter to T.G.Slaughter dated 21st December.
- 30 Rough copy of Interest Statement of Produce per "Tuendes" Oaklands"
and "Sorata"
- 31 A/sales for Old Metal per "Oaklands" (credit will be passed out
in a/c next mail)
- 32 Copy of letter from the P.S.N.C.dated 20th & our reply of the
21st December re Wool from Port Stanley.
- 33 Additions to Code - 21st December,1921

London 21st December,1921.

Index
PRECIS OF DESPATCH No.1222, per "ORTEGA" via P.A. 11.1.22.

1. Acknowledges receipt of despatch No.586 of 7th Nov.
2. ,, ,, ,, duplicate of No.587 of 30th Nov.
3. Pacific Co's itinerary. Mail posted via Punta Arenas.
4. Correspondence with P.S.N.C. re homeward tonnage.
5. "BERTHA" wreck - timber - log received.
6. re "LADY ELIZABETH".
7. Despatch No.587 not yet been before Board.
8. Valuation of stocks 31st Dec.1920 & 31st Dec.1921.
9. Coasting and ocean freights - Punta Arenas rates.
10. Coastwise trade. Substitution of schooners for steamer.
11. Notes construction of Petrol shed.
12. re new tug for Stanley.
13. Island Administration - apportionment of expenses.
14. Inquiring if permission to import sheep from Coast could be obtained.

2

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. ORTEGA, via P.A.

Nº 1222

London, E.C.3. 11th January, 1922.

Sir,

I wrote you last on the 21st ultimo and received on the 30th December your despatch No. 586 dated 7th November.

2. The duplicate copy of your No. 587, dated 30th November per "ORCOMA", came to hand yesterday and this case provides yet another instance of the advantage obtained by posting the Falkland mails via the Andes from the Coast.

3. As you are aware the itineraries issued by the P.S.N.C. in November and December last indicated what amounted to nearly a monthly mail service. It is now the more disappointing to learn that the "ORTEGA", leaving on the Straits route tomorrow, is not to call at the Islands and that no vessel is scheduled to leave Liverpool until the "ORIANA", on the 16th March. This despatch is therefore being sent by the "ORTEGA", via Punta Arenas, for conveyance thence by the "BALLENA".

4. Further correspondence with the Pacific Company on the subject of homeward tonnage is enclosed herewith. From our letter of the 21st ultimo you will see that a strong protest was lodged against their action in withdrawing the "LA PAZ", promised for direct homeward loading in Stanley in January. We cannot however afford to make too much point of this as the delay of the "FALKLAND" in Buenos Aires upset all calculations as to the wool likely to be available for the January steamer. However, according to latest information the "BALLENA", - mid February, - will load all then awaiting shipment.

W.A. Harding, Esq.,

Manager,

Port Stanley.

1222. 11.1.22.

5. 586/3. It is satisfactory to know that it is agreed that the salving of the timber ex "BERTHA" is a practical proposition and further developments will be awaited with interest. The log of cedar sent home by the "ORUBA" is in the hands of Messrs. Denny Mott & Dickson. Their Liverpool house is having it sawn, and will send us a sample together with a full report as to value.

6. 586/4. Referring to remarks in my 1221/21, the Salvage Association now inform us that in view of the position and your report on the wreck of the "GOVERNOREN" the idea of sending out a diver has been abandoned. In these circumstances the Board's decision as to following Mr. Roberts's suggestion will be sent you later.

7. As advised above the duplicate of your No. 587 only arrived yesterday and it has not as yet been placed before the Board.

8. 587/2. There is little point in discussing now the basis of the valuation of the stock at 31st December, 1920, but since you explain that the custom has been in the past to add, - presumably to the cost, - a percentage for freight and charges, does not the figure so arrived at represent, approximately, the c.i.f. cost? You will doubtless have received the cable sent you on the 22nd ultimo asking you to write down values at 31st December, 1921 to a figure at which you think the stocks will be realizable.

9. 587/7. In despatch No. 1220/9 I wrote you fully with regard to the new rate for coasting and ocean through freights. The information reached us only yesterday that wool is being carried from Punta Arenas, presumably by the Conference Lines, at £7 per ton weight or £2.6.8. measurement. This being so ^(which it is) it is intended to ask the Pacific Company to make the Falkland shippers a proportionate reduction from the agreed rates but whether they will grant it is a question. News of the Kosmos boat "NITOCRIS" loading at Punta Arenas reached us some time

1222. 11.1.22.

ago, but I am informed by Messrs. J.L. Waldron, Ltd that the rates charged were £7.10. 0 weight and £2.10.0 measurement. The prospect of obtaining any substantial reduction in current homeward freights is at present remote for the reason that the Lines are all running the outward voyages practically without any cargo and this condition will not improve until the general export trade from the U.K. revives and of this there is, at present, no sign.

10. 587/10. I think you will find it definitely stated in previous despatches that the Board has agreed that the change from steam to motor schooners for the coasting trade must be made as soon as it can be arranged, and the importance of giving you the longest possible notice of when this can take effect is fully realized. However, as it has been decided that only a boat of the Nova Scotian Cape Arm Fisherman type will be suitable much more time may yet have to be spent in finding a vessel which will fill all requirements exactly. Meanwhile it is agreed that the "FALKLAND" should not leave until such a vessel has been purchased.

11. 587/11. The Board will be relieved to hear of the construction of the new petrol shed; the question of the storage of this article is one about which there has been anxiety.

12. 587/15. It is not surprising to hear that you find it necessary to have something more powerful than the "PLYM" for towage purposes etc., in Port William. In No. 1221/5 I advised the purchase of the tug A.S.87 and explained the delay that is likely to incur in getting her shipped out. Meanwhile the Pacific Company have had brought to their notice the fact that the "SAMSON" is no longer available and that the new tug is essential in Stanley for the good despatch of their steamers. They therefore cannot blame us if their steamers incur undue delay. On account of there being other vessels named "STURDY" the Board of Trade has declined to accept that name in this case, but have assented to the "KELP" under which name the tug will therefore be registered.

1222. 11.1.22.

13. 587/14. The Board will certainly be pleased to hear that the Governor is consulting you on the matter of apportioning fairly the cost of the Island Administration and also to know that he is taking such a fair view of the matter. The copy of your memo on the subject to which you refer will only come to hand with the mail so that as yet it has not been before the Directors.

14. In view of the fact that there is a strong feeling in favour of importing Corriedale blood in the near future, I am instructed to ask if you could obtain a permission to import from the Coast notwithstanding the existing prohibition. We are informed that if the Governor would now make the inquiry through the proper channel he would be informed that there is no "foot and mouth" disease in Southern Patagonia and that therefore no ~~danger~~ danger would arise. It is possible a cable may be sent you on this subject shortly.

I am,

Sir,

your obedient servant,

C. A. Soudard

Secretary.

ENCLOSURES VIA LIVERPOOL

- 1 Copy of Cablegrams sent dated 22nd December & 2nd January.
- 2 Copy of Cablegrams received dated 12th December & 8th January
- 3 General Invoice stores per S.S. "Grita"
- 4 List of Cargo per S.S. "Grita"
- 5 Bills of Lading general cargo per S.S. "Grita"
- 6 P.S.N.O.- sailing; List dated 29th December.
- 7 Evans Sons Lescher & Webb's Invoice for goods landed direct
this mail.
- 8 Copy of letters from the P.S.N.O. dated 24th & 30th December
5th & 7th January & our replies of the 29th December &
3th January.
- 9 Suppliers Invoices for stores shipped per "Grita" for Pellice
Island.
- 10 Copy of letter to the Eastern Telegraph Co. dated 29th & their
reply of the 30th December.
- 11 Wool market reports dated 31st December.
- 12 Report on Company's Wool ex "Sorata"
- 13 Clients' Reports :-

Heart	25	Wool ex "Sorata"
Z	89	"
B B	21	"
H G C	2	"
	22	"
T H	25	"
B D C	28	"
H W	39	"
J M D	45	"
J H D	77	"
E	82	"
L	124	"
- 14 Account Current and Vouchers dated 11th January.
- 15 Remarks on Stores
- 16 Copy of letter to T.G. Slaughter dated 11th January.

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Enclosures via LIVERPOOL.

DUPLICATES.

Despatch No.1221 dated 21st December

Additions to Code dated 21st December.

Account Current dated 22nd December and vouchers.

Proforma List of Clients' Cargo per "Orita"

List of Cargo per S.S."Orcoma"

General Invoice Stores per "Orcoma"

List of Enclosures


List of Parcels

Copy of Letter to Father Migone dated 21st December

Copy of Letter received from the Colonial Office dated
2nd January, 1891.

ENCLOSURES VIA LIVERPOOL

- 1 Copy of Cablegrams sent dated 22nd December & 2nd January.
- 2 Copy of Cablegrams received dated 12th December & 8th January
- 3 General Invoice stores per S.S. "Orita"
- 4 List of Cargo per S S. "Orita"
- 5 Bills of Lading general cargo per S.S. "Orita"
- 6 P.S.N.C.- sailing list dated 29th December.
- 7 Evans Sons Lescher & Webb's invoice for goods posted direct
this mail.
- 8 Copy of letters from the P.S.N.C. dated 24th & 30th December
5th & 7th January & our replies of the 29th December &
6th January.
- 9 Suppliers invoices for stores shipped per "Orita" for Pebble
Island.
- 10 Copy of letter to the Eastern Telegraph Co. dated 29th & their
reply of the 30th December.
- 11 Wool market reports dated 31st December.
- 12 Report on Company's Wool ex "Sorata"
- 13 Clients' Reports :-

Heart	26	bales	Wool	ex	"Sorata"
Z	39				
B B	21				
H G C	2				
	22				
T R	25				
R B C	38				
H W	39				
J H D	45				
J H D	28				
W E D	77				
B	82				
L	124				
- 14 Account Current and Vouchers dated 11th January.
- 15 Remarks on Stores
- 16 Copy of T.G. Slaughter's letter dated 11th January.

London 11th January. 1922

mailed

PRECIS OF DESPATCH No. 1223 per "ORCONA" 6/2/22.

1. Acknowledges despatches Nos 587 and 588.
2. Coastwise trade. Proposal to purchase Lowden, Connell's interest in "Falkland".
3. Enclosing deed of Mortgage from C.G.A. Anson.
4. Rams missed "ORITA" going forward via Punta Arenas.
5. Major Brookhouse's application re extension of passage.
6. Expressing Board's wish that Manager should occupy Stanley House.
7. Donkey Boiler for "GREAT BRITAIN" ready for shipment.
8. Enclosing report on cedar log ex "BERTHA" wreck.
9. Re coal shipments and requirements.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORCOMA"

N^o 1223

London, E.C. 6th February, 1922.

Sir,

Since writing you last on the 11th ult., I have to acknowledge receipt, - on the 19th January, - of your despatches Nos. 587 & 588.

The duplicate copy of your 587 was acknowledged in my 1222.

2. The subject of the coasting trade in the Islands again received the long and serious consideration of the Board at a Meeting held on the 6th inst. The question to be decided was whether it would ^{be} best to at once give the owners of the "FALKLAND" notice that the vessel would not be wanted after the present wool season, or, to await the figures for the past years' trading with a view to seeing what the lowest possible rate would be that the vessel could profitably work at in future. It was felt that the difference was not great between your suggested rate for schooners, i.e. 7/16ths a lb (equal to .44 per lb. or £4.1.8d per ton), and the present rate for the steamer, i.e. £5.17.0 per ton (equal to .62 ^d per lb) and that, if any further concession were made in the steamer rates the difference would be very small. It was also agreed that if the vessel is sent away many real disadvantages would have to be faced i.e. the Islanders would have the very unpleasant experience of making their voyages in the schooners and the Company would be without the far better means of communicating with the coast afforded by the steamer, and consequently would be unable

M. A. Harding, Esq.,

Manager,

Port Stanley.

1228. 6th February, 1922.

to make voyages to the coast with, for instance, sheep, or from the coast with timber, and, possibly at some future date, labourers for the canning works.

It was also appreciated that probably the most economical service could only be obtained by a combination of steamer and schooners, the former working all the ports where a full cargo could be quickly loaded and undue delay and expense so avoided, while the schooners could deal best with other ports.

This no doubt would be the most practicable solution of the problem, but in existing circumstances, owing to the dual and conflicting interests of the Transport Company as owners of the "FALKLAND", and the Company as owners of the schooners, it is not possible of attainment unless these interests are combined under one ownership.

The Board therefore finally decided that Messrs. Lowden, Connell & Company should be approached with a view to our buying their share interest in the Transport Company. A copy of my letter to them on the subject dated yesterday, is enclosed dealing fully with the matter to which I would call your attention.

The Board will welcome your views as to the desirability or otherwise, of effecting the economies suggested therein by merging the appointments of our Marine Superintendent and Company's Engineer into that of Captain and Engineer of the "FALKLAND".

It is probable that the salary of these two officers would have to be slightly increased, but even so, there would be a considerable saving in the combined offices, and the salaries the Company would then be paying would be more likely to secure and retain the services of the best men.

It is useless going into further detail as to the working of the coastwise trade at this juncture and such matters can be left to be dealt with later when we know that the suggestion made to Lowden, Connell & Company

1223. 6/2/22.

is likely to materialise. If necessary I will keep you advised by cable as to this.

3. Enclosed please find deed of mortgage executed by Mr Anson in favour of the Company in respect of his interest in Chartres Station. Kindly return after registration.

4. It was most disappointing to hear from Messrs. Maclean & Stapledon that the fifteen rams shipped per "SUTHERLAND GRANGE" had missed the "ORITA" at Monte Video. Had the two boats kept their respective advertised dates there would have been four days to spare at that port. Unfortunately the sailing of the "SUTHERLAND GRANGE" from Liverpool was delayed by fog and the "ORITA" arrived at Monte Video two days ahead of her time. I immediately cabled you to know if you could obtain permission to import the rams if sent to Punta Arenas for transhipment by the "BALLENA" and your intimation that this had been arranged was received just in time for the Pacific Company to give the necessary instructions to forward them to that port per "ORTEGA". It is hoped that after all they will reach the Islands by the end of the month.

5. With regard to an application made by Major Brookhouse to one of the Directors for an extension of the time to two years, during which he would be entitled to a passage home please note the Board cannot accede to the proposal. It is not disposed to allow any extension beyond the 6 months after the termination of his employment.

6. The Board is without any advice from you as to who is at present living in Stanley House and I am instructed to say that it would like to hear of it being occupied by the Manager.

7. The Cochran donkey boiler for the "GREAT BRITAIN" is ready for shipment by the first cargo boat put on the berth.

8. Enclosed I send you an interesting report, by Messrs. Denny, Mott & Dickson, Limited, on the log of cedar wood, ex wreck "BERTHA" sent home in the "ORUBA".

1223. 6/2/22

9. The cables exchanged between us with regard to 200 tons of coal required by the Admiralty are confirmed as per copies herewith. From these you will have seen that the Pacific Company have agreed to deliver to you, by the "BALLENA", 200 tons of Welsh Screened Coal from Punta Arenas at 75/- c.i.f.,- payment to be made by us on cable advice of shipment. I have since been informed that the "MAGELLAN" has been substituted for the vessel named, and she, no doubt, will deliver the coal instead. Referring to your cable on this subject received today reading "BALLENA" urgently require coal by her ourselves sale Admiralty not for Transport Company" I do not quite see why you cabled this as it has always been clear from your previous messages that the coal was for Admiralty use. Your later letters will doubtless explain.

From your cable of 14th January I note that you would like a further 500 tons coal shipped, and the Pacific Company have been asked to provide the necessary tonnage as soon as possible. I hope that as a result they will put a cargo boat on the berth, and that we can ship the tug "KELP" by the same opportunity.

I am,

Sir,

your obedient servant,

C. A. S. S. S.

Secretary.

Enclosures via Liverpool

Originals

- 1 Copies of Cablegrams sent dated 16th, 18th, 26th, 27th. & 30th January.
- 2 Copies of Cablegrams received dated 14th. (2), 21st, 24th January, 1st, & 3th February.
- 3 DuCroz Doxat & Co's Wool market report dated 2nd February.
- 4 Copy of letter to Lowden Connell & Co. dated 25th January re claim on outward cargo per "Oruba"
- 5 Copy of letter to Lowden Connell & Co. dated 19th and their reply of 20th Jany., re outward B/L.
- 6 Copy of letter from Keen Cobb & Lee dated 6th February with documents attached.
- 7 Account Current dated 3th February and vouchers attached
- 8 Remarks on Accounts.
- 9 Remarks on Stores
- 10 Copy of Evans's invoice for Cigarettes sent by Parcel Post. these will be charged out in next invoice.
- 11 C.G.A. Anson Mortgage dated 8th February, 1922
- 12 Coastwise freight statements referred to in Despatch 1223
- 13 Memo and pamphlet re League of Nations publications for Mr. Harding.
- 14 Cochran Boilers - catalogue.
15. Copy of letter to Lowden Connell & Co. re "FALKLAND"
- 16 Letter to P.S.N.C. of 16th Jan. and their reply of 18th Jan. re freight rates.
- 17 Report from Denny, Mott & Dickson, Ltd., dated 1st February, on Cedar log.

Letters;- W.A. Harding (two)
T.G. Slaughter.

London, 8th February, 1922.

PRECIS OF DESPATCH NO. 1224 per "ORIANA" 1/3/22.

1. No despatches to acknowledge.
2. Enclosing correspondence with Lowden, Connell & Company,
re purchasing their share of s.s. "FALKLAND".
3. James Smith - Great & Swan Island buildings, etc.
4. Advising change in Bank Rate to 4½%.
5. Enclosing correspondence with Pacific Company & Lowden,
Connell & Company re shipment of tug "KELP".
6. Advising position of wool sales.
7. Enquiring about Darwin telephone copper wire.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street,

Per "ORIANA" s.s.

N^o 1224

London, E.C. 1st March, 1922.

Sir,

Since writing you last on the 6th ultimo, I have none of your letters to acknowledge.

I was hoping that the duplicate of your despatch per "ORITA", from Stanley 18th January, if posted as usual on the Coast would have come to hand in time to answer by this opportunity, but so far nothing has been seen of it.

2. Following remarks paragraph 2 of last despatch, please find herewith copies of correspondence to date with Messrs. Lowden, Connell & Company with reference to the proposed purchase of their interest in the s.s. "FALKLAND". From this you will see that negotiations have not yet reached finality, and, consequently, the future arrangements for the Coastwise trade cannot be settled.

3. Copies of letters exchanged with James Smith relative to his application for payment for buildings and sundry other property left on Great & Swan Islands is also sent herewith. These are self-explanatory.

4. The Bank Rate was reduced on the 16th ultimo from 5 to $4\frac{1}{2}\%$.

5. Enclosed I send you copies of correspondence with the Pacific Steam Navigation Company and Lowden Connell & Company, on the subject of transporting the tug "KELP" to Stanley. From this you will see that the former Company refuse to admit that they will benefit in any way, by the presence of the tug there, and therefore try to justify their proposed charge of £600 for freight. The Pacific Company's remarks, quoted in Messrs. Lowden Connell's letter of the 14th February excusing themselves for the

W. A. Harding, Esq.,
Port Stanley.

1224. 1.3.22

proposed heavy freight on the grounds that when the tug is used for their benefit a charge will be made, should be borne in mind, and our fees appropriately increased to cover same. You will also gather from the correspondence that we are hoping that the "MAGELLAN" will be put on the Falkland Islands berth as she is the vessel best adapted for carrying the "KELP".

6. The shipment of wool per "HUANCHACO" arrived 26th November, is being offered at Auction Sales on the 10th instant; the usual Brokers' reports thereon are enclosed. Owing to the necessity of limiting quantities offered at the Sales, it could not have been put up before. The series commencing on the 2nd May have already been closed with the arrivals up to and including the 6th February, so that it would appear that our first shipment by the "MAGELLAN" cannot be sold until June at earliest. It is well that clients should understand this.

7. No report has been sent home with regard to the old Stanley Darwin telephone line. Has this been collected for shipment?

I am,

Sir,

your obedient servant,

E. D. S. S. S.

Secretary.

Enclosures via Liverpool.

Duplicates.

Despatch No.1223 dated 5th February, 1922

Account Current dated 5th February and vouchers

Remarks on Accounts

Remarks on Stores

List of Enclosures

- -----

Enclosures via Liverpool.

ORIGINALS

- 1 Copies of Cablegrams sent dated 13th 21st & 23rd February
& 1st March.
- 2 Copies of Cablegrams received dated 24th February (two)
- 3 Clients' Reports:-

N A	18	bales Wool ex "Huanchaco"
P H	89	„ „
F	11	„ „
J B	100	„ „
S I	69	„ „
P H	2	bales Sheepskins "Huanchaco"
F B	3	„ „
F	1	„ „
- 4 Copy of Correspondence with Lowden Connell & Co. re
S.S. "Falkland" to date.
- 5 Statistics of Weights & Measurements of Wool 1910 - 1921
- 6 P.S.N.C. printed lists of position & approximate movements
of vessels.
- 7 Account Current dated 1st March and vouchers.
- 8 Remarks on Stores.
- 9 Correspondence with Lowden Connell & Co. &
P.S.N.C. re Steam Tug "Kelp"
- 10 Small parcel Silver Spoons (two)
Letters for the following:-

W.A. Harding (6)
E.G. Creece
T.G. Slaughter (duplicate only)
Father L.M. Migone.
- 11 Memorandum for W.A. Harding dated 1st March.

LONDON 1st March, 1922

Indexed
PRECIS OF DESPATCH NO. 1225 per "ORTEGA", 12-4-22.

1. Acknowledges despatch No. 589.
2. Notes difficulty of obtaining crews in Stanley.
3. Reports position of tug "KELP".
4. Notes Alex Moir remaining junior clerk not required.
5. Shipment of produce per "MAGELLAN".
6. Action re H. Pitaluga a/c approved.
7. Coal. 500 tons booked per "BALLENA" cannot be reduced.
8. Boards approval expressed re interview with Governor
re apportionment of Administrative Expenses.
9. Colonial Manager's salary.
10. Finance. Stanley - London.
11. Enclosing new form of conveyance re Packe property.
12. Lowden Connell's mistake in Bills of Lading, outward.
13. Refers to B. Brownings Mullet Creek property.
14. "Guvernoren" wreck.
15. Enclosing correspondence with Ministry of Agriculture.
16. Correspondence with Clayton Son & Co.
17. Reports decision to take over "Falkland". Refers to
various matters re running, freights etc.
18. Slipway.
19. Refers to shipment of Hides.
20. Advising position of Bolinder cylinder and Kelvin engine.
21. Enquiry as to the life of pitch-pine under sea water.

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "ORTEGA", S.S.

N^o 1225

London, E.C.3. 12th April, 1922.

Sir,

I wrote you last on the 1st March and received your despatch, No. 589 on the 9th ultimo. The duplicate came to hand on the 3rd, six days earlier.

2. 2. The difficulty you are experiencing in getting sufficient hands for the "FALKLAND" and "GWENDOLIN" are noted. In this connection the Board will be interested to hear who was in command of the latter during her recent employment.

3. 5. The tug "KELP" left Richborough last Wednesday for Liverpool in charge of Captain H. Thomas, and should arrive there, allowing for bad weather, in ample time for shipment by the "BALLENA" sailing on the 1st May. Her boiler will be removed before she is lifted and shipped separately and I presume you will have no difficulty in replacing it in Stanley.

4. 6. Note is taken that Mr. Alex Moir will be remaining in the office for a time and that a junior clerk will not therefore be needed for the present.

5. 8. The excellent shipment by the s.s. "MAGELLAN", advised in your cable, is regarded as very satisfactory but it is improbable that the wool she brings will get into sales earlier than the June series. The Pacific Company's delay in sending in this direct boat will thus cause considerable loss of interest, but it is to be hoped that this will be more than compensated for by improved prices.

6. 9. Your action with regard to H. J. Pitaluga's a/c is approved.

7. Following on the request in your cable of the 14th January for 500 tons of coal, that quantity was definitely promised the Pacific Company in consideration of which they agreed to put on the "BALLENA", and to carry the "KELP". Your cable of the 4th instant

1225. 11.4.22.

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reading, "Do not ship more than 200 tons coal no necessity for more,"- arrived on the 7th inst., and an endeavour is being made to reduce the shipment from 500 to 200 tons but it is very doubtful if the Pacific Company will agree.

8. 11.12. I am instructed to say that the Board agrees with all you write relative to the suggested apportionment of the cost of Central administration as between the Islands and the Dependencies. And also that the Directors appreciate the excellent service you have rendered in establishing such good relations with the Governor thereby enabling you to place so well before him the Company's and the farmers' views of the question. If the Colonial Office sanction his proposal to make the whaling industry pay 40% of the total costs it will indeed be a very satisfactory settlement.

9. 13. Your memorandum and remarks on the question of the Colonial Manager's salary were considered by the Board at the last meeting when it was decided to defer settling anything in the matter for the present.

10. 14.15. The marked improvement in the Company's local financial position, as detailed in your despatch, is noted with much satisfaction. The suspension of the three monthly payments to the Colonial Office and the reduced indents for stores have been together very helpful to the position here. It is fortunate that it is so as instead of obtaining proceeds of wool in April, as you surmise, it will certainly be the end of June, or later, before any cash flows in from this source.

11. 16. Following on the references to the matter, in the last paragraph of your letter of the 13th January to the Colonial Secretary, the Company's solicitors have drafted the enclosed fresh form of conveyance which it is to be hoped will prove in order.

12. 17. Messrs. Lowden Connell & Co's attention has been called to the matter referred to and they are taking steps to render unlikely the repetition of the mistake made.

13. 19. The Board agrees, in general, with the proposal that Browning should be bought out if thereby the surrendering of

land in Sparrow Cove will be avoided. With this in view it would be prepared to agree to pay up to say 5/- per head for the sheep but this would not yield sufficient to pay our debt and still less, leave Browning a balance of £300 as you state. Are you assuming that if the scheme went through the Government would compensate him for the buildings and fences? The Company could hardly pay him for these in view of the certainty of having to hand them over at once to the Government.

14. Your account of the wreck of the "GUVERNOZREN" is interesting. It is to be regretted that none of the 6,000 tons of coal she had on board could be salvaged.

15. Enclosed I send you copies of correspondence with Sir Stewart Stockman of the Ministry of Agriculture following on an interview with Mr. Blake. The various articles detailed by him are being sent by this opportunity, in charge of the Purser, directed to the Stock Inspector.

16. I would draw your attention to copies of letters herewith exchanged with Messrs. Clayton Son & Co., Ltd. Contractors for the oil tank construction.

17. From the cable sent you on the 7th ultimo, together with copies of further correspondence with Messrs. Lowden Connell & Co. enclosed, - you will have learnt that it was finally decided to take over the s.s. "FALKLAND" from the 31st ultimo, on the basis of her book value. The transaction has since been completed on these lines by the payment of £4,036. 14. 6d. The purchase is a distinctly favourable one as any of the schooners suitable for the Island trade offered us for sale during the past year would have cost considerably more than this sum, delivered to Stanley, and, at best, would have possessed little more than a third of the "FALKLAND'S" carrying capacity. On liquidation of the Transport Company, we shall be repaid our share holding, £2, 250, and this, - apart from the accrued dividend now due, - will mean that it will only be necessary to provide the comparatively small sum of £1,786 on balance, for the purchase. The stores in Stanley, which have also to be taken over at a

1225. 11-4-22.

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valuation, will be a small additional amount. The Bill of Sale and Declaration of Ownership are sent you herewith for the purposes of registering the change.

You will also have gathered from previous correspondence that it is the view of the Board that the most economical coastwise service can only be obtained by a combination of working between the steamer and the schooners. The former to be employed only on those voyages where a full cargo and quick despatch are assured after which she should be laid up at the lowest possible cost bearing in mind that insurance premium is only recoverable for periods of at least 30 consecutive days.

It is still the intention to fit a motor to the "GWENDOLIN" as soon as you can see your way to carry out the work.

In connection with the steamer please forward copies of abstract from the Chief Officer's and Engineer's logs, manifest of cargo, - (produce only) - for each voyage and also a note of the approximate freight and p/m earned outward each trip from Stanley. The details of packages and measurements hitherto given Lowden Connell & Co., of the outward cargo are not necessary but merely a note of the approx freight.

It is very important to impress on the Captain that an entry must be made in his log of every case of grounding, however slight otherwise should damage be found when the steamer is next slipped, or docked, the cost of repairing same cannot be recovered under the policies. You will also see that protests are noted by the Captain, and that all defects above or below deck are reported home and the Captain's ^{and} engineers' reports on defects in Hull and Machinery sent home for perusal by Mr. Kennaugh, Consulting Engineer, who will continue to act for the Company. No free Passages are to be granted except to persons travelling on Company's business and no gratuitous expeditions are to be entertained.

In view of the natural difficulties at Lively Island it is considered that the steamer should not be sent there. The

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produce from that Island, and, probably Bleaker, could best be collected by the schooner. Doubtless you will decide that the same equally applies to many other stations.

It is considered that the outward rates of freight from Stanley should be revised at once, and in this connection the question of ports with good facilities taken into account. The rates for produce in the meantime to remain as at present. In a few months more insight into the actual cost of running will be obtained as also the minimum cost of laying up the vessel. The rates on produce can then be gone into more closely. With a view to this being done please see that separate accounts for the working of the "FALKLAND", and the schooners, are kept so as to shew in each case the full and complete costs.

Please also forward a list of the crew and their rates of pay.

With reference to your cable of the 13th instant,- which was delayed ten days in transmission,- suggesting that the Captain and Chief Officer should both be sent home you will since have learnt that Messrs. Lowden Connell & Co., terminated Captain Owen's engagement and he will therefore return at the expense of the Transport Co.. The proposal to also send Mr. Pritchard home, and allow Mr. Roberts to command in the wool season, with a local

Mate, is approved though the Board views with some anxiety the possibility of other matters in Stanley suffering through the Marine Superintendent's frequent absence from the port. It is a matter that can only be left in the Manager's hands to watch closely.

There is also the fact to be borne in mind that with Roberts in command with only a local mate there will be ^{certificated} no second string in the event of Roberts breaking down.

18. Your remarks and the memorandum on the slipway proposal, together with the soundings taken at the new site have been read with much interest.

With the decision to take over the "FALKLAND" and resume

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control of the coastwise trade, the value and importance of the provision of a slipway in Port Stanley becomes self-evident and urgent. It is essential, firstly, for the economical running of the business and, secondly, it would yield a very profitable return on the outlay should a share of the whalers be secured.

A cable was therefore sent you on the 7th March emphasizing this point and asking if you could obtain the necessary land and Government sanction for its erection on the new site indicated. As no cable reply has so far been received you will doubtless have referred to the matter in your despatch by the "MAGELLAN" due here in a few days, and this is awaited with much interest.

The particulars of the soundings sent have been submitted to our expert engineer who has had large experience in the construction and working of slipways in many parts of the world. In his opinion, the profile of the sea bed as given by your soundings makes the work at that spot an exceptionally easy and inexpensive proposition as the groundways to carry the cradle, if built of longitudinal and cross timbers, could be constructed from the shore end, floated out and sunk, the outer end being merely held down in position by two piles. He also states that no concrete foundations would be required it being only necessary to fill in with ballast any hollow places under the slipway, and even this would not be needed at the outer portion of the way where the vessels being slipped are partly water borne.

It has been decided that any slipway laid down must be of sufficient capacity to take the "FALKLAND", easily and that at the site finally chosen there shall be ample space ashore, in rear of the slip, and laterally, to provide for the necessary space to accommodate the whale catchers, two or three at a time, should there be any reasonable prospects of securing their business.

It is, however, realised that **excellent** for the above reason as is the site you have selected, the outstanding great disadvantage lies in the fact that it would be about three quarters of a mile distant from the present engineer's shop.

(D. Smith)

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You will see from the plans sent herewith, the style of slip which will probably be finally approved, and that something like 220 feet of space ashore, at the top end of the slipway, above high water will be needed.

In the consideration of this matter of late the proposal to erect the slip on the originally suggested site, in front of the present engineer's shop, has been turned down on account of the limitations of space on the Company's available land there. The question has however, now been raised, whether, in view of your excellent relations with the Governor, sufficient of the unoccupied land, with the foreshore rights, East of the engineer's shop could not be purchased and any necessary Government sanctions obtained. The many advantages of having it near the shop are obvious; it would not only save much waste of time, but, in addition, some £500 for a steam boiler for driving the windlass.

If after going into the matter of the possibilities of the latter site, coupled with the above details, you consider it practicable, please cable the information by means of the special words sent herewith as additions to code.

We have the soundings taken at this point and sent home by you some years ago; blue print of same enclosed. It may be, however, that if this site is developed as suggested above the line of the slipway would be somewhat different to that originally contemplated in which case it would be well to send fresh soundings for the information of our engineer.

19. In your remarks on accounts of the 17th January you refer to discrepancies which have occurred in the outturn and accounting for H.B. hides ex "OAKLANDS", dated 17th March. A copy of the Brokers' letter on the subject is enclosed, from which you will see that a considerable ^{number} as usual arrived with the marks torn off. As you are aware our Brokers have repeatedly informed us that it is quite impossible for them to account to us accurately for a number of hides consisting of in many cases small quantities of separate marks and therefore it is useless to make the Company responsible

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for doing so. In the "OAKLANDS" there were hides shipped under thirtyseven different marks and in not one case does the Bill of Lading or Manifest give the number of horse, ox and cow hides, separately and many of the marks contained some of both; specifications for the marks are rarely complete. The only possible way of dealing with the matter fairly would appear to be to weigh each of the marks when received in Stanley, and ship home as a total of so many horse hides and so many ^{and cow} ox. The proceeds of these parcels could then be appropriated on the basis of your weights. The clients should be advised of this to save any unnecessary annoyance. Can you suggest any better plan?

20. The Bolinder cylinder and pistonhead asked for in your cable of the 1st April, has been ordered and will be despatched from Sweden within the next fortnight direct to Monte Video to care of Maclean & Stapledon for transhipment. It should therefore catch the mail boat following this. The small Kelvin engine for the Fitzroy boat will be shipped by the "BALLENA".

21. In connection with the proposed slipway it would be of great value if you can say what has been the experience in Stanley with regard to the life of pitch pine under sea water. What is its average life under these conditions? Is it immune from the attacks of the destructive worms?

I am,

Sir,

your obedient servant,

C. R. Graham

Secretary.

W. A. Harding, Esq.

Manager,

Port Stanley.

ENCLOSURES VIA LIVERPOOL

ORIGINALS

- 1 Copy of Cablegrams sent dated 7th, 11th, 13th, 15th, 21st
25th, and 28th March.
- 2 Copy of Cablegrams received dated 3rd, 18th, 22nd, 31st
March, 1st, 7th and 10th April.
- 3 General Invoice Stores per S.S. "Oriana"
- 4 Wool Market Reports dated 30th March.
- 5 Bills of Lading general cargo per S.S. "Oriana"
- 6 DuCroz Doxat & Co's priced Wool sale catalogue of
10th March.
- 7 List of General Cargo per S.S. "Oriana"
- 8 P.S.N. Co's approximate mail & cargo-boats Sailing dates
to 31st December.
- 9 Account Current and vouchers dated 12th April.
- 10 Remarks on Accounts.
- 11 Remarks on Stores.
- 12 Conveyance of Island Property for completion - Vere Packe
to Falkland Islands Co.
- 13 Bill of Sale and certificates of Ownership S.S. Falklands
for registration
- 14 Interest Statement on Produce home per S.S. "Huanchaco"
- 15 Copy of letter from Falkland Islands Transport Co. dated
7th and our reply of the 8th March re "Falkland"
- 16 Copy of letter from Anning & Cobb dated 17th March.
- 17 Plans of proposed Cradle & Slipway for Stanley and
instructions as to carrying out the work.
- 18 Copy of letter from Lowden Connell & Co. dated 11th
April re coal shipment per S S "Ballena"
- 19 Copy of letter to A.H. Connell dated 10th April.
- 20 Copy of letter to Sir Stewart Stockman of 6th and his
reply of the 7th April.

- 21 Copy of letters from Clayton Son & Co. of 3rd & 8th and
our reply of the 4th April - Photo and specimen
signature of Mr Victor Wild attached.
- 22 Copy of letter to T.^G. Slaughter dated 12th April
- 23 Blue Print of Sounding Stanley Harbour
- 24 Copy of letter to Captain B.A. Brown dated 12th April

LONDON 12th APRIL, 1922

Enclosures via LIVERPOOL.

DUPLICATES

Despatch No. 1224 dated 1st March.

List of Enclosures

Account Current dated 1st March.

List of Parcels .

Remarks on Stores.

Memorandum dated 1st March-Schooners' Sailplans.

PRECIS OF DESPATCH NO. 1226 PER "BALLENA". 5-5-22.

- M.D.F. Jr. participate*

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "BALLENA"

N^o 1226

London, E.C. 5th May, 1922.

Sir,

Since writing you last on the 12th ult., I have to acknowledge receipt of your despatches as under:-

No. 590	dated	17th	March,	delivered	18th	April.
591	"	29th	"	"	2nd	May.
592	"	29th	"	"	2nd	May.

2. 590/2. Had the information given in your remarks been known here before the references made to the failure to send mails via the Andes would have been unnecessary.

The last mention of the matter in Stanley despatches, - 561 para 1, - stated that the Postmaster intended sending all mails in future by that route, and, naturally, it was difficult to understand why this course was departed from, having regard to the delay occasioned. However, in view of the incidents you report it will certainly be best to continue sending the registered package and duplicate as recently.

3. 590/3. From your remarks, and your cable of the 1st April, it is noted with satisfaction that the Government has assented to a local, uncertificated, man being appointed mate of the "FALKLAND". Has a similar concession yet been made in respect of the Captain of the Schooners?

4. 590/4. The question of the steel construction of the "KELP" was thoroughly weighed before coming to the decision to purchase her in preference to the wooden vessel offered. Not only would the first cost of the latter have been considerably more but also the coal consumption and cost of running. It was felt that with a draft of only 3' 6" forward and 5' aft

W. A. Harding, Esq.

Manager,

Port Stanley.

there should never be any difficulty in putting the "KELP" on the beach for painting and repairs. It may, perhaps, be as well to state here that in making this purchase the idea of sending a tug large and powerful enough to go outside Port William was entirely abandoned and, as you will see, she is fit, and intended for, harbour work only. Previous to buying her she had been employed at Richborough for some time towing the one thousand ton barges in that port and as she did this work well she should be amply powerful to do all that is required of her in Stanley.

Captain Thomas was employed to take her round the coast from Richborough to Liverpool and reports as follows:- "My opinion of the little tug that for towing lighters from Port Stanley and even from Port William she is the very thing. I am sure that she will tow well. I only wish I was there with her, I would prove it. Her speed was about 7 knots." .

The boat has been given two coats of black varnish to loadline and one of Admiralty grey to boot-topping and topsides. The varnish was recommended as being considerably cheaper than anti-fouling and anti-corrosive paint and, we are assured, is equally good if the vessel is not to be employed in warm waters. The boiler will probably be removed before shipment on the s.s. "BALLENA"; doubtless Mr. Peters will find no difficulty in refixing same in Stanley.

The register for the vessel is enclosed herewith and also list of the equipment and spares on board.

5. 590/5. The satisfactory working of the heavy oil in the motor boat is noted. Further supplies of this oil are being shipped by this opportunity.

6. 590/7. The Board, will, I am sure, be much pleased to learn that the transfer of Mr. Packe's property has at last gone through and your very full statement of

1226. 5-5-22.

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the matter makes everything quite clear. Enclosed I send you copies of letters exchanged with Messrs. Bischoff & Co., in which one or two minor points are raised. Kindly let me have your remarks on same in due course for submission to them.

The form of conveyance sent you last mail will now of course be useless.

7. 590/10/28. The result of your negotiations with the Governor can only be regarded as eminently satisfactory. It is clear, so far as your advices go, that the way is now open to the Company to secure all the benefits which the possession of a slipway would afford. Having regard to the fact that the total outlay, even providing for a plant capable of slipping the "FALKLAND" or five whalers at a time, will not in any way approach the figure indicated in your despatch the project now becomes a practical proposition from the Company's point of view.

A great deal of consideration has been given to the matter of late and quotations have been obtained from the firms who specialise in this work.

The whole of the plant, and outfit, made throughout of iron and steel, including groundways, cradle and hauling up machinery can be purchased for £5,000. To this must be added, freight, and Insurance say, £500 and the cost of laying the foundations on which the rails will rest. The latter work must necessarily vary considerably according to the method adopted. Since writing you last our Engineer has laid before us plans for constructing the foundations of reinforced concrete made in moulds on the spot and it would appear to be the best idea yet suggested.

An alternative proposal has been made to construct the cradle of timber in Stanley. In this case the iron and steel materials and fittings required, and the haulage gear, have been quoted at £3,700,- to which must be added the cost

of the timber for, and labor, constructing the cradle say, £700.

Apart from cost of excavations ashore the slipway could be erected for about £7,000.

The above will give you some idea of what the outlay is likely to be although I am hopeful of receiving a still more favourable quotation from another firm. In each case it is assumed that the existing boiler will be available for the work of haulage.

It is not clear what excavations you refer to in your remarks but no doubt it will have been obvious to you from the plans sent last mail, that as the rails have to be laid some 230 feet on shore from high water it would be a very distinct advantage, - by way of saving building up foundations at the top end, - if the incline of the sea-bottom were continued on shore for the whole length of the slipway.

8. 590/11. Since writing your despatch you will have learnt from my 1223/7 that a Cochran boiler had been ordered. It is being shipped by this opportunity.

9. 590/13. The renewal of the leases for Darwin Harbour and Port Sussex Reserves is noted.

10. 590/14. You are under a misapprehension with regard to 1% Commission due to the Colonial Manager in respect of 1920 accounts. Mr. Houston came home on leave in May 1920 when it was decided and he was informed that his Agreement with the Company, expiring on the 28th February, 1921, would not be extended. In view of the fact that he was entitled to return to the Islands it was deemed expedient, on condition that he would not put the Company to the expense of passages out and home, to allow it to lapse at maturity instead of giving him six months notice. This was mutually agreed and Mr. Houston is therefore entitled to the commission in question.

11. 590/15. The claim for the loss of the anchor and chain sustained by the "GWENDOLIN" is before the Underwriters.

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12. 590/17. Your report on the divers inspection of the "LADY ELIZABETH" is of much interest but comes as no surprise. It is very unfortunate that this was not known three years ago when the hulk could have been sold for a handsome figure.

13. 590/22. You were quite right in instructing Mr. Hobbs to consign the casings "payment against documents", to Messrs. Brecht & Co., In view however, of the fact that they have a claim against us for £879. 1. 4d for the balance owing in respect of machinery supplied to the order of Mr. Weiss it was not surprising to receive a cable from them as follows:-

"Casings this year arrived shipped by Hobbs Punta Arenas to Menendez here with draft attached for fivehundred fortythree pounds seventeen shillings sixpence with which amount we will credit your account usual manner on account still owing us stop please cable instructions Menenbety BSaires deliver casings us promptly due perishable merchandise" Brecht.

It was realised that their claim on the Company could not legally be resisted and that the casings were liable to rapid deterioration if left uncared for in Buenos Aires. In these circumstances it was deemed expedient to authorise delivery of the goods without payment as thereby we were securing against their claim a credit, at full value, for goods which would have been otherwise unsaleable.

14. 590/23. The information given with regard to the wreck of the "GUVERNOREN" is noted with interest.

15. 590/24. You will probably have noticed from our confirmations of cables that the misunderstanding to which you refer arose through a mutilation in the message despatched from here on the 30th January. The word sent VUSPAOBKIF, signifying "we are paying" appears to have been received as YUSPAOBKIF. There is no word YUSPA in the code and you assumed it to be YESPA signifying "s.s. "FALKLAND" although a reference to the terminational index should have

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lead to the correct meaning.

16. 590/25. It is very satisfactory to learn that the rams were all delivered in Stanley safely and were no worse for their long voyage than could be expected.

17. 590/27. You will have gathered from despatches which have since reached you that your surmise as to the reasons for taking over the "FALKLAND" correctly interpret the views of the Board on the matter.

In connection with winding up the accounts for the steamer you say that you "purpose regarding the present voyage as the last in respect of the Transport Co., and that when her inward cargo has been discharged and an inventory of stores taken we take over liability for crews' wages." It is of course only a matter of account which can be adjusted but if dealt with in this way the Transport Co., will be entitled to receive their proportion of any profit to 31st March should the vessel be on a voyage at that date.

18. Enclosed please find copy of a letter from the Admiralty dated 15th April, enquiring if the Company would be "willing to enter into a contract for the administration and custody of the Admiralty oil fuel installation now in course of construction." A summary of the duties to be performed is given in the letter. From the copy of our reply you will see that before making any offer or suggestion with regard to the charge it was decided to refer the matter to you for consideration.

This indicates somewhat of a departure from usual Government Department practice probably prompted by the present necessity for economy in every direction. The fact is, no doubt realised that a Company equipped as the F.I.C. is, and on the spot, can carry out the work required far more cheaply than would be the case if the necessary staff and tugs etc., had to be maintained for the purpose by the Admiralty. Please go into the matter fully and cable your views on the proposition

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indicating what you think should be asked for the work.

19. Your despatches, Nos. 591/2, per "ORCOMA" arrived only on Tuesday and time has not permitted of more than a cursory consideration of your letter on the subject of the annual accounts. This opportunity will, however, be taken to deal briefly with your 592.

20. 592/2. The sail plans of the "LA FONIA" and the measurements of those for the "GWENDOLIN" are to hand and will be filed here for reference when necessary.

21. 592/4/5. The Board will I am sure be much gratified to learn of the most reasonable attitude adopted by the Governor on the question of the change of ownership of the "FALKLAND" and the erection of a slipway.

The advantages of getting into touch with the Colonial Office here on the latter subject are obvious and this course will be followed but not before we hear from you that the proper time to do so has arrived.

22. 592/6. The interest taken by the Governor in the lambing losses and the farming industry generally and his desire to help Farmers can only be regarded by the Board with much satisfaction.

23. 592/9. As the "BALLENA" does not call at Monte Video but goes direct to Bahia Blanca the Bolinder cylinder etc., being shipped direct from Sweden will doubtless be transhipped at the former port to the s.s. "ORIANA". A copy of letter from Messrs. Pollock & Co., on the subject, received to-day, is herewith.

I am,

Sir,

your obedient servant,

E. B. Goddard.

Secretary.

Enclosures via Liverpool

Duplicates:-

Despatch No. 1225 dated 12th April.

List of Enclosures

Invoice for Stores per S.S. "Oriana"

List of Clients Cargo per S.S. Ortega"

List of Parcels.

Remarks on Accounts

Remarks on Stores

Account Current and vouchers dated 12th April

Interest statement "Huanchaco"

Additions to Bentleys Code 12th April

Enclosures via Glasgow.

Originals

1. Copy of Cablegram sent dated 19th April.
2. Copy of Cablegram received dated 20th April
3. List of approximate sailings of P.S.N.C. Intermediate boats dated 29th April, No. 9.
4. Registry Certificate Tug "Kelp"
5. Copy of letter from the Admiralty dated 25th April & 1st May and our reply of 26th April.
6. List of cargo per s.s. "Ballena"
7. Suppliers Invoices for stores shipped per s.s. "Ballena."
8. Lowden's invoice for Sulphuric Acid shipped per s.s. "Ballena" for Pebble.
9. Copy of letter from Bischoff & Co., dated 26th April re Mr. Packe's property.
10. Bills of Lading cargo per s.s. "ORTEGA"
11. List of General Cargo per s.s. ORTEGA"
12. General Invoice Stores per s.s. "ORTEGA"
13. B/L returned Stores per "ORUBA" May, 1921.
14. Account current dated 4th May and vouchers
15. Remarks on Accounts
16. Remarks on Stores
17. Equipment & Spare stores - Tug "Kelp"
18. Copy of letter from James Pollock Son & Co., Ltd. dated 4th May
19. Supplementary Remarks on Stores.
20. Memoranda - Secretary's replies to Colonial Manager re Commission of Dividend & Iron Piping
LONDON 5th May, 1922

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PRECIS OF DESPATCH NO. 1227 per "ORIANA", 31-5-22.

1. Acknowledges despatches 593 & 594.
2. "FALKLAND'S", earnings.
3. C.G.A. Anson Mortgage received.
4. Manager's House - Difficulties of occupation.
5. Freight on coal per "BALLENA".
6. Correspondence with James Smith now enclosed.
7. Receipt of Commission on P/M of "GUVERNOREN" advised.
8. "GWENDOLIN", insurance - laying up clause provided for.
9. Taxation - re your collaboration with Governor.
10. Coasting service.
11. Sails for "GWENDOLIN", ordered.
12. P.S.N.C. Rates now down to P.A. level.
Coastwise rates also reduced.
13. Slipway.
14. Oil Barges - Admiralty doubts "KELPS" capacity to tow.
Encloses detailed instructions re duties of
discharging, etc.
15. Annual Accounts.
16. Fitzroy Estate.
17. Store Account.
18. Debtors.
19. Stanley Office.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street,

Per S.S. "ORIANA",

N^o 1227.

London, E.C.5. 31st May, 1922

Sir,

Since writing you last on the 5th instant I have received your despatches Nos. 593/4 dated 12th and 15th April.

2. 593/2. With reference to your remarks, there is no question whatever of any calculations as to the "FALKLAND'S" earnings being based on the "optimistic statement" in our letter to Messrs. Lowden Connell & Co. of 22nd February. It should have been apparent from the context of that letter that the remark was merely made to force their hand and make them, without further delay, state the price they would accept for their shares.

3. 593/3. The Mortgage, signed by Mr. Anson, has been safely received.

4. 593/5. The Directors appreciate the difficulties mentioned with regard to occupying the Manager's House, but at the same time, are concerned to think that there may be undue deterioration of the building and furniture if it remains empty and uncared for. They will be glad to know if you have made any arrangements for fires to be lighted from time to time and the place and contents looked after.

5. 593/7.9. Your advice to the effect that you would rather wait longer for the tug than have 500 tons of coal sent by the "BALLENA" at a freight of 45/- arrived too late to act on. Both were already shipped. Before concluding

W.A. Harding Esq.,

Manager,

Port Stanley.

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the freight arrangements a strong protest was made in vain against the exorbitant 45/- rate and it was pointed out that coal was being freighted to the Plate as low as 15/- per ton. It is hoped that the day is not far distant when oil fuel will be available in Stanley and that it will prove possible and more economical than coal for the "FALKLAND".

6. 593/8. I regret that the correspondence with Mr. James Smith was omitted from the despatch No.1224. It is
Enc. enclosed herewith and as you will see is of no importance whatever.

7. 593/12. The commission on the passage money, homeward, of the "GUVERNOREN" crew has been paid by the P.S.N.Co. See Remarks on Accounts.

8. 593/13. The renewal of the "GWENDOLIN" insurance was advised in Remarks on Accounts of 12th April. A clause providing for a return of premium for laid up time is, or should be, contained in every hull marine policy. There is no difficulty about that.

9. 593/16. The Directors have followed closely and with much interest the accounts of your collaboration with the Governor on the subject of taxation and they feel that you are to be highly complimented on the part you have taken in the matter. It is fully appreciated that any time so spent is in the direct interests of the Company.

10. 594/5. With reference to your remarks on the future coasting service, you will since have learnt from 1225.17 the Board's intention with regard to the matter and that a combination of working between the steamer and the schooner is aimed at. It will be for you to decide, from time to time, according to the varying circumstances, whether the steamer or schooner can be the more economically employed at any particular station. The question of how best to levy

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the rate of freight will require consideration and your views on this subject will be welcome. It appears to us probable, at any rate to commence with, that you should contract with the stations to lift their produce as early in the season as possible "by steamer or schooner at the Company's option". The rate of freight not to be less than that charged for the "FALKLAND". The working costs and results of the steamer and schooner being kept quite separately, it will soon be possible to see which is the better and cheaper form of transport and further freight reductions or adjustments can follow as circumstances warrant.

11. 594/6. A mainsail, foresail, stay and jib have been ordered from Messrs. Adam, Lane & Neave, Ltd., the oldest and largest sailmakers in London, in fact, the original firm with whom the founders of Lapthorn & Ratsey served their apprenticeship. Government Navy quality of Canvas, - than which there is nothing better made, - has been stipulated for; No.1. for main and fore sails, No.2. for stay and jib. Their quotation was £142. 6. 0. against that from Messrs. Lapthorn & Ratsey, £245, for exactly the same make and quality of cloth. While it is an established fact that there are no better makers of sails in the world than Ratsey's, it was considered we should not be justified in paying them over 70% more for "cut", alone. Delivery has been promised for shipment per "ORTEGA", sailing 13th July.

12. From the copies of correspondence with the Pacific Company enclosed, you will see that at last we have been successful in getting them to bring their rates on wool and skins down to the level of those charged from Punta Arenas, viz. £7. 0. 0. per ton. These rates to come into force on produce shipped by vessels following the "LOSADA", now in Stanley. As an inducement ^{for them} to make this reduction, - and in

order to meet the threatened competition from Punta Arenas, - we have informed the Pacific Company that at the same time we are prepared to reduce our coastwise freight to £4. 0. 0. per ton. It is understood that the rate £4. 0. 0. is to apply to the following ports where good shipping facilities exist:- North Arm, Walker Creek, Goose Green, Darwin, Douglas Station, San Carlos (W.K.C), San Carlos (J.B), Port Howard (J.L.W), Port Stephen and Hill Cove. The rates from the remaining stations to be reduced from £6.16. 6. to £5. 0. 0. per ton. The ton in every case to be of 1,000 kilos. The through rates from the Islands will therefore be £11. 0. 0. for Class 1 ports, £12. 0. 0. others. The reduction made in the coastwise freights is somewhat in the nature of a "leap in the dark", but it is hoped that future results will show that it is justified.

13. It is understood from your cable of the 16th instant that the site for the slip-way near the engine room is impracticable, that the life of pitch pine under water in Stanley is seven years only and that you have written fully on the subject. Nothing further can therefore be done in the meantime until the receipt of your letter. If the plan for reinforced concrete foundations is adopted, all the trouble met with in the case of timber will be eliminated and the work would be thoroughly permanent. So far as present advices go, the cost of this system will work out very little more than timber construction.

14. Alluding to remarks in last despatch, 1226. par.18, at the request of the Admiralty, I recently called on them to discuss with Mr.Murray and Capt. Beale, late H.M.S. Weymouth, the question of the towage of their 500 ton oil barges, when fully loaded, in Stanley Harbour. They are naturally in doubt as to the power of tug "KELP", being sufficient to do this. They have made full enquiries on this point from the Admiralty Department under which she was employed

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during the war, and Messrs. Crichton Thompson & Co. but are not fully satisfied. It is therefore proposed to cable you about the time the tug will be delivered asking you, if possible, to test her in this respect and report fully your opinion. As you are aware, this Admiralty business was not contemplated when the "KELP" was purchased and the heaviest work expected of her was the towage of the Company's lighters. The officials explained that they would prefer to employ the "KELP" if she can be relied on to do the work in the inner harbour "in average Stanley weather". If, however, you decide that she is not powerful enough they will consider sending out one that is and suggest that the Company shall take charge of her and find the crew. I explained that it would not be possible to find a crew for this boat, and another for the "KELP", and that difficulties might arise if mail steamers and oil tankers required the services of a tug on the same day. They stated that in these circumstances there would be no difficulty in arranging for their boat to be used for both purposes. It was also understood that supplies of oil fuel for their vessel would be supplied from Navy stores.. You will doubtless have heard from Mr. Neave full particulars of the proposed system of discharging the tank steamers and supplying H.M. Ships with oil, and I have asked the Director of Contracts to let me have, in time for this mail, a copy of the detailed instructions in regard to the duties to be performed, referred to in his letter of 25th April, copy of which was sent you last mail. In the event of the Company contracting to take charge as is suggested, care will of course be taken to see that it is not made responsible for loss of oil by leakage or fire.

15. Accounts. The annual accounts received with your 591 have now been embodied in the books here.

The Auditors, -for the first time solely professional, -have nearly completed their work and will have

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some recommendations to make with regard to minor matters and these will be the subject of reference later. It is very satisfactory to have got back to our old time table as regards this work and only the final agreement with the Tax Inspector on matters of E.P.D. refund for 1920 and Income Tax prevent the balance sheet being drawn up.

It is unnecessary to go through your comments on the various accounts, seriatim, but all are carefully noted. The several complete abstracts, schedules and statements will also prove most useful.

16. Fitzroy Estate. You will see later from the final accounts that the sum in question £639.19.9. is being transferred to capital account here.

As previously advised you the accounts for this section and Port Louis must for the present be kept separate and transferred at the end of the year to Farm. This is necessary on account of adjustments of E.P.D. and tax.

17. Store Account. Your remarks are noted. The valuation of stock is always a matter of some anxiety to the Board. If however, as you say, you ought to be able to show a small profit in sales in 1922, it should be safe to assume that at any rate there will not be a loss to face on realization.

18. Debtors. Your comments on these are noted but no reference is made to an amount of £594. 1. 10 due from Dr.Craddock at the end of the year. The sum owing 31st December 1920 was £713. 2. 5. Are there any good reasons why the Company should finance, presumably without full security, the West Falkland Doctor? In the absence of further information it would appear that the Company would have to face a loss in the event of his decease.

19. Stanley Office. The proposed apportionment of the

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Stanley Office expenses appears to be a fair one.

I am,

Sir,

Your obedient Servant,

E. B. Goddard.

Secretary.

Enclosures via Liverpool.

Duplicates.

Despatch No. 1226 dated 5th May, 1922

List of cargo per S.S. "Ballena"

General Invoice stores per S.S. "Ortega"

Bill of lading general stores per S.S. "Ballena".

Remarks on Stores

Account Current and vouchers

Remarks on Accounts

List of Enclosures

Additions to Bentleys Code dated 5th May.

List of Cargo per S.S. "Ortega"

Copy of Letter ^{from} ~~xxxx~~ Bischoff & Co. dated 26th April.

ENCLOSURES VIA LIVERPOOL.

Originals:-

- 1 Copy of Cablegrams sent dated 9th, 19th, 22nd & 25th May.
- 2 Copy of Cablegrams received dated 8th, 16th & 25th May.
- 3 Copy of letters from Spearing & Waldron dated 12th & 19th
and our reply of the 18th May. re local charges.
- 4 Copy of letter to the P.S.N.C. dated 16th & 23rd and their
reply of 17th, 20th and 27th May.
- 5 Brokers' reports on Company's Wool & Skins ex "Magellan"
- 6 Wool Market reports dated 19th May.
- 7 P.S.N.C.'s sailing lists No. 10 of 11th May.
- 8 General Invoice - Stores per S.S. "Ballena".
- 9 Copy of letter from P.S.N.C. Dated 19th May.
- 10 Copy of letter from James Smith dated 14th January and
our reply of 9th February.
- 11 Copy of letter from Wm. Cooper & Nephews dated 12th May
also copy of correspondence with Mr. J.R. Robson.
- 12 Clients' Reports:-

MP	3	bales	Sheepskins	ex	"Magellan"
Z	19		"		"
J B	14		"		"
McG	18		"		"
F	20		"		"
H W	1		"		"
- 13 Account Current dated 31st May and vouchers.
- 14 Remarks on Accounts & replies.
- 15 Remarks on Stores & replies.
- 16 Copy of letter from Ratsey & Lapthorn dated 25th May.
17. Copy of letter from Bass & Co. dated 25th May.
- 18 Anning & Cobb's sale catalogues of Sheepskins ex "Magellan"
- 19 Copy of letter from Admiralty dated 30th May re receipts
and issues of Oil Fuel.
- 20 Copy of letter to T.G. Slaughter dated 31st May.

LONDON 31st May, 1922

Added

PRECIS OF DESPATCH NO.1228 per "ORTEGA", 12-7-22.

1. Acknowledges despatches 595 & 596.
2. Slip.
3. Schooners.
4. "Falkland" - steps taken to have Mortgage entry cancelled.
Displacement scale &c. applied for.
Cancel previous instructions re collection of Lively Island produce and command of vessel by Marine Superintendent.
Revision of freights on Stores &c.
5. Hides - shipment of.
Asks for description of weighing machine required.
6. "Great Britain" - no request from P.S.N.C. to move her outside Navy Point.
7. Lloyds certificate - application made for new one.
8. Advises P.S.N.C. reduction on outward freight rates.
Compares with those for Punta Arenas.
9. Pensions of £35 each per annum granted to Peter McPherson and Thomas Burns.
10. Legal action to be taken in Stanley for recovery of £25 from S. Miller.
11. Plan of Stanley required.
12. Pressing of Wool and Skins.
13. Retirement of Chairman reported.

Copy of accounts for 1921 as printed, and in detail, enclosed.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street,

Per s.s. "ORTEGA",

Nº 1228.

London, E.C.3. 12th July, 1922.

Dear Sir,

I wrote last on the 31st May and have since received, - on the 29th ulto, - your despatches Nos. 595/6, dated 4th and 25th May.

2. SLIP. 595.2 & 596.9. The Board has given very full consideration to this matter and the final decision arrived at was communicated to you by cable on the 11th instant, reading as follows:-

"Board unwilling proceed immediately
"slipway pending improvement financial
"outlook. Convey Governor Board's
"thanks for co-operation."

While heartily welcoming and greatly valuing your remarks and criticisms on the subject the Board does not see eye to eye with all you write, and I will therefore set out for your information, and for purposes of record, the salient points of the proposition as they appear to the Directors.

Abstract of unsatisfied by any fact. Take this as a sign of all the floating property - also say what capital expenditure has been restricted

a. Owing to the conditions of tide and the absence of any dock or slipway in Stanley the Company's vessels have hitherto suffered premature deterioration, resulting in unnecessary capital expenditure.

b. All the costs for upkeep and the repairs of vessels must be paid for out of the coastwise freight, and, freight in turn, has to be borne chiefly by produce.

The Farm, therefore, is very directly interested in the economical running of the coastwise vessels

c. The Company has had bitter experience of the appalling charges for ship repair work at Monte Video,

W.A. Harding Esq.,

Manager,

Port Stanley.

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1222. 12th July, 1922.

both in the case of the "Samson", many years ago, and the "Falkland" in 1919 and 1921. The latter cases being largely accountable for the excessive coastwise freights in 1920/1921 which have been the subject of so much protest from all. The only way to avoid a repetition of such expense is to make Stanley independent of the South American ports.

- d. On the authority of one of the most reliable slip engineers in this country it is known that a slip capable of taking the "Falkland", or, hauling up two whale catchers at a time, with provision for side slipping two, - thus insuring that repairs to four boats can be carried on at the same time, - can be completed for £9,000. This sum includes all diver^{work} and excavation, and it is for a thoroughly permanent structure with reinforced concrete foundations throughout.
- e. If no outside business, such as the whalers is secured, it would at the most mean a permanent annual charge for interest of say £450 which, when spread over the Company's vessels, would not represent a heavy annual charge for their proper upkeep.
- f. Whether the whalers would use the Stanley slip in preference to that at Monte Video must always remain purely a commercial proposition. We have letters on the subject from several of the Whaling Companies, and the chief point made by each is that the 2,000 miles of extra steaming to Monte Video would be saved. This is not surprising since it represents an annual additional expense to each Company, owning three catchers, of about £1000. It may be added that the Company has recently been approached by a Whaling Company, asking it to join in a whaling venture and, included in their programme, is a slip for whalers in Stanley.
- g. Little importance is attached to their not giving a guarantee beforehand. This could not reasonably be expected until charges and facilities are known. The Company's

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position is, after all, only similar to a man who pays a large sum for an attractive shop site and has to build without any guarantee of patronage from the public.

h. If then the whaling business is secured the outlay would not constitute a charge on the Company, (as at e), but would be a profitable business which would return in the neighbourhood of 15% to 18%. The total outlay, therefore, coming back in about 6 years, in addition to which coastwise freights would be favourably affected.

i. Your alternative scheme of a small slipway for the craft like the "Kelp", "Plym", etc., represents an outlay from which, owing to its limited capacity, no outside business could be obtained. Moreover, no provision is made for the all important schooners which equally need attention.

j. If your alternative scheme be increased to the capacity necessary to deal with the schooners it must be borne in mind that such a slip would cost from £3000 to £4000 and would still be incapable of handling the whalers, and, therefore, of securing outside revenue.

k. Should the construction of a slip in Stanley be left to the Colonial Government is it not improbable, having regard to the usual extravagant methods adopted by them, that the outlay will be in the region of £20,000? Of that sum the Company would have to bear the largest proportion in the form of extra taxation, and, would receive nothing in return.

At no time would the Board allow any expenditure on a slip to curtail or delay the necessary improvements required on the Farm. The latter, as always intended, are being dealt with first.

The Board highly appreciates the disposition to co-operate in the matter of the slip shown by the Governor, and, as stated in the cable referred to, desire you to express its thanks accordingly.

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3. SCHOONERS. 595.4 & 596.9. Your remarks under this heading have been read with interest and duly noted.

While it is quite possible that the time allowed for the voyage to North Arm in the statement referred to may be too optimistic it is, on the other hand, felt that the experience obtained in working the "Malvina" is valueless, having regard to the vastly improved engines of to-day. The value and usefulness of a motor in any sailing craft is established beyond a shadow of a doubt by the fact that there is now scarcely such a vessel around this coast not so fitted, whether it be a yacht or a fishing boat. Reliable data as to working motored schooners is not likely to be obtainable until the matter is put to the test under modern conditions.

The antiquated system of working the schooners cargo by hand winches must surely be responsible for a great loss of time. Many of the vessels offered us recently were equipped with a motor winch for sail and cargo hoisting. The matter is worth considering further, and enquiries as to cost, etc. will be made.

4. 596.8. Messrs. Lowden Connell & Co. have been communicated with, and they are taking steps to have the entry as to the mortgage on the "Falkland" cancelled and the Stanley Registrar advised accordingly.

The displacement scale and particulars of the pitch of the propeller have been applied for and will be sent next mail.

With regard to the collection of produce from Lively Island, and the question of sending the Marine Superintendent in command of the "Falkland", please consider all previous advices relating thereto cancelled. The Board is of opinion that such matters had better be left entirely in your hands to act as you think best.

It was never contemplated that you could be in any doubt as to whether the suggested revision of freights on

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stores from Stanley should be up or down! The proposal was intended to be in the downward direction but the matter, in view of what you say, had better remain as at present.

5. 596.10. Your remarks and the circular issued to clients on the subject of hides are noted. I would, however, point out that other shipments containing small quantities under separate marks have come forward since the "Oaklands" parcel, and it is practically certain that, as previously advised you, the Brokers will find it impossible to sell them in such small quantities, of various weights, under each mark. If you will advise what description of weighing machine is required on the "Great Britain" in this connection the matter will be gone into.

6. 596.15. So far the P.S.N.C. have made no request or suggestion that the "Great Britain" should be moved outside Navy Point.

It is scarcely probable that any of their vessels as large as the "Magellan" will frequent the port, but if the question should be raised, no better answer could be found than the fact that the special committee of five of their captains, all having a knowledge of Stanley, agreed that it was perfectly safe for the "Magellan" to go into the inner harbour.

7. 596.16. Lloyds certificate is to hand and an application has been made to the Secretary for a new one which will be sent when received.

Enc.

8. Enclosed please find copy of letter from the Pacific Company, dated 4th inst., advising the reduction of freight, - approximately 33 1/3%, - which is being made on shipments outwards. This is all very well so far as it goes, but on comparing the rates which it is intended to charge the Falkland Islands, with those for Punta Arenas, it is far from satisfactory as will be seen from the following:-

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	<u>Class I.</u>	<u>Class II.</u>	<u>Class III.</u>	<u>Class IV.</u>
Old rate	110/-	104/-	92/-	68/-
New " (Stanley)	80/-	70/-	60/-	50/-
" " (Punta)	80/-	60/-	45/-	35/-

The matter will be taken^{up} and a protest lodged, with the Pacific Company at once.

9. The Camp Manager advised in his letter of 10th May that the shepherds, Peter McPherson and Thomas Burns, were both giving up after long service. The Board decided that each should be given a pension of £35 per annum from the date of their leaving the Company's employ. Please advise them accordingly.

10. At a Meeting of the Board held on the 19th June the Directors fully considered the matter of the claim of £25 outstanding against Mr. Sydney Miller of Hill Cove in respect of the charge made for a special trip of the "Falkland" to Darwin in 1919, at his special request and by arrangement with Mr. Houston. Mr. Gresham is well acquainted with the facts of the case and details need not therefore be repeated here.

As it is understood that Mr. Miller absolutely refuses to pay this charge the Board decided that you be instructed to at once take legal action in Stanley for the recovery of the sum owing. Please therefore proceed accordingly.

11. The plans of Stanley and the neighbourhood, filed in this office for reference, are incomplete, inasmuch as they only extend Eastwards as far as lot 39 - Sec. IV. and Westwards to lots 12 and 13. Sec. 10, and of the Suburban lots we have no plan whatever.

What is required, is a comprehensive one shewing Town and Suburban lots, from the Slaughter House paddock on the East to the land bought of Mr. Packe on the West. If you can supply this we shall be obliged.

12. Please draw the Camp Manager's attention to the importance of all bales of wool and skins being sufficiently

1228. 12-7-22.

pressed to insure their coming at the weight rate of freight. It is noticed that the average measurement of the bales of S. wool has of late increased from 29 ^{ft.in.} 5, to 34 ^{ft.in.} 0/- in the case of the "Magellan" shipment. The same remarks apply to the N A wool. From the enclosed statement you will see that in consequence, on these two marks, amounts of £5. 4. 5 and £26.12.0, respectively, have been paid in excess for freight in respect of two shipments only. It should be made clear to all that unless bales are pressed to 18½ lbs. per cubic foot, extra freight will be incurred owing to the measurement rate coming into force.

13. At the Seventieth Annual Meeting of the Company which was held on the 3rd instant, Mr. F.E.Cobb, whose service with the Company has extended over fifty-five years, resigned his position on the Board; Mr. Rhodes H.Cobb being elected Chairman in his place.

A copy of the accounts as printed, and in detail, is sent herewith as usual for your private information.

Yours faithfully,

E. A. Goddard

Director & Secretary.

ENCLOSURES per "ORTEGA"

Originals

- 1 Copy of Cablegrams sent dated 9th, 15th June & 11th July.
- 2 Copy of Cablegrams received dated 2nd, 12th, 15th, 23rd 24th June & 7th July.
- 3 General Invoice stores shipped per S.S. "Oriana"
- 4 Bills of Lading cargo per S.S. "Oriana"
- 5 List of General Cargo per S.S. "Oriana"
- 6 Copy of Letter from T. & S. Plum dated 30th May with prices for new season's butter.
- 7 Copy of Letter from Wm. Cooper & Nephews dated 3rd June re sale of their dips in the Islands.
- 8 Copy of Letters from W. G. Benney of 14th & 17th and our reply of the 15th June.
- 9 Company's printed Report & Balance Sheet for 1921
- 10 Wool market report dated 23th June.
- 11 Brokers' Wool reports on:-

S	130	Bales Wool ex "Magellan"	
AP	101	"	"
P	2	"	"
WED	51	"	"
MP	74	"	"
F	239	"	"
JE	135	"	"
WP	40	"	"
- 12 Copy of letter from P. S. N. C. dated 4th July quoting revised rates of freight on outward cargo.
- 13 P. S. N. C.'s sailing lists No. 14 re latest movements of their cargo vessels.
- 14 Statistics of weight & measurement of S. Mark Wool.
- 15 Copy of letter to J. Houston dated 5th and his reply of the 10th July.
- 16 Account Current dated 12th July and vouchers also Final Account to 31st December, 1921.
- 17 Remarks on Accounts.
- 18 Remarks on Stores.
- 19 Detailed Balance Sheet & P. & T. Account for 1921.

LONDON 12th JULY, 1922

Enclosures via Liverpool.

Duplicates.

Despatch No.1227 dated 31st May.

List of Enclosures

Account Current dated 31st August.

Remarks on Accounts

Remarks on Stores

List of Clients' Cargo per S.S."Oriana"

Supplementary Remarks on Stores

List of Parcels.

PRECIS OF DESPATCH NO.1229 per "ORIANA", 30-8-22.

1. Acknowledges despatch No.597.
2. Noted schooners can carry up to 12 passengers without certificated master.
3. "Kelp" - safe delivery
towing capacity.
4. Bischoff & Co's letter - Encloses one from Mr.Packe on the
subject.
5. Slipway - Foundry Site.
Tender received for £10,500.
6. Renewal of lease 22a noted.
7. Brecht & Co.
8. Oil installation - Contract with Admiralty for administering.
9. A.Morrison's certificate for 100 shares in F.I.T.Co' received.
10. Sale of stone cottage near Sullivan House.
11. Coal for "Falkland".
12. Wool prices.
Rams from Coast.
13. Advises reduction in Outward freights.
14. Plans of "Falkland", sent.
15. "Falkland", Mortgage documents being sent you by Lowden Connell
& Co.
16. "Falkland", windlass, Dynamo and electric wiring.
17. Lloyds Agent - certificate of appointment herewith.
18. "Plym", - asks for views as to selling.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORIANA",

Nº 1229.

London, E.C.3. 30th August, 1922.

Dear Sir,

Since writing you last on the 12th July, your despatch No.597 has come to hand. It was delivered here on the 24th inst.

2. 597.2. It is satisfactory to hear that the Government will permit the schooners to carry up to 12 passengers without a certificated master.

3. 597.3. The safe delivery of the "Kelp", ex the s.s. "Ballena" is pleasing news as also is your good opinion of her. Your cable of the 25th July, sent after testing her towing capacity, is especially satisfactory, and a copy was at once sent to the Admiralty. So far nothing further has been heard from them on the subject.

In connection with the request sent you to test her under actual towing conditions, it should perhaps have been explained that although the little vessel had frequently towed the 1000 ton lighters at Richborough, these were, if at all, only lightly loaded. The experience at that port, therefore, gave no reliable indication of her ability to handle a 500 ton fully loaded barge.

4. 597.4. Your memorandum and Mr.Packe's further explanations on the subject will no doubt clear up the points raised by Messrs.

Enc. Bischoff & Co.- Copy of letter from Mr.Packe dated 24th inst. enclosed.

5. 597.5. Your reports as to the impracticability of the foundry site for a slipway is quite in line with the opinion given us by experts here many times during the past eighteen months, and the only reason for referring the matter to you again was explained in No.1225 par.18.

W.A.Harding, Esq.,

Manager,

Port Stanley.

(2)

1229. 30th August, 1922.

As, however, the matter is now in abeyance, there is no object in discussing the points raised in your despatch, except, perhaps, to say that with regard to the probable cost that all doubts are set at rest by a tender we have received to construct the slip, - 600 tons capacity, - provide all labour, material, diver, etc. and hand over a finished job. The terms being £10,500 maximum, with the understanding that if, on the basis of cost plus 10% the costs work out less than that sum, the difference between the £10,500 and a minimum of £9500 to be divided between the Company and the contractors. The contractors feel confident of securing a handsome profit on this basis for themselves, and the acceptor.

6. 597.6. The renewal of the lease of 22a Part of West Cove Reserve is noted.

7. 597.7. The Brecht Company's claim for £879. 1. 4. is only admitted in the sense that there is no question whatever that it was the amount of their draft, - acceptance of which was refused, - for the balance of their account.

The result of the investigation into the whole matter, made by me when in Stanley, and as reported at the time to the Chairman, disclosed the following facts:-

Weiss, when in South America, placed orders for the goods enumerated in Brecht Company's account. Some of these orders were confirmed by cable communication between Mr. Houston, Weiss and Brecht; others were not. No definite prices were agreed for the goods between Weiss and Brecht, only approximate figures being given, which, in invoices subsequently rendered, were largely exceeded. I was informed that all the goods charged for by Brecht had been duly delivered in Stanley, and accepted by the Company.

When Brecht's draft for £879. 1. 4. was refused acceptance in London and cable advice sent to Stanley, it was in the hope that some of the goods unauthorised by the Colonial Manager would be stopped or refused acceptance. This proved to be impossible, or at any rate, it was not done.

(3)

1229. 30th August, 1922.

Therefore, the Company having received and accepted the goods, it is highly probable that if Brecht decided to sue the Company in London they would, at any rate, obtain a substantial portion, if not all, of their claim.

When casings, for which they had contracted, were tendered to them with draft attached, it was not in the least surprising to us, in view of their outstanding contra account, to learn that they refused to take up the documents. That being so, and realizing that the question of a settlement with the Brecht Company would have to be faced sooner or later, it was deemed better to let them have the casings, and so by that means, establish a contra account in our favour. Had the casings been a readily saleable article, this line would not have been taken, but at that time we knew that Australian casings were lying in London practically unsaleable, having arrived 12 months before.

The Board considers Messrs. Brecht's action in executing any of the orders for machinery, given by Weiss, without obtaining the Colonial Manager's approval, most unwarrantable, also that the prices were exorbitant and unreasonable, but as I said before, by accepting the goods the Company's position has been compromised. Summarising the matter, the whole business is regarded as most unsatisfactory. It must be left in your hands to make the best possible settlement, and if you can obtain any abatement of their account, so much the better.

8. 597.9. Your remarks on the subject of the proposed contract with the Admiralty have been closely followed by the Board.

The impossibility, at this stage, and until actual experience has been gained, of estimating what sum should be charged for the work to be performed is fully appreciated. The suggestion that we should get the Admiralty to agree to your keeping a strict account of actual costs incurred for the first year of working and on that arrive at a charge to be made on a tonnage basis is recognised as sound, but it is felt that it may

1229. 30th August, 1922. (4)

perhaps be undesirable to give them so much information.

It is generally understood here that the supplies of oil in the Falklands will be largely in the nature of a reserve in case of trouble, and that once the stock is established the calls of H.M. vessels, and consequently their requirements, annually, will not be very large. That being so it is thought that it might be better to suggest for the first year a lump sum of say £2000 or £2500. Such a sum would appear to leave a safe margin for a good profit and is one which it is thought the Admiralty would agree to. After all, as you say, the value of the stocks of oil, etc. will run into a very large figure, and, by undertaking the proposed work for them at £2000 we should certainly be saving them a considerable sum annually. The Board will be pleased to have your views on this proposal.

Your reference to the desirability of the permanent official being a nominee of the Admiralty will be kept in view.

9. 597.10. The certificate for 100 Shares in the names of Alex Morrison and Robt. Grant, in the Falkland Islands Transport Co., is to hand.

Enc. 10. 597.11. In the copy of Mr. Packe's letter enclosed, - also referred to in par.4, - you will see the views held with regard to the proposed sale of the stone cottage near Sullivan House. If on reading this you consider it desirable to let the Governor have the property the price indicated would be satisfactory. The deeds are here and can be sent to you if required. According to them one and a half acres of land go with the cottage.

11. 597.12. The point raised by the Chief Engineer of the "Falkland", on the subject of coal supplies is certainly important, and will be kept in view. In speaking of coal of a 20% greater efficiency he of course is referring to best South Wales Steam Coal, which is the best in the world for steam purposes. During the war, and until the beginning of the year, this quality was practically unobtainable. As you are aware, considerable quantities of North Wales Coal from the Brynkinalt mine were sent

229. 30th August, 1922.

out from time to time for the reason that it was found suitable for both steam raising and household use. When indenting for your future requirements it will be well to indicate for which purpose the coal is required.

In a separate paragraph you will see that coal freight out by the Pacific Steam Navigation Co. steamers is reduced from 45/- to 30/- per ton.

In connection with this matter please send us particulars of the arrangement made by Lowden Connell & Co. with the Chief Engineer regarding a coal bonus paid him.

12. 597.14. The wool shipped by the s.s. "Magellan", was offered in Public Sale on the 25th and 31st July, and prices obtained were most disappointing. From the catalogues sent herewith you will see that while the D.M. mark touched 12½d the average for the Company's clip was no better than 7½d to 8d. against which the cost of production and marketing is to-day about 8½d. It is unnecessary to emphasize the seriousness of the position indicated by these figures; they speak for themselves and clearly point to the vital importance of improving the quality of the wool grown. This matter is having the Board's most anxious attention as you will have gathered from the Company's cable sent you on the 28th instant.

In reply to cable enquiries sent to New Zealand through two different sources we are informed that Stud Romney Rams are quoted at £30 to £40 and flock rams at £10 to £12. This with freight at about £15 each to be added makes the importation of a sufficient quantity to make any rapid improvement in the Company's flock, prohibitive. We are therefore thrown back on the Coast. It was accordingly decided to cable you very fully on the subject, and in such form that you could lay the message before the Governor as an appeal, from all Farmers here, to sanction the importation. At the same time it was stated that Mr. Blake offered the Government the use of Rapid Point, Shallow Bay Paddock and dip thereon for any period of extended quarantine the Government deemed it necessary to impose.

1229. 30th August, 1922.

(6).

For your information I would state that we have been in negotiation with all the New Zealand Lines in a position to help us and none look favourably on the proposal of a direct shipment.

Mr. Slaughter has arrived safely and attended the Board last Monday when the above matters were in discussion.

13. I am pleased to advise a satisfactory reduction made by the Pacific Co. in freights outwards.

	<u>Class 1.</u>	<u>Class 2.</u>	<u>Class 3.</u>	<u>Class 4.</u>	<u>Coal.</u>
The old rates were	110/-	104/-	92/-	68/-	45/-
The reduced rates will be	80/-	70/-	60/-	50/-	30/-

Subject to 10% Primage and a special rebate of 20%. This is for mail steamers.

Enc. For cargo steamers the rate will be 55/- net for all general cargo. Copy of correspondence is enclosed.

Enc. 14. Herewith please find the following plans relative to the s.s. "Falkland": - General Arrangement, - Midship Section, - and Displacement Scale.

15. Messrs. Lowden Connell & Co. advise that the documents in connection with the expired Mortgage on the vessel, - referred to in your 596. 8, - are being forwarded to Port Stanley for registration.

16. With reference to your requisition for a new windlass for the s.s. "Falkland", it is as well to first explain the system which is to be followed in such matters.

Arrangements have been made with Mr. T. Kennaugh of Liverpool, - who acted for Messrs. Lowden Connell & Co. in the capacity of consulting marine engineer in all matters relating to the vessel, - to continue to employ him in that capacity. All indents for replacements, etc. will be submitted to him for advice. Enclosed please find letters exchanged with him with regard to the windlass, and a cable will be sent you asking if you consider that the parts he suggests supplying will put it in order.

(7)

1229. 30th August, 1922.

With regard to the dynamo, if you have not shipped it home on receipt of this, please cable if you decide to have a new armature and commutator complete, as suggested by Mr. Kennaugh in his letter of 22nd August.

As regards the electric light wiring, please note his remarks. Is it necessary to rewire the whole ship? If so, the length required should be stated.

17. By this Mail is sent Lloyd's Official Form of Appointment as Lloyd's Agent, asked for in a recent despatch.

18. Now that you have got the "Kelp" in running order, the Board will be glad to have your views as to the advisability of selling the launch "Plym".

Yours faithfully,

C. H. Sordani

Managing Director.

8.10.22 from 27

Will be returning as an Agent for some time beyond the submission of the agent's report. He informs us that up to the present he has not received anything in respect of the coal bonus provided for in that report, and we are glad if you will kindly give the amount due and arrange for payment to him. No reply

ENCLOSURES VIA LIVERPOOL

ORIGINALS

- 1 Copy of Cablegrams sent dated 19th, 20th July & 23rd August.
- 2 Copy of Cablegrams received dated 19th, 20th, 25th July, 21st 26th August.
- 3 Copy of letters from the P.S.N.C. dated 27th July & 1st August & our reply of 28th July re homeward freight.
- 4 Bills of lading cargo per S.S. Ortega
- 5 List of General Cargo per S.S. "Ortega"
- 6 Auning & Cobb's -riced Sheepskins catalogue of 14th July sale.
- 7 DuCroz Doxat & Co's priced Wool catalogue of 25th & 30th July sales.
- 8 Wool market reports dated 3rd August.
- 9 Copy of letters to the P.S.N.C. dated 14th, 27th July & 22nd Aug. & their replies of 26th July 10th & 23rd August re outward freight rates.
- 10 Copy of letter from the Gramophone Co. dated 26th July.
- 11 General Invoice goods per S.S. "Ortega"
- 12 Copy of letter from Lowden Connell & Co. dated 13th July re Chartres case No. 36 in dispute, per "Oriana"
- 13 Copy of letter from Read Brothers, Ltd. dated 19th July.
- 14 Copy of letter from John Ietham & Sons dated 12th August re prices of Hams .
- 15 Copy of letter from T.T. Kennaugh & Co. dated 12th July.
- 16 P.S.N.Co's sailings of Intermediate vessels No. 15 of 17th Aug.
- 17 Brokers' reports on Co's Sheepskins ex "Losada"
- 18 Brokers' reports on Clients Sheepskins ex "Losada"
- 19 Lloyd's certificate dated 6th April, 1921
- 20 Copy of correspondence with Brecht Co. re draft for £341.4.9
- 21 Copy of letter from the Bank of England dated 2th August re Mobil Middleton.
- 22 Copy of letter from Wm. Gibson & Sons dated 23rd August re quality of Paints &c. supplied.
- 23 Original letter from Craigie Halkett dated 23th June to Stoddart & Mansford & P.O's for 12/6 returned.
- 24 Blue Print - Deadweight scale, Midship section, & General arrangement plans S.S. "Falkland"

- 25 Copy of letter to T. Kennaugh dated 21st 23rd. & 26th August
and his replies of 22nd & 24th August.
- 26 Account Current dated 30th August and vouchers.
- 27 Remarks on Accounts.
- 28 Remarks on Stores.
- 29 Copy of letter from Mr Vere Packe dated 24th August.
- 30 Rowson's invoice for Sash Weights shipped per S S. "Oriana"

London 30th August, 1922

Enclosures via Liverpool

DUPLICATES

Despatch No. 1228 dated 12th July, 22

List of Enclosures

Statistics of weight & Measurement of Wool 8 mark

Proforma List of Clients' Cargo per S.S. "Ortega"

List of Parcels.

Remarks on Stores

Account Current dated 12th July, 22 and vouchers.

General Invoice goods per "~~Ortega~~" Oriana"

List of General Cargo per S.S. "Oriana"

Additions to Coade dated 12th July, 22

Remarks on Accounts .

Clients Wool Reports:-

AP	101	bales	Wool	ex	"Magellan"
P	2		..		..
HP	74		..		..
S	100		..		..
WP	40		..		..
F	289		..		..

PRECIS OF DESPATCH NO.1230 per "ORTEGA", 11/10/22.

Acknowledges despatches Nos. 598 & 599.

1. Coal - Price charged Clayton Son & Co.
2. s.s."Falkland", & "Gwendolin", - statement of daily running cost asked for.
Not advisable make contracts with clients.
3. "Kelp", towing capacity - further information passed to Admiralty.
4. Fitzroy Accounts. Explains why they should be kept separately from the Farm accounts.
5. Dr.Craddock's Accounts.
6. "Bertha", wreck logs.
7. Farm Wages - reduction satisfactory.
8. "Kelp's", boiler - Mr.Morrison's report enclosed.
9. Mrs. Robson's debt.
10. P.S.N.C. freight rates - now on a par with Punta Arenas.
11. s.s."Falkland", - special trip at request of Mr.Miller.
12. 599.8. Obligated for remarks.
13. Admiralty land.
14. Millinery goods - Memorandum enclosed.
15. Sheep from the Coast.
16. Wool Market reports.
17. Speedwell Island - Taking over of by the Company.
18. Yacht for Mr.Slaughter.
19. Motor Winch for "Gwendolin".
20. s.s."Falkland", passenger service.
21. Mr.T.G.Slaughter returning this mail.
Assistant Camp Manager to reside at Darwin or Goose Green.
22. J.A.Craig for Darwin. Agreement enclosed.
23. Windlass parts for "Falkland". Correspondence with Mr. Kennaugh enclosed.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street,

Per s.s. "ORTEGA",

Nº 1230.

London, E.C.3. 11th October, 1922.

Dear Sir,

I have to acknowledge the receipt, on the 25th ult. and 2nd instant respectively, of your despatches Nos. 598 and 599 of the 9th and 16th August.

1. 598.3. Messrs. Clayton Sons & Co. have, so far, raised no question with regard to the price charged for coal. Should they do so the information you give will be useful.

2. 598.4. Your remarks on the subject of running the "Falkland" and the "Gwendolin" are noted. We shall be glad to have, for future reference, a statement showing what you calculate the present daily cost to be of running the steamer and the schooner when in commission.

Until ocean freights are considerably reduced from their present level, it is not considered advisable to make any hard and fast contracts with clients for a period of years. The circular you have issued is all that is necessary.

3. 598.7. The further information as to the towing capacity of the "Kelp", has been passed on to the Admiralty.

4. 598.8. The necessity for keeping the Fitzroy and Port Louis accounts separately from those of the Farm has only lately arisen in consequence of the Inspector of Taxes having reopened the question of the adjustment of E.P.D. and Income Tax on Mr. Packe's business taken over by the Company. When these figures are no longer brought into the three years average, the accounts can again be merged with those of the Farm.

W.A. Harding, Esq.,

Manager,

Port Stanley.

(2)

1230. 11/10/22.

5. 598.9. The Board has followed closely your remarks on the subject of Dr.Craddock's account, and has instructed me to state very definitely, - particularly for the information of your successor, - that it strongly disapproves of the practice of financing anyone in the Falklands, and particularly those outside the Company, in this way. It would like to know why credit to the extent of £713. 0. 0. was ever allowed to a person earning only about £500. 0. 0. per annum.

In these days when the Company is having to pay 8% for money borrowed on Debentures it is simply not "business" to allow such credit. For this reason too the Board wishes every effort made to reduce the Store and Butchery debtors to the smallest possible compass in order that capital so locked up will be released and available for the reduction of the Debenture issue as soon as possible.

To take one instance only from the list of June Store Debtors, it is not considered that even a Government official like Mr.Craigie-Malkett should be allowed to have a balance of approximately £173. 0. 0. outstanding. There may be many others as to whom the Board cannot, without more detailed information, express an opinion, and it can only be left to the Colonial Manager to carry out the Board's wishes in all cases.

6. 598.10. Your remarks are noted.

With regard to the "Bertha" logs, Messrs. Denny, Mott & Dickson, - who reported so favourably on the log forwarded by the "Oruba", - have been asked to place it with manufacturers who use that class of cedar with a view to obtaining their further report as to its condition and value.

7. 598.11. The reduction in Farm Wages for the half year is satisfactory.

8. 598.12. Your remarks, and Mr.Peters's report on the

(3)

1230. 11/10/22.

defect in the "Kelp"s" boiler were submitted to Mr.Morison, who inspected the vessel at Richborough and his report and suggestions are enclosed.

The boiler was removed for shipment in Liverpool, under the supervision of Mr.Kennaugh, and it is unfortunate that he did not^{detect and} remedy the trouble then.

9. 598.13. The Board is pleased to hear that something may be recovered from the amount owing by Mrs. Robson.

10. 599.5. Your remarks on the question of the Pacific Company's freight rates are appreciated. You will, however, have seen from recent correspondence with them that we have obtained, what we have long fought for, viz. that rates on wool and skins from the Falklands should be the same as from Punta Arenas. This concession was certainly only given because they were made to realize there was a possibility of losing some of our clients' freight.

11. 599.7. The Board has given close consideration to your memorandum of 14th July, on the subject of Mr.Miller and the special trip of the "Falkland".

The late Chairman and other Directors distinctly understood from Mr.Gresham that he and others in the office at the time all heard the conversation between Mr.Miller and Mr.Houston which resulted in the "Falkland" being despatched. For this reason it was natural to assume that ample evidence would be obtainable in Stanley of the fact that the trip was made solely to meet Mr.Miller's wishes, and the Board accordingly gave instructions to prosecute. It is now very disappointed to hear that you rely on evidence being supplied from this side. If this is really the position, it would, of course, be futile to pursue the case further, and the Company will be saddled with the net loss of £50.

12. 599.8. I am obliged for your remarks.

13. 599.10. Should the Admiralty approach us on the

(4)

1230. 11/10/22.

subject of their land referred to, your comments will be borne in mind.

14. Every endeavour has been made in placing the indent for Millinery goods, shipped by this mail, to ensure that the most suitable and saleable articles are sent. As a guide to buying in future a memorandum is enclosed for the attention of Mrs. Biggs. Please ask her to answer the questions thereon.

15. The Board was very glad to receive your cable of the 21st September, advising that all restrictions against importation of live stock from the Coast have been removed.

Following on this it is practically arranged that

Hill Cove will take	75	rams	150	ewes
Port Howard " "	75	"	150	"
Chartres " "	20	"	—	"
	170	"	300	"

all from the San Julian Sheepfarming Co.

Enquiries are being made by cable as to the possibility of buying suitable stock further south. If this proves possible the suggestion is that the San Julian sheep should be first brought over by the "Falkland" and landed at Rapid Point and that she should then return to, either Rio Gallegos or Punta Arenas for about 400 rams for the Company and 100 for Mr. Geo. Bonner. When it is known that the latter rams are available it will be arranged for Mr. Slaughter to continue his voyage in the "Ortega" to Punta Arenas to select the sheep for the Company and to return to Stanley in the "Falkland". It is hoped that you will be able to get the Government to agree to this second shipment being quarantined in one of the Company's islands, - Swan or Great Island has been suggested, - from whence they could easily be transported later to Egg Harbour and San Carlos. Immediately anything definite can be arranged with regard to the second shipment a

1230. 11/10/22.

cable will be sent you in answer to the Governor's question as to when imports are likely to commence.

16. I understand that you are under the impression that further information might have been sent you from time to time with regard to the position of the Wool Market. It is difficult to see what more could have been done, for our records show that every market report, - without exception, - issued by the Brokers, has been sent you, together with copies of all sale catalogues received, and in addition to this, the "Times", in the columns of which the daily reports appear. In fact you have before you all the information that we ourselves receive.

The realization of the Falkland wools has this year been unduly delayed, but this was unavoidable as explained in my 1224. par. 6. The first shipment from Stanley, - the "Magellan", in March, - could not be offered at sales until July, and the relative reports and account sales were sent you by the first opportunity, viz. the "Orizaba", on the 31st August. The second shipment in May, the "Losada", is not yet sold, but will be put up on the 16th instant.

17. The position of the Island Accounts, particularly that of Speedwell, is a matter which of late has occupied the serious consideration of the Board.

Owing to the hopeless financial position in which this account stands, and the fact that the Lessees have now no competent or responsible person to look after their business, the Board has offered to cancel the debt as at 30th June and take over the stock and property. Something is likely to be definitely arranged within the next few days, when a cable on the subject will be sent you.

18. Mr. Slaughter has bought a small 4 ton yacht, and Mr. Soren Christensen has kindly consented to it being shipped from Cardiff in the whaler "Orni". He has not said what freight, if any, will be charged. Just as the yacht is

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being put on board we are informed that the carrying of this cargo, - she has no other, - will make the steamer liable for light dues, amounting to £50 to £60. The Agents - Messrs. Cory Bros. & Co. Ltd. will endeavour to get around the difficulty and should they be successful, we have requested them to tell the Captain that he will receive a gratuity in Stanley. Please arrange this with Mr. Slaughter.

19. In your No. 595. par. 4., you referred to the appalling waste of time in working cargo into and, out of, the schooner, in consequence of it being done with a hand winch only. Enclosed is sent a circular of the Widdop-Invincible Deck Motor Winch which has been reported on to us by our consulting engineers as a thoroughly reliable proposition. Its capacity, 7 cwt., we are assured, can be depended on, and this should be sufficient for dealing with 90% of the cargo usually carried. It is run on paraffin, is capable of unloading 20/25 tons an hour, against the 5 tons an hour by the existing hand winch. The cost f.o.b. is £100. If, after consultation with Capt. Roberts, you decide that it is suitable for the "Gwenddlin", please advise, and it shall be shipped immediately.

20. With reference to the passenger service provided by the s.s. "Falkland", you are doubtless aware that reports have reached the Board from time to time of the positively filthy condition in which the saloon, cabins, closets, linen, - in fact everything connected with the passenger accommodation, - was kept when under Captain Owen's command.

The Board feels confident that Capt. Roberts would never permit such a state of things to exist, but at the same time, it will look to the Colonial Manager to make it his business to see that there shall not again be grounds for such complaint.

With the limited accommodation the vessel has

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the cost of keeping it painted and thoroughly clean cannot be great, and it is the Board's wish that it should be always kept in such a way as to be a credit and not a reproach to the Falkland Islands Company who are now known to be solely responsible for the service.

21. Mr.T.G.Slaughter, who is returning with this mail, has attended the meetings of the Farm Committee of the Board, and several matters in connection with the Farm, and policy generally, have been discussed and settled.

The Board has decided that it will be better for the Assistant Camp Manager to reside at Darwin or Goose Green so as to be in closer touch with Mr.Slaughter and available to be sent as required to either section.

22. Enclosed please find a copy of agreement with Mr.James A.Craig, who has been engaged to go to Darwin.

Yours faithfully,

E. B. Goddard

Managing Director.

23. Copies of correspondence with Mr.T.T.Kennaugh on the subject of the windlass parts for the "Falkland" will show you the present position.

Enclosures per S.S. "Ortega" via Liverpool.

Originals

- 1 Copy of Cablegrams sent dated 31st August, 1st & 18th September
- 2 Copy of Cablegrams received dated 28th August, 21st & 23rd Sept
- 3 General Invoice stores shipped per S.S. "Oriana"
- 4 List of General Cargo per S.S. "Oriana"
- 5 Bills of Lading cargo per S.S. "Oriana"
- 6 DuCroz Doxat & Co's sale catalogue of 12th Sept. sale
- 7 Jacobb Hoare & Co's sale catalogues of 5th, 11th & 15th Sept.
- 8 DuCroz Doxat & Co's Wool Market reports of 15th September.
- 9 Copy of letter from the Gramophone Co. dated 4th September
covering copy of Mr Hoare's letter of 28th August
and their reply to him of the 4th Sept.
- 10 Copy of Brokers' reports on Company's Wool per S.S. "Losada"
- 11 Clients Reports:-

H & B	62	bales Wool ex "Losada"	
Z	70	"	"
Heart	155	"	"
H G C	12	"	"
W E D	37	"	"
H W	13	"	"
CLUB	17	"	"
AB	4	"	"
McG	32	"	"
R B C	32	"	"
J B L	23	"	"
D H	17	"	"
W P	28	"	"
P H	8	"	"
J H E	182	"	"
J H D	147	"	"
S & S	128	"	"
L	39	"	"
HP	218	"	"
JB		"	"
- 12 P.S.N.Co's sailing lists Nos. 17, 18 & 19 of 1922 (Intermediate)
services
- 13 Mr A.F.Cobb's letter of 23rd May & Capt. Owen's receipt also
A/sale for 4 Hides ex "Oaklands" returned.
- 14 Account Current dated 11th October and vouchers.
- 15 Remarks on Accounts.
- 16 Remarks on Stores.

- 16^A Illustration & price of Widdop Invincible Deck Motor Winch
supplied by The Widdop Engine Co., Ltd.
- 17 Copy of James Arthur Craig's agreement dated 20th September.
- 18 DuCroz Daxat & Co.'s Wool circular dated 10th October re opening
sale
of the seventh series prices
- 19 Walter D. Fair & Co's invoice for T.G. Slaughter
- 20 White Bidsdale & Co. invoice for Toys shipped per S.S. "Ortega"
for Rev. L.M. Migone.
boat
- 21 Motor Manual & Boatbuilding Simplified Books for T.G. Slaughter
- 22 Particulars of freight Returns on homeward produce ex "Magellan"
- 23 Copy of letter from J. T. Kenneough dated 22nd, 23rd & 26th and our
replies of the 25th & 27th September.
- 24 Copy of letter from M.M. Arthur Morison dated 26th September re
Tug "Kelp".
- 25 Additions to Bentley's Code dated 11th October.
- 26 Memorandum for attention of Mrs Biggs dated 11th October.

LONDON 11th October, 1922

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

Per SUPPLEMENTARY MAIL

61, Gracechurch Street,

Per "ORTEGA",

N^o 1231

London, E.C. 13th October, 1922.

Dear Sir,

1. Referring to your 596. par.12, and your memorandum dated 20th July, 1922, I had a long interview yesterday with Mr. Lewis, - the General Manager of the P.S.N.C., - with regard to cargo shortlanded at Stanley and your relative claims.

He volunteered the admission that previous to a year ago, when he assumed control, there had been great laxity on the part of officers in connection with the correct delivery of cargo, but that since then every officer in their fleet has been given to understand that his future promotion will depend not only on his qualifications on the bridges, etc., but also on the accuracy with which the cargo, for which he is responsible, turns out. He stated that the improvement which had resulted from this was remarkable and that he had every reason to believe there would be little ground for complaint in future. This appears to be borne out by the small number of cases over carried in the later shipments shewn on your list.

With regard to the claims actually outstanding he stated that the fullest enquiry had been made of the ships' officers in each case, and that they had received their assurance, which was supported by their tally books, that the whole of the Falkland cargo received had been discharged. He complained, - and we could not deny, - that it was very unreasonable to allow such a long time to elapse between the delivery ^{from the ship} ~~of the goods~~ and the date of claiming as it gave little opportunity for the investigation of the matter with the officers

W.A. Harding, Esq.,

Manager,

Port Stanley.

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concerned. For instance:-

	<u>In Stanley</u>	<u>Claim dated</u>	<u>After arrival.</u>
the "Oruba",	7th Nov.1921	31 May.1922	over 6 months
the "Orcoma",	30th Nov.1921	31st May 1922	6 months

He saw our difficulty of tallying out of the steamer and while not admitting they would meet our claims, rightly said that claims should be made immediately they were discovered when the cargo is being "carefully checked out of the lighters", as per your memo.

While declining to admit their liability he was prepared to compromise with us over the "Orcoma" claim, £48. 3.11., and "Oriana" £49.10. 5. and this proposal, - to pay half, - was accepted.

2. With reference to the shortage in 1920 of J.L.W. 2 bales of wool, referred to in our remarks on accounts sent this mail, enclosed please find copy of letter from Messrs Jacomb. Hoare & Co. dated 11th October and one from Messrs. Spearing & Waldron of the 10th instant.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO. 1232 per "ORDPESA", dated 29/11/22.

1. Acknowledges despatch No.600.
2. Rams from Coast.
3. Plans of Stanley - Sale to Government of 3 plots of land.
4. Floating property - condition of.
5. "Kelp", - propeller trouble.
painting and varnishing.
6. "Falkland", - Miller trip.
7. Outbreak of lice amongst Port Louis sheep.
Progress of new dip and wharf at Fitzroy noted.
8. Wireless communication.
9. Loss of cutter "Exe".
10. Capt. Roberts's salary increased by £100 per annum.
Mr.Peters granted leave of absence.
11. Mr.Roberts's report on condition of "Falkland",
Windlass and dynamo.
12. Wool sales catalogues enclosed.
Prices obtained show satisfactory advance.
13. P.S.N.C. rate of freight on wool reduced to £5 per 1000 Ks.
14. Wool collection - resheathing and engining "Lafonia",
"Gwendolin" carrying capacity.
Thornycroft's Representative to inspect schooners.
15. Speedwell Island.
16. Closing of "Falkland" and "Gwendolin" accounts. Balance
to be passed to London.
17. Mr.A.W.N.Vincent appointed Chief Clerk sailing this
opportunity.
18. C.G.A.Anson Mortgage to be paid off.
19. Moorings for Admiralty barge.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street,

Per "OROPESA".

N^o 1232.

London, E.C.3. 29th November, 1922.

Dear Sir,

I wrote you last on the 13th October, and have now to acknowledge the receipt, on the 18th November, of your No.600, dated 27th September.

2. 600.2. Your account of the negotiations with the Governor has been read with interest. The Board appreciates the success which has attended your effort for the removal of the restrictions, and also the way in which the Governor has co-operated throughout.

In view of the fact that you would not learn until the receipt of despatch No.1230 that Messrs. Holmsted & Blake, and J.L.Waldron wished to import ewes as well as rams from San Julian, a cable was sent you on the 2nd instant to this effect so that separate quarantine arrangements might be made. The information that James Smith recommends Ruggles Island was also passed on and this, having regard to his local knowledge, should be useful. It was very satisfactory to hear from your cable of the 11th instant that all necessary arrangements for quarantine and dipping had been made.

The arrival of the s.s."Falkland", at San Julian on the 17th instant was advised by cable, and we have since heard of the shipment of 200 rams and 300 ewes. We trust these will be delivered safely in the Islands and shall be glad to hear that the "Falkland", has returned to Punta, or another port, for rams bought by Mr.Slaughter

On the 3rd instant a cable was sent to Mr.Slaughter. at the request of Mr.Packe, asking him to buy, if possible, 50 rams for Messrs. Packe Bros. & Co. This matter will no doubt be receiving attention.

W.A.Harding, Esq.,

Manager,

Port Stanley.

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No arrangement or agreement has been made here with regard to the freight to be charged to the respective interests for this service, as it is impossible to foresee what time will be taken by the steamer on the two trips. It is therefore left to you to debit the various parties on this basis when you are able to determine the cost.

3. 600.3. We shall be very glad to have the plans of Stanley to which you refer. The manuscript memorandum of 10th July 1899 is filed here but the list dated 12th April 1899 cannot be traced. Kindly send a copy.

With regard to the 3 10 acre plots West of Stanley, the Board is quite prepared to consider the sale to the Government should the Government at any future time desire it.

4. 600.4. I have to thank you for compiling the list of floating property which is to hand and is undoubtedly historically most interesting. Notwithstanding the ripe age of the hulks cited it is the simple fact that all the Company's vessels in Stanley which, on account of the small rise and fall of tide and the absence of a dock or slipway, cannot have their under water parts properly scraped, repaired and painted annually, do in consequence suffer premature deterioration. The "Samson", and the "Lafoonia", might be taken as striking instances. Had a slipway been available the former could have had her old standing stern post trouble repaired and a new boiler fitted, and the latter could have been refastened and would then not have been in the present semi-condemned condition.

5. 600.6. It is satisfactory to know that you were able to beach the "Kelp" and remedy the propeller trouble,- it would have been interesting to know the nature of it,- and more so that you see your way to hauling her up for annual painting.

With regard to the black varnish, marine experts inform us that its efficiency has been established beyond doubt

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throughout the country here, but that like any other preparation, it will not hold if put over rust or wet. It would appear from what you say that this was the cause of the trouble and that the plates were not properly scraped and cleaned or perhaps dry, before the varnish was put on at Richborough.

6. 600.7. The Board's opinion on the "Falkland"-Miller incident was stated fully in my last despatch (1230.11) and there appears to be nothing in your remarks to hand to cause it to alter its opinion.

7. 600.8. Your report on the outbreak of lice amongst the Port Louis sheep is noted with regret. Please convey to Mr. Robson the Board's appreciation of the assistance given by him.

The progress being made with the new dip and wharf extension at Fitzroy is noted with satisfaction, also that the "Gwendolin" is being made such good use of.

8. 600.9. The wireless communication of late has certainly left much to be desired. A pointed case of recent trouble is given in a later paragraph with reference to the "Falkland" windlass parts.

9. 600.10. The Board has learned with much regret of the loss and inconvenience Mr. A. F. Cobb has sustained by the sinking of his cutter "Exe".

The claim has been forwarded to the Underwriters who ask that the Protest signed by Mr. Cobb be forwarded as soon as possible. The premium paid for the renewal of the policy from the 1st September, - subsequent to the loss, - will of course also be recovered. It is considered that the loss of this cutter is a striking instance of the importance of fitting all sailing craft with auxiliary power.

10. 600.11. The Board much appreciates the excellent and willing services rendered by Captain Roberts in both the "Falkland" and the "Gwendolin", and it has decided that his salary be increased £100 per annum as from 31st March 1922.

Mr. Peters' application for leave from the

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early part of next year is approved, and it is satisfactory to hear that he will probably be prepared to make a further agreement with the Company in the dual capacity of Company's Engineer and Engineer to the "Falkland".

11. 600.13. Mr.Roberts' report on the "Falkland" has been read with interest. Your account of the way work has been neglected in some cases, and badly done in others, is regarded as very unsatisfactory, for it points to an absence of supervision in the past on the part of everyone in the colony responsible for the proper upkeep of the vessel above the rank of Chief Officer. A condition of things is indicated which, to say the least of it, is disquieting. Now that the steamer is entirely owned by the Company, circumstances are somewhat changed, and the Board feels that with Mr.Roberts in charge, it may safely rely on the vessel being properly looked after in future. At the same time it wishes it to be distinctly understood that it will always look to the Colonial Manager to keep a watchful eye on everything connected with the steamer and to see that such neglect as you report is not allowed.

On comparing your forms of confirmation of cables, we find that in your message dated 25th August the words "crank shaft main" did not appear in the message received here, and this led to considerable difficulty in deciding exactly what parts of the windlass were required. It is unfortunate that you did not refer to this matter in the mail to hand, and give full details of the worn parts as Mr.Kennaugh is still in some doubt as to what should be sent; vide copies of his letters enclosed.

Please note that in future, when anything connected with machinery on board requires renewing, a report must be sent from the Engineer, specifying exactly which parts are worn and require renewing. This will then be forwarded to Mr.Kennaugh to advise^{on} and deal with.

The dynamo has been safely delivered in

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Liverpool, and Mr. Kennaugh's report thereon is given in copy of his letter dated 24th November enclosed.

12. All catalogues of Wool Sales held since writing you last, together with Brokers' reports, are sent herewith, as usual. From these you will see that Falkland Wools sold on the 22nd and 28th instant showed a very satisfactory advance in price.

13. After somewhat protracted negotiations with the Pacific Company, we have succeeded in getting them to reduce the freight rate to London, for all wool and skins in the coming year to £5. 0. 0. per ton of 1000 kilos. This has been done on the ^{distinct} understanding that all shippers will agree to bind themselves to send all their produce in 1923 by the Pacific Company's vessels. Please therefore obtain this undertaking from all of those Farmers who might be tempted away by any outside offers from the coast. Similar action is being taken here with those resident on this side. The knowledge that the Pacific Company had contracted with Messrs. Duncan, Fox & Co. to carry their wool at £4.10. 0. was a helpful factor in obtaining what is considered to be so favourable a rate as £5.0.0.

The rates for tallow and hides are not yet settled.

14. As you are aware, the Board has always been concerned with regard to the serious condition which might arise in the event of a breakdown of the "Falkland", delaying for any appreciable time the collection and marketing of the wool. The matter has again been under review and it is felt that something definite should be done to ensure, as far as possible, against such a contingency. A cable was therefore sent you on the 6th November, asking if the Marine Superintendent could see his way to refasten, with galvanized iron bolts, re-sheath with yellow metal and fit an engine to the "Lafonia", if the necessary materials were sent out. Your reply has since been received, saying that this would be

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possible at Golding Island where there is considerably greater rise in tide than in Stanley. The advantages of that place were suggested in despatch 1211.45 of 31/3/21.

The total cost, here, of the necessary materials, a 50 H.P. engine and new sails, would be under £800. It would appear that if for this expenditure the "Lafonia", can be made seaworthy and serviceable for this work, it would certainly be worth doing. Her carrying capacity may not be all that is desired, but it is considered that over a given period she could be better relied on to bring in a greater quantity than under sail alone.

In connection with the consideration of fitting auxiliary power to the "Gwendolin", her capacity, as she is at present, has always been taken to be 145 bales, whereas it is noticed that in several trips made in the early part of this year she carried over 200 bales, and on one occasion 234. This being so might not the estimate of her carrying capacity, after being engined, be revised?

It is a curious coincidence that subsequent to the exchange of cables relative to the "Lafonia", referred to above, we were approached by Messrs. John I Thornycroft & Co. Ltd. and asked to give their Representative, Lieut B.F. Newman, who was making a business trip to the Pacific Coast in the "Oropesa", ~~an~~ introductions in Stanley, likely to lead to business. It was at once obvious that this would provide an opportunity of obtaining expert opinion on the much discussed question of the advisability of fitting auxiliary power to the two schooners. He has accordingly been given a letter of introduction to you, and it is the wish of the Board that he should be given every possible facility to make a thorough inspection of both the "Gwendolin" and the "Lafonia", during the short time he will be in the port. It is most desirable, if it can possibly be arranged, that Mr. Roberts should have the opportunity of thoroughly discussing the proposition with Mr. Newman, on the schooners.

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A cable will be sent you well in advance of his arrival acquainting you of this proposal.

15. Speedwell Island. It has been agreed between the Lessees of Speedwell Island and the Company that the whole of the Stock and property in their possession and unrealized produce, shall be surrendered to the Company in consideration of the cancelment of the outstanding debt of £5451.14.11. as at the 30th June last.

For the purposes of record it is well to state here the circumstances which have led up to this arrangement.

On the 26th November 1900 a lease was granted by this Company for a period of twenty-one years from the 1st August 1898 to Henry Mawtyn Cobb, Miss Henrietta Baillon and Mrs. Marriet Mary Dean-Pitt, of Speedwell Island, George Island, Barren Island and the small Tussac Islands immediately adjacent thereto. All the above mentioned Lessees have now been dead some years, since when the interest they held in the business has been administered by their respective Trustees, with the exception that half of the share, originally held by Mrs. Dean-Pitt, (representing an eighth share of the whole) was sold by her Trustees to Mr. R.E. Cobb, who is now the only living partner.

As you are aware, owing to a combination of circumstances which need not be detailed, the revenue from the farm since 1919 has not been sufficient to defray expenses, with the result that at the 30th June last the Lessees owed the Company the sum of £5451.14.11., against which the year's clip on hand, 89 bales of wool, is expected, at present prices, to realize only £1300 to £1500. This would still leave the outstanding debt, approximately £4000.

The Board considered that it was not justified in allowing such an amount, insufficiently secured, to be outstanding, and called upon the Lessees to make a payment in reduction, but the Lessees were not prepared to accept responsibility in this way. It was therefore finally agreed that in

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consideration of the outstanding liability as at 30th June last being cancelled, the Lessees would surrender to the Company all the stocks and property on the Islands and the produce realized since that date.

16. In view of the fact that the collection of the new clip usually commences in December, would it not be better to close off the accounts of the "Falkland" and "Gwendolin" working as at 30 November? It is very desirable that the complete year's collection should come into each 12 months working. At whichever date you close these accounts after taking into account estimated debits and credits outstanding, please pass the balances here instead of into your Profit and Loss Account.

The Beard will then decide what sums, if any, should be written off to renewal, replacement and depreciation accounts before appropriating the remaining part of it, if any.

17. Enclosed please find copy of an agreement entered into with Mr.A.W.N.Vincent who is going out by this opportunity to fill the post of Chief Clerk in Stanley office.

18. Arrangements have been made by Mr.C.G.A.Anson to pay off to-day the amount of loan, with interest, advanced him on the mortgage of his share of the Chartres Station. His Solicitors are, I understand, writing you to-day with regard to getting registered (the reconveyance)

19. Your letter of the 28th September, 1922, relative to the moorings for the Admiralty 500 ton barge is to hand, and the information has been passed on to that Department.

Yours faithfully,



Managing Director.

MEMORANDUM FOR W.A.HARDING, ESQ.

DR.MERKLOTS. Your private letter of the 26th September, with regard to Dr.Merklots has been considered by the Directors, and in the event of him applying for an extension of the agreement, it will probably be decided to replace him.

Dr.Chadwick's application to you, a copy of which we have received, will be kept before us for future reference.

Unfortunately, the subject of the doctor was not discussed with Mr.Slaughter when in London, so that we do not know his views on the matter.

MR.HOUSTON. Referring to your memorandum of the 25th August, an extract of which was sent to Mr.Houston, he has written as follows:-

"The quilt duly arrived and seems to be in satisfactory condition. The bedspread is a white linen one and embroidered and is the one that was on the bed occupied by you when our guest in Stanley. I cannot understand why there should be any difficulty in tracing it, if it is still in the house. It certainly was not sent on to us."

FATHER MIGONE. With reference to your memorandum of the 26th September, I am in negotiation with Messrs. Gardner & Sons for the purchase of the engine and dynamo, and will do all I can to get what is required shipped by the next mail.

S.S."FALKLAND" REPORT ON MULL.

Kindly let us have a report and replies to questions asked by Mr.Kennaugh in his letter 25th November, copy herewith.

London.
29th November, 1922.

PRECIS OF DESPATCH NO.1233 per "ORTEGA", 10/1/23.

1. Acknowledges despatches 601 & 602.
2. Noted settlement arrived at with Brecht Co.
3. Oil tanks - further information given as to the work entailed. Asks for estimate for supervision &c. on lines detailed.
4. Coal supplies - Mr. Kennaugh states "Falkland" furnaces most suitable for Yorkshire coal. Coal bonus arrangement with Mr. Harley.
5. Sheep from Coast - Freight to be charged.
6. "Falkland" - Letter from Mr. Kennaugh enclosed giving details of work being done.
7. "Samson" - Approves of being converted into lighter and selling of "Plym".
8. Damaged Steel Lighter - claim credited in account current.
9. "Gwendolin" sails - Capt. Roberts's report not enclosed.
10. Sale of land in Stanley. Disposal of Sullivan House to Government.
11. Costs of running "Falkland" and "Gwendolin".
12. Dr. Craddock's overdraft. Mr. Craigie Halkett's account.
13. Mrs. J. Robson's debt - notes amount recovered.
14. Wool Sales - "Bogota" shipment to be put up series commencing 23rd January.
15. "Falkland" - dirty condition.
16. Shore cargo - charge for services in Stanley.
17. "Guvernoren", salvage. Approves purchase of motor boat.
18. "Lafonia" - proposed work to at Golding Island.
19. Speedwell Island. Copy of "Consent", agreeing to surrender enclosed.
20. Gives P.S.N.C's rates of freight on Tallow, Hides and Canned Meats.
21. Encloses copy of letter sent to Dr. Herklots.
22. Approves of sale of surplus sheep to Llanso.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORTEGA",

N^o 1233

London, E.C. 10th January, 1923.

Dear Sir,

Since writing last I have to acknowledge the receipt, on the 30th ulto., of letter, and despatch No. 601 of the 9th November, and on the 8th inst. No. 602, dated 28th November.

2. 601.2. From your remarks and your cable of the 23rd ult. it is noted with satisfaction that you have arrived at a settlement with Messrs. Brecht & Co. We are inquiring of them by cable how they wish the £500, the agreed sum, remitted.

3. 601.3. At a recent interview with the Admiralty on the subject of the proposed contract, the Director of Stores was able to give fuller information as to the work which would devolve on us than has hitherto been the case. So far as can be seen at present no oil will be delivered in Stanley until the end of 1924. It is proposed that then two oil tank steamers, each carrying 8,000 tons, will deliver their cargoes and so fill the oil tanks now being constructed. The procedure will be as follows:-

The tank steamer will pump the oil into the 500 ton oil barge which will be towed to the jetty, to be constructed, and the pump fitted aboard her will pump the oil to the shore tank at end of jetty where there is to be a further oil fuel boiler, engine and pump which will deliver the oil to the large tanks.

You will be required to find labour, fuel, etc. for the "Kelp", and hands to man the barge, including the pump aboard, and ^{also} for driving the engine and pump ashore.

H.H.B. Gresham, Esq.,

Manager,

Port Stanley.

1233. 10/1/23.

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The barge will probably be loaded in one hour from the tankers and the estimated output capacity of the barges pumps is 100 tons per hour. It is considered that it will probably prove that one barge load can be filled and discharged each day, weather permitting.

The Admiralty explained that when their operations are completed there will really be little or nothing to do for years to come, unless the policy governing the disposition of the ships of the Navy is changed. This being so they are averse to agreeing an annual sum of £2000 as suggested, and ask that our offer should be "split up", that is, so much for overhead charges, to include wages and expenses of the man in charge, and so much per ton for receiving and delivering the oil to tanks, or, H.M. ships, which will be the above operations reversed.. You will be in a position to check, and amend if necessary, the above outline with Mr. Neave after which please send details of the estimated "all in" cost of the above work and separately, the estimated overhead charge. for receiving and delivering. / From a rough calculation made here it would appear that this, receiving and delivering, will be in the region of about 6d per ton for the 16,000 tons. We would suggest charging 2/- per ton.

The question of sending out a nominee of the Admiralty, to be placed in charge, as suggested in despatch No. 597 par. 9, was discussed, and there will be no difficulty about this being done. It was explained that his wages would be about £7 per week as he must be capable of looking after everything, including the engine and pumps on the barge and ashore. His wages and the cost of getting him to and from Navy Point would practically constitute the only overhead charges. As regards charges for painting the tanks, and repairs, it is preferred that we should stipulate "cost, plus 10%." The fuel oil for driving the pump on barge and ashore will be supplied by Admiralty.

4. 601.4. Before placing the order for coal sent per "Potosi", we again discussed with Mr. Kennaugh and Messrs. Lowden

Connell & Co. the suggestion put forward in your No.597 from the Chief Engineer of the "Falkland". Mr. Kennaugh said that experience showed that the difference in efficiency between best South Wales and the best Yorkshire was not 10%, and that the furnaces of the "Falkland", are more suitably arranged for the latter than the former. We have therefore followed his advice and are sending best screened Yorkshire hards, and shall be glad to have later your report on it.

We have asked Messrs. Lowden Connell & Co. for particulars of the coal bonus arrangement made with Mr. Harley, but so far we have had no reply.

5. 601.5. &
602.8.19. All that you have written on the subject of the "Falkland's" trip to San Julian for rams has been read with much interest, and it is hoped that the following ^{one} ~~trip~~ to Punta Arenas will be equally successful. The whole work appears to have been carried out expeditiously.

We have been expecting a cable advice from you as to the results of the second voyage, but so far, none has been received.

With regard to the freight to be charged for these trips, instructions were sent in No.1232 par.2 that it must be based entirely on the cost entailed in each case, plus, of course, a reasonable profit for the special service rendered. No suggestion has been made in despatches, or to clients, that 15/- per head would be approximately the charge, and the reference in the letter to Mr. Slaughter, quoted, was made for a particular and quite different purpose.

From your statement of the estimated expenses and earnings on the San Julian trip, the profit included is at the rate of £5 per day. This is certainly on the low side, and it would be impossible, even in this country, to charter a small river tug at a price which would show such a low return.

The "Falkland" must be made to pay, and we leave it to you to fix the charge when you know what the full expenses are.

The additional charges to be made at the termination of the quarantine will, we assume, be the subject of a separate charge.

6. 601/6. The copy of a letter from Mr. Kennaugh, dated 27th December, enclosed, together with a specification giving details of the work which is being done, will give you the position of this matter. From his letter you will see that it would have been better if the bedplate had been sent. The Dynamo could not be ready for this vessel, and therefore cannot be despatched until the "Oropesa" sailing on the 8th March.

7. 601.8. In view of what you write, the Board approves of the "Samson" being ~~not~~ converted into a lighter if you consider her suitable for that purpose, and also, that the launch "Plym" should be sold. There should be a good market for such a launch in the Straits or on the Coast, and you will doubtless get into communication with Mr. Hobbs or Duncan Fox & Co. or other firms which may occur to you, with a view to effecting her sale. She at present stands in the books at £1175, and £1250, delivered Stanley, might be asked for her in the first instance as a "feeler." Any counter offers you may receive can be cabled.

8. 601.9. The amount of the claim for damage to the steel lighter will be found credited in account current. These lighters, and most of the similar craft, have always been insured in the Company's Underwriting Account.

9. 601.10. Captain Roberts' report on the sails of the "Gwendolin", to which you refer was not enclosed, and it has not come to hand with the following mail. Please forward this as it will be regarded with particular interest.

With reference to the remark "It is quite certain from our past experience of sails from Lapthorn that the make and quality of the cloth would have been far superior to that of Adam, Lane & Neeve", this is a complete misconception as neither Lapthorns, Adam, Lane & Neeve, nor any of the sail makers, manufacture a single yard of cloth, and all one gets from Lapthorns is the superior "cut". As a matter of fact the

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quotation we obtained from both these firms was for identically the same quality of Admiralty Navy Canvas, so in respect of the make and quality of the cloth alone there could not be the slightest difference.

10. 601.11 & 12. You will have understood from the cable despatched on the 4th instant that the Board approves of the ^{proposed} sale of land to Dettleff, and gives Mr. Harding a free hand with regard to the various exchanges with the Government and the straightening of the boundary line of the land leased from the Admiralty at Navy Point. We have interviewed the Admiralty with regard to the ^{purchase of the} land leased from them at Navy Point, and have confirmed what was stated in Mr. Harding's letter to Mr. Neave. No decision has yet been come to in the matter.

The Board is strongly of opinion that in the case of the sale of any town building sites it should be made a condition that it is utilized for the purpose ^{of building} immediately, and not merely held as a speculation. It is also considered very desirable that the sale of Sullivan House should be effected if possible. If you are unable to come to terms with the Governor at the suggested price of \$4,000 an alternative offer would be considered.

The Deed of Conveyance enclosed with your letter was duly executed and handed to the Crown Agents for the Colonies in exchange for their cheque for \$600. We understand they are forwarding the document to Port Stanley.

11. 602.2. The particulars as to the costs of running the "Falkland" and "Gwendolin" are most interesting, and will prove extremely useful for reference here in future. It is of course, however, very desirable to amend these as soon as possible, when the actual costs of running the vessels are known.

The one point which is emphasized by the comparison of the figures is the low daily cost of the

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schooners as compared with the steamer, even after making allowances for the difference in capacity.

12. 602.3. The remarks on the subject of Dr. Craddock's overdraft, and the amount owing by Mr. Craigie Halkett, are noted. The view of the Board on this matter has been made clear in previous despatches.

13. 602.5. The recovery which you have been able to make in connection with Mrs. J. Robson's account is highly satisfactory.

14. 602.9. All possible information with regard to the Wool Sales will be sent you as heretofore. As pointed out in our 1224 par.6, it is advisable that you should acquaint the clients with the fact that so long as the large Government surplus stocks remain for disposal, it is impossible to foresee far ahead when given shipments of wool will be put up at auction. For instance, it is only within the last fortnight that the Brokers themselves have known that the shipment by the "Bogota", can be included in the series commencing on the 23rd instant.

15. 602.12. Having regard to what we have seen for ourselves and have since heard from many perfectly reliable sources, it appears merely a waste of time to try and argue that the filthy condition of the "Falkland" under Captain Owen's command, was entirely attributable to the excess of passengers carried.

16. 602.16. It has never been customary, and in fact it is impossible without the knowledge of the services rendered, to charge here in the Account Sales for Sheepskins from McGill and the Stanley Butchery, for the work you refer to. It must be left to you to make a separate specific charge for this. The remark equally applies to any goods shipped in Stanley which have not been borne coastwise.

17. 602.17 & 18. The correspondence with the Salvage Association has been read with interest.

It was certainly wise to procure the Motor Boat, and if she is anything like as good as the old one

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in Stanley Harbour, she is a bargain at the price, She should prove most useful in connection with the working of the Islands, and we fully agree with you that to depend upon a cutter with wind power alone is to perpetuate a system of working bordering on the prehistoric.

18. It is disappointing not to have received from you by the last mail any information in support of your cable despatched on the 15th November, saying that the proposed work to the "Lafonia" could be done at Golding Island. The cost of the material required we have, but without an indication from you as to the estimated cost for labour entailed to carry out the work suggested it is impossible to consider the matter fully here.

19. Referring to remarks, 1232 par.15., please find enclosed a copy of the "Consent", signed by the interested parties in Speedwell Island, agreeing to the surrender of all the live stock and property in consideration of the cancelment of the debt as at 30th June last. I am not sure whether you require the original for purposes of registration. If so, please advise.

20. Following remarks in 1232 par.13, the undermentioned rates have been agreed with the Pacific Company for the following Season:-

Tallow and Hides	£5 per 1000 Kilos
Canned Meats	£5 " " " or 40 cu.ft.

21. Enclosed please find copy of a letter which has been addressed to Dr.Herklots from which you will see the position which has been taken up. *(Letter not sent to Dr. Herklots in consequence of your cable just received.)*

22. The Board approves of your negotiating with Mr.Llanso for the sale of surplus sheep on the lines of the correspondence, but is of opinion that you should take the power to cancel the arrangement if delivery is not taken by the end of February or very shortly after.

Yours faithfully,

C. A. Seward

Managing Director.

PRECIS OF DESPATCH NO. 1284, per "OROPESA", 7/3/28.

1. Acknowledges No. 603.
2. Sheep from the Coast - Freight to be 50/- per head.
3. Speedwell Island Insurances.
4. "Kelp's", boiler - condition of.
5. Capt. Roberts' report on "Gwendolin", sails not yet
to hand.
6. Hulk "Egeria", - Proposal to roof agreed.
Will also supply Motor Winch.
Motor Winch for "Gwendolin."
7. \$500 paid to Brecht Co.
8. Refers to unsatisfactory Wireless Service.
9. Importance of appointing certificated engineer in
addition to Chief.
10. Wool shipments - P.S.M.C. steamers fixed to call.
11. Wool sale prices.
12. "Garland".
13. Slipping "Falkland", at Punta Arenas. Price quoted
Capt. Roberts.
14. Purchase of Weddell Island by Mr. Hamilton.
15. Admiralty asks for further information re moorings.
16. 50 H.P. Engine being shipped this mail for "Gwendolin".
Copy of correspondence with Thornycroft & Co. enclosed.
17. Noted that Dr. Herklots' agreement has been terminated.
Dr. J. Innes Moir appointed Camp Doctor. Copy of
agreement enclosed.
18. Survey of "Falkland's", boilers.
19. Acknowledges cable advising profit for 1922.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street,

Per S.S. "OROPESA",

Nº 1234.

London, E.C.3. 7th March, 1923.

Dear Sir,

Since writing you last on the 10th January Mr. Harding's despatch No. 603, dated 27th December has been received, - on the 7th ulto.

2. 603.2. There is every reason to be satisfied with the "Falkland's" work in conveying the sheep from the Coast; the losses sustained are certainly not heavier than were to have been expected. It is unfortunate that the Stock Inspector's action in allowing the shipment from San Julian was the cause of annoyance to the Governor, but as Mr. Slaughter found all free from scab at the dipping, it is hoped that the Governor will appreciate that a measure, so valuable to the Colony, was worth the risk taken. With the further dippings during the long period of quarantine all risks of importing disease should surely be eliminated.

The amended estimates for the cost of the services rendered by the "Falkland", in this matter are to hand, and you will have gathered from the cable sent on the 12th ulto. that, based on these figures, the freight to be charged in the case of both trips is fixed at 50/- per head for each sheep shipped.

3. 603.4. I am obliged for the statement of insurances current on property at Speedwell Island, and arrangements are being made here to include the risks in our general cover when the current policies expire. The benefit of unexpired insurances will be for the Company's account.

4. 603.5. Mr. Peters's report and drawing giving exact details of the trouble in the "Kelp's" boiler are to hand. It is a considerable relief to know that the matter is comparatively trivial and that the account given in despatch 598.12 was much exaggerated.

H.H.R. Gresham, Esq.,
Manager,
Port Stanley.

1234. 7/3/23.

A copy of Mr. Morison's letter with reference to Mr. Peters's report is enclosed, from which you will see he considers the matter is in no way serious.

5. Capt. Roberts' report on the "Gwendolin" sails referred to in your 601. par. 10 has not yet come to hand. As this matter is regarded with a considerable amount of interest please see that it is sent as soon as possible.

6. 603.6. The Directors' decision with regard to the suggestion to roof over the hulk "Egeria", is as stated in reply to the same request in 1907 and conveyed in the following terms: 1037.Par.6. "The Board have no hesitation in approving

"your proposal to roof in the "Egeria", and
"hope that you will get it done quickly,
"and as economically as possible."

The Board is also prepared to supply at once the motor winch asked for, as it would undoubtedly mean a saving of time and money. Please advise by return the maximum lift required. In this connection, it will not be an economical plan to fit a winch of a horse power capable of lifting the exceptional heavy lifts you may be called upon to deal with, as that would mean a constant waste of power. If you can say what you consider to be the maximum weight of 98% of your lifts a winch can be supplied, capable of dealing with such, accordingly.

It is now nearly five months ago (1230.19) since particulars were sent of the Widdop Motor Winch, proposed for the "Gwendolin", to save the waste of time (referred to in your 564.4) entailed by the hand winch at present in use.

It is disappointing that, so far no report has been received with reference thereto.

7. 603.7. The agreed sum of £500 was paid to the Brecht Company on the 5th February.

8. 603.8. The very unsatisfactory wireless service existing

is abundantly clear from the Postmaster's memo recording the frequent interruptions. It will be interesting to know if any alteration in your local receiving and transmitting set is contemplated and if any improvement will be effected thereby.

9. 603.10. We regret to hear of Mr. Harley's indisposition. The reasons given explaining the importance of maintaining a certificated engineer in addition to the chief engineer of the "Falkland" are appreciated, and in the event of your cabling as suggested the position will be quite understood.

10. 603.11. It is noted from these remarks and the copies of correspondence with the Pacific Company, that the "Magellan", was then fixed to load in Stanley about the end of January. This arrangement was subsequently altered by the substitution of the s.s. "Duendes", and we were glad to learn from your cable message that this vessel had left your port on the 14th February with 2,200 bales of wool and 195 bales of skins.

This shipment should arrive here about the 15th March, and it is confidently hoped that the wool she brings will be included in the series of sales commencing 24th April.

It is understood that the next direct homeward steamer will be the "Losada", due in Stanley about the 24th March. If this date is kept she should arrive in the U.K. by the 1st May and her shipment will be in time for the series commencing 19th June, and ending mid-July. The following series is expected to commence about the 7th September. If the following vessel, the La Paz, keeps up to date and arrives in the U.K. by the end of May, there is a fair prospect of her shipment also coming into the June sales, which would be very satisfactory.

11. It is pleasing to report that prices for Falkland wools registered a considerable advance at the last sales. The "Bogota" shipment was disposed of on the 7th February, and your attention is drawn to the catalogue for that sale enclosed, and the account sales which accompany this.

For instance J.H.D., & B, made 19d (top price)

D & S,- H,- M,- " 18¹/₂d " "

W.C,-AP,- A.F.C,- K " 18d " "

and other marks well up to these prices.

12. The stranding, and refloating without damage, of the "Garland", and your remarks on her condition, are noted.

13. We are glad to have the information obtained by Capt. Roberts, when in Punta Arenas, as to the cost of slipping the s.s. "Falkland" there. It is noticed that the charge for merely hauling up and refloating is £420, but this is only half the story. The catch lies in clause 7 of the form of contract. It provides that when the vessel "arrives in the ship yard", which means on their slipway, they will estimate for the work of scraping and painting the hull, either interior or exterior. Unfortunately, previous experience has shown that this is just where these South American shipping and docking Companies take advantage of the position. The vessel being then in their hands, they can estimate and charge what they please.

While on this subject, it will be well not to forget the disastrous experience of sending the "Falkland", to Punta Arenas to be slipped in 1916. She left the Islands on the 31st July, and did not arrive back until the 12th September. She lost ten days waiting for sufficient water to get on the slip, and altogether, after crediting freight earned, there was a loss of over £1,500 on the voyage, which sum really represented the cost of slipping in Punta.

14. 603.14. The information with regard to Mr. Hamilton and the purchase of Weddell corresponds with what we have learned from Major Williams. It is hoped that Mr. Hamilton will be agreeable to place his business in connection with the Island in the hands of the Company.

15. Enclosed please find copy of letter from the Admiralty dated 3rd February in which further information is asked with regard to the capacity of your appliances for the laying of

moorings. The weights are somewhat modified from those referred to in their previous letter on the subject dated 29th November, 1922. Please cable your answer to this question as soon after the receipt of this as possible, for which purpose the word Y O & I P from the Bentley's Code has been allotted, signifying "Referring to Admiralty letter 3rd February, 1923".

16. Copies of correspondence which has passed between ourselves and Messrs. John I. Thornycroft & Co., and Lieut. Newman's report on the "Gwendolin", and "Lafonia" are sent herewith.

It is very satisfactory to hear that he finds the "Gwendolin" in such good order and suitable for the proposed installation, and particularly that his suggested plan will enable the work to be carried out without disturbing the existing passenger accommodation, and at the expense of sacrificing only 180 cu.ft. of space, or say 6 bales of wool.

From the correspondence you will see that a 50 H.P. Engine has been ordered, and the cable sent you on the 20th February will have advised you that it is to be shipped by this opportunity. Meanwhile we await your answer as to whether you require the presence of Lieut. Newman to superintend the work.

Your letter giving an account of his visit is also looked forward to with interest.

Messrs. Thornycroft's letter and drawing with reference to the "A" bracket is sent herewith; this speaks for itself. It has been found impossible to get this bracket away by this mail; it must therefore follow by the next, but this need not delay the progress of the work.

17. Your cable of the 9th January advising that Doctor Herklots' agreement has been terminated, and that he was leaving the Colony early in April, was duly received.

From amongst about forty applicants, Dr. J. Innes Moir, son of Mr. A. Moir, has been selected as his successor, and a copy of the agreement concluded with him is enclosed.

1234. 7/3/23.

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As he is sitting for an examination for the Board of Health Diploma in March, he will not be able to leave until the "Ortega", sailing on the 12th April.

18. Enclosed please find copies of correspondence which has taken place with Lloyd's Register of Shipping. You will see that notification has been sent that a special survey of the boilers of the "Falkland", is now due, and that as no Lloyd's surveyor is available in Port Stanley, the employment of some competent and independent engineer has been sanctioned. The forms which will have to be completed by the surveyor appointed are enclosed herewith, and these we shall be glad to have back in due course.

19. We have this morning received your cable despatched yesterday, advising the profit for the year at £25,000. In view of the fact that so much of our wool was sold early last year, at unprofitable prices, the results indicated are in the nature of a pleasant surprise. We assume that the bulk of the profit made is attributable to improved store business.

Yours faithfully,

E. A. Goddard.

Managing Director.

PRECIS OF DESPATCH NO. 1235, per "ORTEGA", 11/4/23.

1. Acknowledges despatches Nos. 604 and 605.
2. Freight on sheep from Coast.
3. Acknowledges list of 12th April 1899 re suburban allotments.
4. "Kelp", - repairs to propeller and use of black varnish.
5. Engineer for s.s. "FALKLAND".
6. Condition of "FALKLAND", - Capt. Roberts's notes.
7. Slackness of farmers to send undertakings to ship per P.S.N.C. vessels.
8. Lieut. Newman's visit - refastening "Lafonia" at Golding Island - Motoring of "Gwendolin".
"Gwendolin" carriage of cargo on deck.
9. Speedwell Island - Valuations and accounts.
10. Closing date of "Falkland" and "Gwendolin" accounts - 31st October approved.
11. G. Nicholls, foreman carpenter. Crawford, man.
12. Sheep sold to Mr. Llanso - payment for.
13. Coal Bonus - arrangement with Captain and Chief Engineer of the "Falkland".
14. "Gwendolin" sails - Adam & Lane & Neave's comments on Capt. Roberts's reports enclosed.
15. Freight and charges on produce delivered from shore.
16. Sale to John Hamilton of Weddell Island.
17. Asks for name of employee caught and convicted for pilferage of cargo.
18. H.H.R. Gresham - Agreement enclosed.
Power of Attorney enclosed.
19. Mr. H.C. Harding's seat on Legislative Council.
20. Death of Mr. C.G.A. Anson reported.
21. Collection of drafts on Storekeepers. Company appointed Agents for Messrs. Schweppes and Cantrell & Cochrane.
22. "Duendes" & "Losada" wool - Sale dates.
23. Mr. Markham Dean's movements.
24. Refers to paragraph 12 - drafts for sheep sold received.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORTEGA",

A^o 1235.

London, E.C.3. 11th April, 1923.

Dear Sir,

I wrote you last on the 7th ult., and have since received, on the 22nd March, your despatches numbers 604 and 605, forwarded by the "DUENDES".

2. 604.2. You will have learnt from 1234.2 that the rate of freight to be charged on the sheep brought by the s.s. "FALKLAND", from the Coast has been fixed at 50/- per head. This figure approximates fairly closely to your final ideas, given in 605.4. and can therefore stand.

3. 604.3. The copy of the list dated 12th April 1899, giving particulars of suburban allotments, is to hand, and will be useful for future reference.

4. 604.4. The details of the repairs necessary to the "Kelps" propeller are noted, as also is your intention to give the black varnish a further trial under the best possible conditions. It will be interesting to hear later the results of this, as the weight of evidence in this country in favour of its use is so great that we cannot help thinking, if so applied, it would prove successful in the Falklands.

5. 604.6. In despatch 1234, par. 9, I advised that the Board appreciates the reasons given and the consequent importance of having an engineer, as in the past, as a stand by for the s.s. "FALKLAND". If, when you require a substitute for Mr. Harley, you will cable, there is little doubt no difficulty will be experienced in obtaining a competent man to succeed him.

6. 604.7. We are glad to have Capt. Roberts's notes on

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

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Mr. Kennaugh's letter with reference to the condition of the s.s. "FALKLAND". A copy of this has been sent to the latter and I send you herewith his remarks in reply in his letters dated 28th March and 3rd April. Please note that it is desirable that Mr. Kennaugh's suggestions and recommendations should be followed as closely as possible.

With reference to your remarks as to the Captain being solely responsible for the upkeep of the vessel, before she was taken over by the Company, I merely wish to explain, for your information, the view taken by the Board on the matter. In view of the fact that it was well known that the Company had subscribed half the capital for the purchase of the steamer, and were therefore as much interested as Messrs. Lowden Connell & Co., it was the duty of the Colonial Manager for the time being to call the Board's attention to any neglect or failure to keep the vessel in proper condition. Had such representations been made Messrs. Lowden Connell's attention would have been called to the matter.

7. 604.8. It is noted that the farmers are slack in forwarding you their undertakings to ship their produce solely by the P.S.N.C. steamers during the current year. It will be well to advise them that the specially low rate quoted by the Pacific Company was strictly conditional on this promise being given, and that unless it is forthcoming we cannot guarantee that the reduced rates will apply to their shipments.

8. 604.9. The information you give with regard to the visit of Lieut. Newman is noted with interest. Also the particulars as to the probable cost of refastening the "Lafonia", at Golding Island. Nothing further will be done in this matter until the results of the motoring of the "GWENDOLIN", are reported.

Your cable of the 26th March reading :-

"W.M. Dean and all agree "Gwendolin" should go to Punta Arenas fitting engine Newman not required"

is somewhat disconcerting, as to send the schooner to Punta

Arenas will undoubtedly heavily increase the cost of installing the engine.

On receipt of this message, and following on an interview with Messrs. Thornycroft & Co., they cabled to Lieut. Newman, in Iquique, asking his opinion as to whether the work could be carried out satisfactorily in Port Stanley, and his reply has since been received, reading :-

"Practicable instal motor "Gwendolin", Stanley motor
"facilities Punta greater expense".

There is no doubt that if an additional sum of £200 was spent in sending Lieut. Newman to superintend the work it would be far cheaper than incurring the unknown charges at Punta Arenas, plus the cost of sending the vessel there.

It is equally certain that Lieut. Newman, with his extensive experience in these matters, would see ways and means of getting over the local difficulties which would not occur to those who have never seen such work carried out. The situation is, however, still further complicated by the fact that Mr. Peters has, - it is gathered from your message, - left for home on his much overdue leave, and an essential part of the fitting, the A bracket, will not reach you until July.

In all these circumstances it has been decided to await the arrival of Mr. Peters, and give him the opportunity of obtaining all possible information from Messrs. Thornycroft & Co. and, if necessary, seeing at their yards similar work being done. After that a decision as between fitting in Stanley or Punta can be come to.

It is noted that the explanation of the "Gwendolin", carrying over 200 bales on several trips last year is that, a considerable quantity was stowed on deck. Please bear in mind that our cover does not protect us against this deck risk, and had any loss occurred difficulties with the Underwriters would certainly have arisen, particularly if it was discovered that cargo had been carried in this way without the fact being declared and the extra premium for the addition-

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al risk of total loss and sea damage paid.

9. 604.10. I am obliged for Mr. Harding's letter of the 12th February, dealing with the position and valuation of the Speedwell Island property. The valuations arrived at, namely buildings £1500 and livestock £2500, will probably be adopted. His remarks as to the advisability of increasing the insurance values of the various buildings will receive attention.

For the time being the Speedwell Island working account had better be continued separately from the Farm accounts until the Company's Auditors have been consulted and can say whether it is desirable, having regard to questions of tax, that it should be continued in that form or merged into the one account.

10. 604.11. Your suggestion to make the 31st October the closing date for the s.s. "FALKLAND" and "GWENDOLIN" accounts is approved and will be adopted.

11. 604.14. It is noted that in your opinion and that of Mr. Slaughter it will be unnecessary to renew the agreement with Mr. Nicholls, unless the new wool sheds to be erected are of such a type that would render his presence on the spot desirable.

Your views as to the value of Crawford, the mason, are noted, and he will certainly be re-engaged on making his application here.

12. 604.18. Up to the time of writing we have no information whatever, except that contained in your despatches and copies of correspondence with the parties concerned, as to the payment for the sheep delivered to Mr. Llanso. A cable was sent you on the 22nd ult., informing you of this fact and asking what the position is. From your cable of the 27th ult. we understand that the financial arrangements have been made through Messrs. Waldron & Wood of Buenos Ayres. No doubt we shall be hearing from those gentlemen shortly. (Vide paragraph 24 - since written).

13. 605.3. You will have seen from the copy of Messrs. Lowden Connell's letter dated 9th January 1923, enclosed with despatch No. 1233, that they "have not made any settlement for

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coal bonus with (Mr. Harley) and have made no definite basis of arrangement".

We therefore can do nothing further in the matter as regards the period before the Company took over the steamer.

It would certainly tend to economy,- and Mr. Kennaugh is of the same opinion,- if some arrangement is made with the Captain and Chief Engineer, whereby a gratuity, of say about £10, is given to them both for coal saving during the year. Enclosed please find a copy of letter addressed to Mr. Kennaugh on the 23rd March on this subject, and his reply dated 27th, making certain definite suggestions. Please go into the matter and make the best arrangement possible on the lines he indicates.

14. 605.6. Messrs. Adam & Lane & Neeve's comments on Mr. Roberts's report on the sails supplied is sent herewith.

15. 605.8. With reference to the accounts for McGill's and Stanley Butchery sheepskins, in stating that it has not been customary to charge here in the Account Sales the lighterage, it should have been added "as a specific charge". It does, however, appear from the instances you point out, and in others which we have traced, that we have inadvertently debited these shipments with the full coastal freight. This of course is certainly too much, and a note has been taken to charge, in future, 10/- per bale over and above the ocean freight.

16. From your cables of the 29th March and 1st April,- the latter to Mr. L.A. Baillon,- it is clear that the sale of Weddell Island to Mr. John Hamilton has been finally arranged. In accordance with your message the sum of £4783. 12. 0. was paid to the Crown Agents on the 4th instant, for the completion of the land purchase.

17. From the copies of correspondence between you and the Pacific Company, it is noted that an employee of the Company was caught red-handed on board the "Oriana", some time ago, with pats of butter/which had been pilfered from the cargo in his pocket

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being discharged, and that he was charged and convicted in Stanley and sentenced to a fine of \$15, or three months imprisonment. We shall be interested to hear the name of the man, and his length of service with the Company.

18. Enclosed please find formal agreement, in duplicate, between the Company and yourself. This, as agreed at the Board Meeting on the 5th September, 1921, is drawn up on identical lines with those made with previous Colonial Managers. Please sign the original and return to us, retaining the counterpart for yourself.

The Power of Attorney, granted by the Company to you, in the usual form, is also sent herewith.

19. The memorandum from Mr. Harding with regard to the desirability, or otherwise, of Mr. H.C. Harding continuing to act on the Legislative Council was discussed at the last Board. It was decided to defer any decision until the matter has been discussed with Mr. Dean, who will be home next month.

20. We regret to inform you that we have to-day heard that Mr. C. G. A. Anson died on Friday last, the 6th instant.

21. For years past, from time to time, we have, at the request of sundry Bankers and Merchants, undertaken to collect drafts against delivery of Bills of Lading, for ~~xxxxxx~~ goods shipped to Williams's and other Stores in Stanley, in return for which we have made the paltry charge, generally, of 1%. It seems absurd that for this small remuneration we should facilitate the conduct of what is really a competing business. Applications of this nature having recently been made on behalf of Messrs. Schweppes Ltd and Messrs. Cantrell & Cochrane Ltd, we declined to collect their drafts on the old basis, and pointed out that in view of the larger orders we give them the Company's position should be protected by a substantial commission on all goods sent to other firms in the Islands. Following on this, as you will see from

1235. 11.4.23.

correspondence enclosed, both Schweppes Ltd & Messrs. Cantrell & Cochrane, Ltd have made us their Agents in Stanley and have agreed to allow a commission of 5% on all outside sales.

22. The "Duendes", arrived in London on the 20th March, and the wool she has brought will be put up in the series of sales commencing on the 24th instant.

It is excellent news that the "Losada", cleared from Port Stanley, for London direct, on the 3rd inst. with a further good shipment, and this will come into the series commencing 19th June.

The wool market continues very firm and there appears every hope of satisfactory prices being realized. The Brokers' reports, giving full particulars, are enclosed.

23. From your cable of the 9th instant it is understood that Mr. Markham Dean left Stanley in the "Oropesa", on the 7th inst., and is returning via the Andes and Buenos Ayres.

24. Since writing paragraph 12. drafts at sight on the National Provincial Bank of England, West Smithfield, for £1264. 3. 6. on account of the Company, and £550 on account of Geo. Bonner & Co., Ltd. have come to hand from Messrs. Waldron & Wood, B.A.

Yours faithfully,

E. R. Seward

Managing Director.

1. Acknowledges 606, 607 and 608.
2. Dealing with 606 in separate despatch.
3. Admiralty oil tanks - Estimate for administering.
4. Hurricane - Mooring chains going this mail.
5. "La Paz" - Explains alteration of sailing date.
6. "Gwendolin" - re fitting engine.
7. Coal - supplied to whalers - asks price. Suggestion to make Stanley coaling base for whalers.
8. Sale to Government of Sullivan House. Sale to Company by Admiralty of rifle range land.
9. Crawford - mason - agreement come to.
Peters - engineer - nothing yet settled.
Nickolls - carpenter - will not be re-engaged.
10. Mr. J. Hamilton - Purchase of Weddell Island.
11. Sheep sold to Coast.
12. Coal for "Falkland". Letters from Lowden Connell & Co. and Mr. Kennaugh re Yorkshire Hards enclosed.
13. Pebble Island produce - Bringing to Stanley.
14. "Oropesa", passages.
15. Coast rams.
16. "Kelp", boiler - defect not serious.
17. Winches being sent for "Egeria", "Gwendolin" and "Great Britain".
18. Wireless communication.
19. "Fleetwing" - adaption for Admiralty work.
20. Dr. Herklots - settlement approved.
21. Hay from Hill Cove - freight on.
22. "Falkland" - Grounding at Lively Island.
23. "Great Britain" - suggested repairs to forecastle head approved.
24. Wool sales - Gives averages prices obtained for "Duendes" shipment.
"Losada", shipment being sold next month.
25. Legislative Council - Mr. Hugh Harding's position.
26. Bridge at Bodie Inlet - re inspection of site by Mr. A.A.P. Neave.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)
REGISTERED 1902.

64, Gracechurch Street,

Per S.S. "OROPESA".

Nº 1236.

London, E.C.3. 6th June, 1923.

Dear Sir,

Since writing you last, on the 11th April, I have to acknowledge the receipt of your despatches as under :-

606	dated 26th February,	per "Losada",	delivered 8th May, 1923.
607	" 2nd April,	" "	" "
608	" 17th April,	" "Falk",	" 22nd May, 1923.

2. I purpose dealing in a separate despatch with your 606, relative to the annual accounts.

3. 607.2. Your remarks on the subject of the proposed Admiralty contract are noted, as well as the fact that you agree our estimate of the "all in" cost connected with receiving and delivering the oil at 6d per ton. With this information it will be possible to decide on the figure at which we will tender and a communication will be sent to the Admiralty in this connection shortly. The information relative ~~xx~~ to the suggested remuneration in respect of the standing charges is also useful.

4. 607.3. From the account you give, and from information received from other sources, the gales which swept over the Islands in February seem to have been of extreme violence, and it is fortunate, in the circumstances, that more serious damage was not done.

The mooring chains for which you ask are being shipped by this opportunity.

5. 607.4. I can quite understand your anxiety on hearing from 608.7. Valparaiso, on the 5th March, that it had been suggested from here that a later direct sailing should be substituted for the "La Paz". The matter arose in this way. As early as 22nd February we asked

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

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the Pacific Company if they could do this on account of the saving which would be effected in storing the wool until the September sales, but very shortly afterwards, on the 2nd March, - realizing that the wool market was very strong and that there was a remote chance of the "La Paz", if she kept the dates then indicated, arriving in time for the June sales, - we instructed the Pacific Company to cancel our previous request and to send the "La Paz" as originally arranged. This was the position when your cable of the 26th March arrived, so that there was no necessity to take any action on it.

Referring to your remarks - 608.7., as a matter of fact, the direct sailings were actually arranged between us and the Pacific Company at the time of our agreeing to the present freight rates.

6. 607.5. As advised you in last despatch, paragraph 8, the suggestion that the "GWENDOLIN" should be sent, at very considerable expense, to the Coast to have the motor engine fitted by no means meets with approval. Since writing you last we have had an opportunity of talking the matter over with Mr. Peters, and it is somewhat amazing to learn from him that he has never been consulted, first or last, with regard to his ability to carry through the installation. This is the more surprising, as, in the main, it is essentially an engineering job. The shipwright work entailed is, in the opinion of all practical people consulted, simple in the extreme and could easily be carried out in Stanley notwithstanding the absence of a slipway and the limited rise and fall of tide.

From a study of Messrs. Thornycroft's drawing, sent you on the 7th March, 1234.16, it will be seen that the shaft passes out of the side of the hull, approximately 2 ft 6", below the water line of the vessel when empty. Assuming that the schooner is beached at the highest spring tide, it is clear that, given a rise and fall of 6 ft., the shipwright work consisting merely of fixing blocks on the inside and outside at this point and boring through them with an auger for the shaft hole, will

1236. 6/6/23.

be entirely limited to a part of the vessel well above water for approximately 12 hours in every 24. The fullest details of the method of procedure were given in a letter from Mr. Morison, dated 10th February 1921 and sent to Stanley 24th March, 1921. It was also explained therein how the shaft hole could be plugged and the work carried on between tides.

The following work of setting up and aligning the engine is almost entirely the Engineer's work and for which he alone would be responsible. It is not, therefore, surprising that the omission to consult the Company's Engineer is construed here as being a clear indication, to put it mildly, that the scheme was unpopular in Stanley, and one with regard to which there was no desire to succeed.

Please understand that the foregoing remarks are not in the least intended as a criticism of your action in the matter, as it is appreciated that you were not responsible for the attitude complained of, but it is well for your future guidance that you should know fully the views taken here on the subject.

As advised you last mail, it is the intention to arrange for Mr. Peters, - or the Engineer appointed in his place should he not re-engage, - to see such work in progress here and then to take full responsibility for carrying out the fitting of the engine in Stanley.

7. 607.6. Your sale of 200 tons of coal to the whaling
608.18. steamer is noted, but you do not mention the price, which information would have been interesting. About that time there was a great rise in the price of coal owing to the German demand following on the occupation of the Rhur by the French. South Wales coal, at Cardiff, jumped from about 24/- f.o.b. to 40/- at which price it still remains.

It would appear that the Whaling Companies have some idea of taking larger supplies of coal in Stanley, and the matter is being followed up. Messrs. Lambert Bros. & Co., Ltd.

1236. 6/6/23.

one of the largest colliery owners and coal contractors in London, who are friends of ours, recently showed us a letter received from Chr. Chistensen's firm asking if they would be prepared to consider contracting for the supply of anything up to 10,000 tons annually in Stanley. They came to us to discuss the matter and it was explained to them that the business on these dimensions was not practicable without the purchase of a much larger hulk than we at present possess. The uncertainty of the continuation of the whaling business makes this a doubtful proposition. A cable was sent you asking if the "Lady Elizabeth" could be used exclusively as a coal hulk and what her capacity would be. Your reply is to hand giving this at 1300 tons and also pointing out that she would require chipping to the water line. Instructions are being sent you to get on with this work in any case, as it will make for the preservation of the vessel.

With the "Lady Elizabeth" ^{available} we make the total coal storage capacity as follows :-

"Lady Elizabeth"	1300 tons.
"Capricorn"	350. "
"Fleetwing"	300 "
"J.P. Smith"	<u>250</u> "
	<u>2200</u> tons.

It should therefore be possible, if a satisfactory contract can be fixed up with the whalers, to supply their vessels with about 2000 tons at ^{any} one time and we are working on those lines to see if anything can be arranged. It must of course be stipulated that their steamers go alongside the "Lady Elizabeth", to take their supplies.

8. 607.7. Mr. W.A. Harding's letter of the 22nd March, together with copies of correspondence with the Government, with reference to the completion of the sale of Sullivan House and the sale and exchange of other lands, is to hand. It is very satisfactory to have had these negotiations brought to finality.

The Admiralty have assented to the sale to the Company of the rifle range land, 272 acres, for the sum of \$1000.

1236. 6/6/23.

The Conveyance is being prepared and will be forwarded for registration. It is important that the erection of a parting pen and the division of the above mentioned land, as directed by Mr. Dean, shall be completed as soon as possible. Also any wethers too poor for consumption should be sent to Port Louis.

9. 607.8. An agreement has been come to with Crawford, the mason, who will return to the Islands, but nothing is so far settled with Peters. Nicholls, the foreman carpenter, will not be re-engaged.

10. 607.9. Your explanation of the payments made and received on account of Mr. Hamilton make the transactions quite clear.
608.9.

11. 607.10. The particulars of shipments of sheep for Mr. Llanso are noted. A statement is sent herewith giving details of the total amount, £8,626. 6. 5., received in payment for same, from which you will see the matter is now all in order.
608.16.

12. Particulars of the complaint with regard to the Yorkshire Hard Coal shipped per "Elm Park", were forwarded to Messrs. Lowden, Connell & Co. and a copy of their reply is enclosed. Also Mr. Kennaugh's letters on the same subject.

At the time the contract for this coal was made, November 1922, it was not known that the "Elm Park", would be calling at Swansea in January, otherwise it might have been decided to send Welsh Coal.

Incidentally it may be mentioned that the Engineer's statement to the effect that the "Falkland", can stow 3½ tons more Welsh than Yorkshire coal is quite wrong. Every shipowner knows that Welsh Coal is large and lumpy with little slack, and it is obvious that a given space filled with it will not contain the weight of coal as the same space would packed with smaller and more closely lying descriptions.

*Welsh Coal
45 tons
100 others
45 within
reason*

At present, at 40/- f.o.b. Cardiff, Welsh Coal is prohibitive but if the price comes down and an opportunity of loading at Swansea occurs a trial shipment can be made. Welsh Coal is admittedly 10% better in steaming efficiency than any other description but it is always a question of the relative

1236. 6/6/23.

price at the port of shipment. If it costs 25% more it would certainly not be economy to send it.

13. 607.13. Mr. George Dean has made no reference to the matter referred to although we have seen him several times. You are perfectly correct in the attitude you have adopted. We cannot of course object to his bringing in his wool in the "Karina Kirsten", but it occurs to me to ask if his position as regards insurance was pointed out to him? It is clear that in the event of his vessel being lost between Pebble Island and Stanley he is not covered under our contract and it is rather doubtful if he has, - or could, - effect a separate insurance. This matter will be taken up with Mr. Dean at once.

In the "Remarks on Accounts", advice is being sent you that a charge of 6/- per bale for receiving and delivering wool so brought in will be made in Account Sales, instead of 10/- as previously arranged, - that figure being rather too high.

14. 607.14. A complaint was forwarded to the Pacific Company with regard to the action of their Valparaiso House in the matter of passages required in the "Oropesa"; see copies herewith. After all there is perhaps something to be said for their contention that sufficient notice was not given Valparaiso and doubtless you will, as they request, give them more in future.

15. 608.2. The position of the rams in quarantine at Great and Ruggles Islands is noted with interest. Your cable since received reporting that they have been landed at Egg Harbour on the 27th April, was welcome.

16. 608.4. It is most satisfactory to hear, particularly after the amount of correspondence which has been entailed on the subject, that the Engineer of the "Falkland" concurs in Mr. Morison's opinion that the defect in the "Kelp's" boiler is not, after all, really serious.

17. 608.5. Steps will be taken at once to send out the winches asked for the "Egeria", ~~and~~ the "Gwendolin", and "Great Britain". It is the intention to arrange for Mr. Peters, - or

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his successor,- to inspect the works of the makers, of whatever type is selected, so that he can become thoroughly conversant with their working.

18. 608.6. Your account of the measures being taken to improve the wireless communication is most interesting.

19. 608.10. The particulars of the work to be done to the "Fleetwing", to make her capable of attending to the moorings referred to by the Admiralty is being passed on, and you will be advised later of the decision come to.

20. 608.11. The settlement with Dr. Herklots has the approval of the Board.

21. 608.13. It is quite understood that with the cessation of the mail contract the carriage of hay from Hill Cove becomes a different proposition. Your action in agreeing to bring it in this year, is, in the circumstances connected with the Government purchase, approved, but in future when, as you say, the "Gwendolin" is sent specially for the purpose, the rate must be fixed in accordance with the cost of the service rendered and allowing of course a reasonable profit for the vessel. The \$10 for a week's work, to which you refer, is, of course, absurd; it should certainly not be less than \$5 per day.

22. 608.14. The grounding of the "Falkland", at Lively Island is noted with regret but it is satisfactory to hear that no damage is anticipated. It would, after all, appear that it is a port to be avoided by the steamer if possible.

The Underwriters are being notified of the accident.

23. 608.15. Your suggestion to repair the forecastle head of the "Great Britain", is approved and it is hoped the work will be completed as soon as possible.

24. The wool brought by the "DUENDES" was sold in auctions on the 2nd May, and the prices realized showed such a marked advance that it was decided to send you a cable, for the information of the clients, giving the average price obtained for each mark. The Company's figure was 1/24, J.B. 1/3, F. 1/4,

1236. 6/6/23.

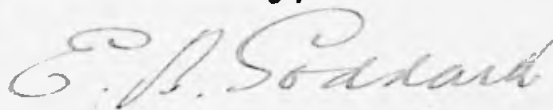
H & B. $1/5\frac{1}{2}$ and Z $1/4$. These results must be as pleasing to the clients as they are to us and we can only hope that the "Losada" shipment, to be realized next month, will meet an equally good market. So far all indications point to there being little change.

From the Accounts Sales of the skins realized, sent herewith, you will see that equally satisfactory prices are ruling in that market.

25. Referring to para.19, despatch No.1235, the question of the possibility of Mr.Hugh Harding remaining a member of the Legislative Council has had further consideration. It is the decided opinion of the Directors that having regard to the fact that he will in future be resident at North Arm, it will be practically impossible for him to attend to the duties appertaining to the retention of his membership of that body.

26. The question of the construction of a bridge over Bodie Inlet has been receiving much attention. A cable was sent you on the 24th ult., asking if you could arrange with Mr. Neave to inspect the place and advise us to the best and most economical type of bridge for the purpose and select the most suitable site for its erection. You will of course understand that the Board quite expects Mr. Neave to charge consulting fees.

Yours faithfully,



Managing Director.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "OROPESA".

N^o 1237.

London, E.C. 6th June, 1923.

Dear Sir,

ANNUAL ACCOUNTS.

I have to acknowledge the receipt of your despatch No. 606, together with your explanatory memorandum and various usual statements in support.

The results shown are, on the whole, better than were anticipated.

FARM ACCOUNT. It is clear that the improvement in this, the main account, is attributable rather to economies effected in wages and stores consumed than to increased prices for produce. The charging of the motor boat and other things mentioned, including the rams, is to be commended as this method certainly tends towards a stronger financial position. With regard to the arsenic on hand Messrs. Coopers will be asked if they will make an offer for it.

FITZROY ESTATE. Your remarks are noted.

STORE ACCOUNT. The increase in profit is certainly most satisfactory. With regard to the Drapery Store, it is pleasing to hear that the efforts made on this side to improve the selection of goods shipped has been successful.

SHEARING MATERIAL. Your suggestion has been referred to the Auditors and there is not the slightest objection to its being carried out.

FENCING REPAIRS. It would certainly be preferable to charge

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

1237. 6/6/23.

repairs to fencing direct to Farm.

In connection with fencing, you are doubtless aware that the Income Tax Authorities have, for many years past, allowed 10% depreciation on first cost off the assessment. This, they have decided, cannot be allowed in future but in place thereof they are agreeable that the cost of renewing a fence, - which we have explained in most cases means a completely new one, - will be allowed. Therefore in future please bear in mind that the charge must go to the Farm direct, making it clear in your accounts that it is a renewal.

CONSUMPTION ACCOUNT. Your suggestion to abolish this account is also approved.

BUILDINGS. It is noted that the expenditure on the repairs to buildings has necessarily been kept on the low side during 1922 and that a larger sum will be required for the current year. In this connection please note that the Board attaches great importance to the proper upkeep of all property and will look to you to see that nothing in this way is neglected.

STANLEY WAGES. Your remarks with regard to this account are fully appreciated.

LIGHTERAGE. The decrease in the profits on Lighterage and Hulkage naturally follows with the reduction of the coastal freight, owing to the basis on which it is fixed. Much of the expenditure too, to which you refer, such as the alterations to the "Kelp" and the "Samson", are in the nature of permanent improvements and might properly be capitalized, but it is far better to deal with them in the way you have done.

It becomes necessary to increase the proportion of coast freight allowed to Hulkage and instructions are being sent you to allow in future 1/5th instead of 1/6th. If this proves insufficient to make ends meet it will have to be further increased, as it is intended to conduct the work on a business like footing.

1237. 6/6/23.

SUNDREY DEBTORS. Your explanation of this account is quite satisfactory. It is also gratifying to see the substantial reduction made in the Store and Butchery Debtors.

INTEREST & COMMISSION ACCOUNT. The decrease in the return under this heading, as you explain, follows inevitably with the reduction of clients' debts.

S.S. "FALKLAND" ACCOUNT
"GWENDOLIN" } These accounts, to the 31st October, are being incorporated in the London accounts and no profit is passed to our Profit and Loss account in connection with them. The balances to the good will be held over against the expenditure to be met for motoring the "GWENDOLIN", etc.

CAMP MANAGER'S HOUSE. In the statement of "Additions to Furniture", it is noted that the item "Linen \$44.11. 2." is included in the amount capitalized.

It was explained to Mr. Slaughter when he was here that the Company did not undertake to provide linen or plate in any of the furnished houses and that such items must be provided by the employee. These charges will therefore have to be debited to his account.

In past correspondence you will see that it has many times been laid down that plate and linen are not provided by the Company although I am aware that certain anomalies exist. For instance, when Mr. Baillon left the service, the Company, to help him financially, took over his linen, amongst other items, and the Colonial Manager had the use of it. In addition to this Mr. Hugh Harding has probably had the use of linen left at Fitzroy by Mr. Packe, and these two cases alone give some colour to the contention that the old regulation has been cancelled.

In order that the matter should be straightened out and settled once for all, it has been decided by the Directors that, in the case of all the furnished houses, without exception, provided by the Company, linen and plate, pictures and fancy articles must be supplied by the employee at

-4-

1237. 6/6/23.

his own expense.; and further, it must be definitely understood by the employee that he is put in exactly the same position as the tenant of a furnished house in this country as regards the many smaller articles which wear out, such for instance as dusters, &c. A supply of these things will be provided for the newcomer and he will be expected to renew them as becomes necessary at his own expense, and to leave an equal number of same in the house when he vacates it, consideration to be allowed of course for wear.

With further reference to your statement, please note that it will be best in future to charge such items to the Farm Account as they are really replacements and as such will be allowed for taxation.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO. 1238, per "OROPESA", 6/6/23.

1. Acknowledges 609.
2. R.J. Allan - Stanley Carpenter - question of pension will be considered.
3. Coast Rams - Safe landing at destinations noted.
500 further rams to be imported at end of year.
4. Fire at Millinery Store.
5. Butchery annual profit.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street.

Per s.s. "OROPESA".

N^o 1238.

London, E.C.5. 6th June, 1923.

Dear Sir,

I have to acknowledge the receipt, - on the 4th instant, - of your despatch No. 609, dated 4th May, per "Maudie".

2. 609.2. The case of R.J.Allan, Stanley Carpenter, will be brought up for the consideration of the Board at the next meeting.

3. 609.3. It is very satisfactory to learn that all the imported rams were freed from quarantine and safely landed at their respective destinations.

The action of Messrs. Miller and Evans, to which you refer, is inexplicable and shows little appreciation of the facilities afforded by the Company in the matter of the importation of their rams.

The importance of giving early notice of the intention to import further rams from the Coast is quite understood. Please therefore make the necessary application at once for permission to import 500 from Gente Grande and Cullen Stations towards to end of the year. That number has been definitely ordered, - through Mr. Hobbs, - in anticipation of leave being granted by the Government.

4. 609.6. It is a matter for congratulation that the fire at the Millinery Store was checked and limited in the way you describe. It goes to prove that the "Pyrene" is a very efficient fire extinguisher. The claim for the damage done will be lodged with the Insurance Company in due course.

5. 609.7. We are glad to have your remarks and the statement relative to the Butchery business. The results shown are very good.

Yours faithfully,

E. B. Sodard.

Managing Director.

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

1. Acknowledges Despatch 610.
2. Speedwell Island wethers for Stanley Butchery.
3. Agreement entered into with C.P. Peters.
4. Nicholls not returning to Islands.
Crawford undertaken to return.
5. Sheep sold to Coast.
6. Re Chief Engineer for "Falkland".
7. Power of Attorney and agreement duly corrected sent
herewith.
8. "Celia" - motor schooner - trading with Falklands.
9. "Plym" - re sale of.
10. Wireless communication with Punta Arenas.
11. Using "Lady Elizabeth" as coal hulk for supplying
Whaling Companies - difficulties arising.
12. Shipment of produce per "La Paz".
13. Shipment and delivery of Coast Sheep from Great and
Ruggles Island.
14. Report on Bodie Creek project by Mr. Neave. Honorarium for
when made.
15. Gives information re sale of "Losada" wool.
16. Re valuation of stock of arsenic in 1922 accounts, and
its use for dipping.
17. "Expenses on the voyage" of employees.
18. Chief Clerk's house to be furnished.
19. Ash Boat at Darwin to be fitted with Engine to work
Islands.
20. 1000 tons Welsh coal being shipped this opportunity.
Asks for particulars "Falkland" coal consumption -
cost of placing in hulks, etc.

to

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per "LAGARTO".

Nº 1239.

London, E.C. 6th July, 1923.

Dear Sir,

I wrote you last on the 6th ultimo, and have now to acknowledge the receipt of your despatch No. 610, dated 29th May.

2. 609/4. It is satisfactory to learn of the shipment of the fat wethers from Speedwell Island to Stanley for the Butchery.

3. 610.2. Following up remarks in despatch No. 1236, para. 6, an agreement with Mr. Peters has now been concluded and he will return to the Islands in the "Oropesa", sailing on the 6th September. It has been arranged for him to see and follow the work entailed in fitting an engine to a vessel similar to the "Gwendolin", and generally to get all the information he will require to see the work through in Port Stanley.

4. 610.4. We have seen Nicholls and he has no intention of returning to the Islands.

Crawford has undertaken to do so and to work out the remainder of his five years agreement made in February, 1920. In his case, therefore, the need for a new agreement does not arise.

5. 610.5. The copies of your correspondence with Messrs. Waldron & Wood, Mr. Llanso and Sidey & Poels, relative to the shipment of surplus sheep, are to hand. It is noted that the West farmers are not in favour of dealing with Mr. Llanso again and that Messrs. Sidey & Poels will, if possible, carry on the business direct. We shall have an opportunity of discussing matters with Mr. Sidey when he calls on us.

You will see from the statement of receipts sent

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

1239. 6. 7. 23.

you last mail that the only difference, - amounting to £2.10.0.- arises on the short payment received for Messrs. George Bonner & Co., Ltd. No doubt if Mr. Bonner thinks it worth while you will take the matter up with Messrs. Waldron & Wood.

6. 610.6. We are rather in the dark as to whether Mr. Harley, the Chief Engineer of the "Falkland", is really retiring and whether you wish his successor sent out. The next opportunity will not be until the "Oropesa", sailing on the 6th September, which will be quite late enough. We are passing you a cable, asking for information and shall have no difficulty in engaging a competent man at £5.10. 0. a week.

7. 610.9. Your agreement and Power of Attorney, duly corrected, are returned herewith.

8. 610.11. Your account of the call of the motor schooner, "Celia", is interesting and we regret to learn that the timber for Mr. Dean was lost overboard. I understand from him that when in Stanley he went into the question of bringing timber over from the Coast in the s.s. "Falkland". I shall be glad to know what you estimate the cost of this would amount to, - per ton, - and how it would compare with the 70/- quoted by the "Celia". It is probable that in the case of the "Falkland", no freight would be available to pay for the outward voyage to Punta Arenas, and that consequently the rate by her would be proportionately increased. It would appear that the service afforded by these motor schooners might be worth encouraging if we can only rely on their not competing in our coastwise service by collecting produce. We think they would be out of the question for the conveyance of rams to the Islands.

9. 610.12. Your remarks are noted. We can only hope that later some satisfactory offer will be forthcoming for the "Plym".

10. 610.13. It is to be hoped that the opening up of direct wireless communication at Punta Arenas will result in more dependable services.

1239. 6. 7. 23.

11. 610.14. In connection with your remarks on the proposed use of the "Lady Elizabeth", as a coal hulk, we have informed the whaling companies that if we equip ourselves to supply their requirements for coal, their factory steamers would have to go alongside our coal hulk. It was not realized that it is not possible to moor her where this can be done, and we shall be interested to have your explanation. Is it that the factory steamers are too deep to come into the inner harbour? If this is the case we shall be glad to have Capt. Roberts' opinion as to the risk attending the placing of the hulk alongside them in Port William. Is this the alternative?

12. 610.15. We were glad to have your telegram reporting the satisfactory shipment by the "La Paz". That vessel is due in Havre to-day, and should be in London in the course of a week.

13. 610.16. The account you give of the shipment of rams from Great and Ruggles Island and the delivery to their respective destinations has been read with interest. It is unfortunate that such bad weather conditions prevailed at the time as it is doubtless owing to this that the losses were sustained.

14. 610.19. It is very good indeed of Mr. Neave to say that he is willing to report on the Bodie Creek Bridge project without a fee. I however feel sure that in the event of his doing this for the Company the Directors would wish to vote him some honorarium as his report should be of the greatest value.

15. You will see from the copy of catalogue enclosed that 906 bales of wool, nearly half of the "Losada" shipment, were put up at auction on the 3rd instant and, with the exception of two or three small lots, sold at prices which must be considered satisfactory although they are about 5% to 7½% lower than those realized in the May sales.

The following prices were made :-

<u>Mark.</u>	<u>Bales.</u>	<u>Highest price.</u>	<u>Average price.</u>
W.C	172	16½	12.92
N.A	260	21½	13.24
S	40	18	11.85
	<u>472</u>		<u>Average 13.01</u>

1239. 6.7.23.

A statement giving the above, and also those made for the other marks, is sent herewith.

16. With reference to your remarks under the heading of Farm in your memorandum dated 28th February, relative to 1922 Accounts, there would appear to be some clerical error in your computation of the value, £748, of the 4½ tons of arsenic on hand. We find it was bought in 1910 and cost £13 a ton. To-day's price is £80 a ton, so that its value would be under £400. In view of the possibility of it being required at some future time it would appear to be unwise to send it home. After all, the arsenic dip was used throughout our Camp for several years in Mr. Allan's time by men still on the Farm who should know how to use it, and there is no record of any evils resulting to the wool or stock. We would never order arsenic dip now unless it was specially asked for, but having got it on the spot it is a pity if it cannot be used and save the expenditure on new supplies of other dip.

17. From time to time questions have arisen as to whether the Company would pay "expenses on the voyage", to employees. Please note that the Board has definitely decided, as follows :-

Where the Colonial Manager, or any employee, is in receipt of full pay on the voyage and the Company is paying his passage money "expenses on the voyage", must be borne by the employee.

When the pay of the employee commences and ceases at Stanley, or he is in receipt of only half pay on the voyage, £5 will be allowed him for expenses.

18. The Board has been considering the question of, in future, supplying the ^{Chief Clerk} ~~XXXXXXXXXXXXXXXXXXXX~~ with a house furnished, as regards essentials only. It has been decided that this shall be done and that the Company will, as in other cases, provide the necessary furniture, exclusive of plate and linen, the cost of non-essential articles to be borne by the employee. Under this arrangement you are authorised, if Mr. Vincent agrees,

1239. 6.7.23.

to take over on behalf of the Company, the furniture he has supplied, provided that it is good, sound and durable and not merely cheap stuff which it would not pay to purchase.

19. It is intended that the ash boat at Darwin shall be fitted with a suitable engine and the boat placed for use in working the various Islands from Speedwell to Great and Swan. Unfortunately the dimensions of the boat are not here and a cable was sent you asking for full details as to this.

20. We have been successful in inducing the Pacific Company to put the "Lagarto" into Cardiff for our shipment of coal and they have agreed to do so for a minimum quantity of 1,000 tons. This has been supplied from the Ocean Merthyr Pit at a cost of $31\frac{1}{2}$ /- f.o.b. plus $3\frac{1}{2}$ ^d per ton wharfage.

This coal ranks number one in the Admiralty list for quality and we hope later to get your report as to its suitability for the "Falkland", and a comparison as to the difference in consumption between it and the Yorkshire coal last sent.

In this connection we shall be glad to have a statement giving the total coal consumption by the "Falkland" last year, represented by the amount in the accounts closed to the 31st October. Particulars of consumption, steaming, and in port, would be interesting.

Please also let us have the fullest information as to the cost of placing coal in hulk, the storage and the cost of delivering under the various conditions obtaining in the port.

Yours faithfully,

E. B. Goulard

Managing Director.

PRECIS OF DESPATCH NO. 1240 PER "ORIANA", 5/9/23.

- 1 Acknowledges despatch No.611.
 - 2 Bodie Creek Bridge - Report to be received from Mr.Neave.
 - 3 Wool shipment per "Oropesa" transferred to "Bogota".
 - 4 Wool Sales cancelled through Dock Strike.
 - 5 "Falkland" - Working and condition of.
 - 6 Sheep from Coast - Charge for pasturage.
- Call at Port Howard for labour.
- 7 Millinery Store results.
 - 8 Fire at Millinery Store - Claim settled.
 - 9 Conversion of "Fleetwing" into a mooring barge.
 - 10 Junior Clerk for Stanley.
 - 11 Greenshields Bros. business.
 - 12 Rams from Coast for next Season.
Order placed for 30 Merino Rams from Australia.
 - 13 Agreement enclosed :-

C.P.Peters, Engineer.
J.C.Craig " for "Falkland".
E.S.Crawford, mason, returning this mail.
Hotel expenses of employees.
 - 14 Cochran & Co.(Annan) Ltd. - Admiralty contractors.
 - 15 "Gwendolin" engine installation.
 - 16 Slipway - Peters and Crawfords meeting with Engineers.
 - 17 Boat for working Islands.
 - 18 Applications for pensions - To be considered at next Board.
 - 19 Asks for report on "Falkland's" dynamo.
 - 20 Winches to be sent next mail.
 - 21 Order placed with Petters Ltd. for pumping plant.
 - 22 Babcock Boiler - Try to sell on Coast.
 - 23 Proposed house at North Arm.
 - 24 Admiralty oil Tanks.

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The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORIANA".

N^o 1240.

London, E.C.3. 5th September, 1923.

Dear Sir,

Since writing you last on the 6th July, I have received your number 611 of the 5th July.

2. 611.2. Mr. Neave's report and recommendations as to the best means of bridging the Bodie Creek will be of great value and the receipt of same will be looked forward to with interest by the mail you indicate. It is most desirable that progress in this matter should be made as soon as possible, as until it is determined that it can be carried through, it is not possible to come to a final decision as to the capacity required for the proposed wool shed at Goose Green.

3. 611.3. Your cable advising the shipment of wool by the "Oropesa", was duly received. We have now heard from the P.S.N.C. that transshipment of this was effected at Valparaiso to the "Bogota", which vessel is due in London about the 24th instant.

The sailing of the "Lagarto", advised in your cable of the 27th August, we assume clears up the produce for the year.

4. In paragraph 15. of the last despatch, advice was sent you of the sale, on the 3rd July, of approximately half the quantity of wool brought by the "Losada". The balance was catalogued for sale on the 12th July but, in consequence of the outbreak of the dockers' strike, the sales, after being repeatedly postponed, were finally cancelled. The trouble is now over and the wool referred to is being offered on the 6th instant, and I will endeavour to send you a report of the prices realized by supplementary mail via Lisbon.

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

1240. 5. 9. 23.

5. 611.6. It is satisfactory to hear that the "Falkland" was able to make her last trip for the collection of produce so early in the year.

The movements of that vessel, and the details of the produce brought in by her from time to time have been followed closely here with much interest. Please inform Capt. Roberts the Board fully appreciates the expeditious way in which the steamer has been worked by him and that it has been gratified to hear, from many sources, of the greatly improved condition of the vessel,- especially the passenger accommodation,- which he has effected since taking command.

6. 611.7. The statements, giving the particulars of the amounts debited to the various stations in connection with the importation and final delivery of the rams, are to hand and duly noted.. With regard to pasturage, the Company must, of course, be recouped for the use of the islands, and it is decided to base this at 3d per week per head. This gives 5/6d per head for the San Julian sheep and 4/9d per head for those from Punta Arenas. Please debit the stations concerned accordingly.

In connection with the statements above referred to, it is noted that £55. 7. 10. is debited to the Farm Account for sundry expenses on the Coast of Mr. Slaughter and Coutts, but that no proportion of this item appears to be charged to Messrs. Geo. Bonner & Co. and Packe Bros. & Co., for both of whom rams were brought from Punta Arenas. These stations should certainly bear their share of this item.

With reference to your remarks in 609.3. as to the failure of Hill Cove and Port Howard Stations to send labour to assist in the shipment of the rams, please find herewith copies of correspondence with Messrs. J.L. Waldron, Ltd. on the subject. In the absence of any mention of the matter in your despatch, it was a surprise to hear from Messrs. Waldron that Mr. Evans sent his assistant on the occasion of the "Falklands" call at Port Howard and the call therefore ~~at Port Howard~~ was not altogether wasted.

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7. 611. 8. The statement of the results derived from the Millinery Store for the three years 1920 to 1922 is noted with interest.. The fact that over this period an annual profit of £1256 is shewn must be regarded as satisfactory, although we shall be disappointed if a considerable improvement on that figure is not shewn for 1922/3.

It is important that the results of working this branch should be followed closely, and we shall therefore be glad if you will have the accounts kept in such a way that when the closed accounts for the year come forward a separate statement can be enclosed, similar to the one you have now sent, shewing as near as possible the profit of the department for the year.

8. 611.9. The claim on the Royal Insurance Company, in respect of the damage done by fire to the Millinery Store, has been lodged and a cheque in settlement has been received.

9. 611.10. The details of the fittings and material required for converting the "Fleetwing" into a mooring barge are to hand, and quotations are being obtained for the cost of same. Before an order is placed we shall have to come to some definite understanding with the Admiralty as to recouping us for the proposed outlay.

10. 611.11. We shall endeavour to send out, by the October sailing, someone to take the place of Junior Clerk in succession to A.G. Moir whom we note has left you. Cable advice will be sent you before that date saying what has been done.

11. 611.12. It is satisfactory to learn from your remarks that Mr. R. Greenshields will purchase all his stores through the Company in future. It is, however, not quite clear, when you speak of his placing all his business in our hands, whether he intends us to handle his wool for him and pass it on to Messrs. Jacomb, Hoare & Co. to sell, or whether he wishes to consign his produce direct to that firm as previously.

12. Referring to the advice sent you in 1238 par.3. that a further 500 rams from Gente Grande and Cullen Stations had

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been ordered for the next Season, I enclose herewith copy of a letter dated 11th July from Mr. Ernest W. Hobbs with reference to the arrangements for shipment. It will be necessary for you to keep in touch with him on this matter and to arrange the dates for sending the "Falkland" to suit your other work.

In addition to the above ~~an~~ order has been placed with Messrs. Jacomb, Hoare & Co. for 30 Merino Rams to be brought from Australia. These will probably be arriving about November at Monte Video for transshipment, and you will doubtless arrange in good time the necessary Government permission to import.

13. Enclosed please find copy of agreement concluded with Mr. C.P. Peters for a further term of five years and also one with J.C. Craig, both of whom are sailing by this opportunity. The latter has been appointed to succeed Mr. Harley as Chief Engineer of the s.s. "Falkland". Mr. E.S. Crawford, the mason, also returns by the "Oriana" to work out the remainder of his existing agreement.

We might mention that Mr. Peters applied for hotel expenses in Liverpool before embarkation. We have informed him that this is a charge which has never been allowed to employees. Please take note of same for future guidance.

14. A letter of introduction to you has been given to Mr. William S. Ratcliffe, Engineer, who is being sent out by Messrs. Cochran & Co. (Annan) Ltd. to superintend the erection of the boiler and pumping plant to be installed in connection with the Admiralty Oil Tanks. £500 received from Messrs. Cochran & Co. is being passed out for the credit of Mr. Ratcliffe in account current this mail. You will doubtless give him all the assistance in your power.

Messrs. Cochran & Co. are shipping by the "Oriana" the boiler and machinery to be erected, and as the former will be a lift of about 8 tons, we will give you timely notice by cable so that the necessary lighter can be in readiness.

Mr. Ratcliffe is also taking out a considerable

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amount of plant in the shape of timber, shear legs, etc., to be used in erecting the machinery, etc. It is probable that when this work is completed, - in about three months time, - you may be able to acquire much of it that is useful at a low price.

15. As previously advised Mr. C. P. Peters returns to Stanley by this opportunity. During his stay in England he was sent to Messrs. Thornycroft & Co's shipyard at Southampton and engine works at Basingstoke and given every opportunity of obtaining all the information necessary to enable him to take charge of the work of installing the motor in the "Gwendolin". Please therefore note that he is to be responsible for seeing the job through, and it is hoped that with the hearty co-operation of all concerned the work will be completed successfully and as soon as possible.

16. In view of the possibility of the Board deciding, at some future date, to lay down the long talked of slipway in Stanley, the opportunity afforded by the presence here of Mr. Peters and Crawford was availed of to arrange a meeting between them and the Engineers who have advised us on this matter. Crawford, from his practical experience as Colonial Mason, was able to give the Engineers much valuable information as to local conditions, and they in turn were able to explain a very simple means of procedure for the laying of the foundation. The result of this conversation was that it was unanimously agreed that the conditions in Stanley are such that it would hardly be possible to imagine a place more suitable for a slipway or one where it could be constructed with greater ease and economy.

17. You will have gathered from conversations with Mr. W. M. Dean that it was intended to place a good vessel with an auxiliary motor at the disposal of J. Clarke for use in working the various islands taken over by the Company. It was considered that the Darwin Ash Boat would be suitable for this purpose, but, some doubt being cast on her condition by Mr. Slaughter in his letter of 30th June, a cable was sent you a few days ago to report definitely on her fitness... Your

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reply has come to hand advising that it is too bad for the purpose and suggesting waiting until Capt. Roberts goes to the Coast when he may find something better there. The "Falkland" will have to go to Punta for the rams in November or December, and you can arrange for Capt. Roberts to telegraph us particulars of anything offering there, and the price.

18. The Camp Manager has sent home particulars of the service with the Company of several men who are, more or less, unfitted for work. Their names are :-

T. Goodwin.
Thomas Miles.
William Watson.
Fred Jennings.
A. Simpson.

Their cases, and that of R.J. Allen referred to in your 609, par. 2. will be considered at the next Board Meeting, and the decision come to conveyed to you by next mail.

19. With regard to the s.s. "Falklands", dynamo which, after overhaul here, was returned by the "Oropesa" in March last, please let us have the Engineer's report on its working and the repairs effected when it is again installed in the ship.

20. Orders were placed, in July, with Messrs. Clarke, Chapman & Co., for the two oil, and one steam winch, for the "Egeria", "Gwendolin" and "Great Britain" respectively, referred to in 1236. par. 17. During his stay here Mr. Peters was sent over to their works to make himself conversant with all details of the machinery. Despatch was promised us by this opportunity but the makers have been unable to complete in time and shipment is promised for the October sailing.

21. We were informed by Mr. Peters that, now that the "Samson" cannot be used, you have no salvage pump of any kind to fall back upon in the event of necessity. In these circumstances it is realized that a heavy loss might at any time arise through the springing of a leak in any of the hulks or other vessels. An order has therefore been placed with Messrs. Petters, Ltd. for one of their portable oil driven pumps giving a 5" delivery with a capacity of 18,000 gallons an hour. We hope to ship this by the next sailing. Suction and delivery hose is not

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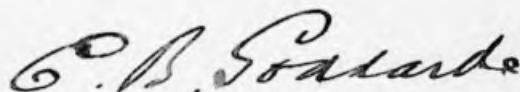
being supplied in the hope that you will be able to adapt some of that which is at present in Stanley. If this is found to be impossible please indent at once for your requirements. The engine to drive this pump, and also those for the two winches referred to above, can all be run with the heavy paraffin as recently sent for the Stanley Motor Boat; the cost of working should therefore be low.

22. There appears to be very little prospect of the Babcock Boiler last sent out to the Canning Works ever being required, and it is considered that it would be worth while your getting into communication with Mr. E. Hobbs with a view to seeing if there is any likelihood of finding a buyer for it in Punta Arenas. A copy of the original quotation was sent you on 16th September, 1918, from which you will see that the heating surface is given as 1426 sq. ft., and the working pressure 120 lbs.

23. We have received the plan of the proposed house at North Arm which, from your note appended, was evidently sent at the last moment and time did not permit of your explanation. We would like to know (now that Nicholls is not with you) if you can see your way to framing this building in Stanley, or whether you wish us to send it out complete.

24. Enclosed please find copy of a letter from the Admiralty dated 13th August, 1923, together with copy of instructions with regarding to accounting for oil fuel.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO. 1241, PER S.S. "OROPESA", DATED 10th OCTOBER, 1923.

- 1 No mails to acknowledge.
- 2 Wool prices and sale dates.
- 3 Bad condition of Hides ex "La Paz".
- 4 Ex Admiralty pinnace purchased for Island Work.
- 5 Encloses copy of letter from Association of Norwegian Whaling Companies re appointment of representative in Falkland Islands.
- 6 Notes work of converting "Lady Elizabeth" into coal hulk completed.
Reports position of negotiations with Whaling Co's for coal supplies.
- 7 Junior clerk for Stanley Office - Martin Creece engaged and sailing this vessel.
- 8 S.S. "Falkland" - Annual Accounts.
Statements etc. required.
Coastwise passage rates.
- 9 Salvage Pump being shipped this opportunity.
- 10 Encloses copy of letter from Waldron & Wood re Percheron Stud.
- 11 Oil fuel installation - Admiralty accept our tender to administer.
- 12 Slipway at South Georgia - offered by Mr. Gordon Glover.
- 13 Pensions.
- 14 New house at North Arm for Assistant Manager - quotations being obtained.
- 15 Bams and Timber from Punta Arenas - time of shipment.
- 16 Acknowledges receipt of mail per "Lagarto".
- 17 Refers again to New House at North Arm.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "OROPESA".

Nº 1241.

London, E.C.3. 10th October, 1923.

Dear Sir,

The last despatch sent you was dated the 5th September, since when no mail from the Islands has been received. It appears likely, owing to the cancelment of the "Oriana's" call at Stanley and the substitution of the "Lagarto", that an unusually long interval without letters will arise. It is assumed that at this time of the year mails cannot be sent via the Andes and consequently we must await the arrival of the "Lagarto" early in November.

2. I advised you in last despatch, 1240.4, that the balance of the wool brought per the "Losada" was to be sold on the 6th September, the date the mail left. A copy of the catalogue, shewing prices realized, was forwarded the following day, through our Agents in Lisbon and will no doubt have overtaken the "Oriana" at that port. A further supply of catalogues for Clients is sent herewith.

The highest price made for Company's wool was 20d and the average for the whole, which contained a considerable portion of the rough stuff, worked out at 12.80^d. This, though not quite so good as the previous sales, must be considered satisfactory.

The next series of sales commences on the 24th instant and the "La Paz" wool will be put up on the 31st October and 12th November.

The shipment by the "Oropesa" was transhipped at Valparaiso to the s.s. "Bogota" and that vessel is now in London discharging. The wool will come into the December series of sales.

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

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3. In view of all that has been previously written on the subject of the shipment of hides, it was most disconcerting to receive from our Brokers the following report on the parcels sent home by the "La Paz", - from Stanley in June last. They write as follows :-

" We carefully examined the Falkland Island Hides ex LA PAZ this morning, but as the full assortment is not yet to hand we shall not be able to send you full report and valuation until tomorrow.

However, we carefully examined the whole shipment, and we regret to inform you that the instructions which you wrote out on several occasions have been hopelessly disregarded. The whole parcel of 522 Hides arrived without a particle of salt, and consequently, are all more or less sloppy.

We trust you realize that through shipping these Hides without salt your friends on the other side have thrown away at least £300, or £400, simply for the want of a little care, and we think perhaps if you put it to them in this light, they will understand.

As a minimum, Hides insufficiently cured, as these always are, should be shipped with 2 lbs of salt per Hide, and we can only tell you that if we were the shippers we should put 4 lbs of salt per Hide in the steamer.

Apart from the question of damage, the landing weights of the Hides would be appreciably better if a certain amount of salt was included with them, and in itself would pay for the expense of salting."

The above letter speaks for itself and the Brokers inform us that their remarks apply, without exception, to every mark sent.

A copy of their letter should be sent to the Clients and our Camp Manager and all should be impressed with the importance of sufficiently salting the hides in the first instance.

It is also obvious, in view of the length of time that usually elapses between their receipt in Stanley and shipment home, that the hides should be opened out on the "Great Britain", heavily salted and only bundled immediately before shipment. This will, of course, entail some expense for which the various interests must be charged, but it is certain that the increased price will more than justify the outlay. It will be advisable for you to obtain the Clients' assent to this being done in future.

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4. Referring to remarks on the subject in 1240.17, we have been able to secure an Admiralty pinnacle of practically identically the same size and construction as the Darwin ash boat, being 42 feet x 12 feet, diagonal teak planking, and copper sheathed throughout. It is intended to have the boat decked, fitted with sails and a 26 H.P. Kelvin paraffin engine installed. She should then make a most useful boat for the island work. Every effort is being made to have this completed so that the boat can be shipped in a P.S.N.C. cargo steamer which we hope to induce them to put on at the end of December or early January.

5. Enclosed please find copy of a letter received from the Association of Norwegian Whaling Companies, dated 28th September, 1923 and one of our reply, with reference to your being appointed by them the person authorised to act on their behalf in the Falkland Islands.

6. We were glad to note from your cable of the 21st ultimo that the work on the "Lady Elizabeth" had been completed and that she is now ready for 1300 tons of coal, if required, for the whalers. We immediately got into communication with the whaling companies and offered them 600 tons to be taken in November on the outward passages of their boats, and a further quantity of about 1500 tons in March, on the vessels' homeward trip. In each case the coal to be taken from our hulks in the inner harbour. So far as the communications have gone, there seems little likelihood of their taking supplies when outward bound, but there is every prospect of concluding a contract with them, for a definite number of tons, for delivery in March/April. This, of course, depends upon our being able to get the Pacific Company to put on a cargo boat for the required quantity, to sail early in January. We realize that the factory steamers are too deep to go alongside the "Lady Elizabeth" where she is at present moored but we presume that if a contract for this coaling is entered into there would be no difficulty in obtaining permission to temporarily moor the "Lady Elizabeth" in another part of the harbour where the depth of water would admit

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of the factory steamers going alongside.

7. In continuation of remarks in despatch 1240.10, we have engaged Martin Creece for the post of Junior Clerk in Stanley, and he is leaving by this opportunity. No agreement has been entered into beyond that his salary will commence at £100 per annum, from the date of arrival in Stanley.

8. In view of the closing of the annual account of the "Falkland" on the 31st October, please let us have by the earliest possible mail, a full statement of the steamer's working for the year, as we are anxious to know the results of her operations. As soon as you know all the expenses which are applicable to the period, your account can be closed and we can apply outstanding credits for produce and so get at the result.

With the account we would like to have statements giving every possible information such as the number of hands carried, their rates of pay, total earnings, overtime, the coal consumed per day, the average price and the daily cost of running based on the year's experience. When these final figures are available, please send statements shewing as nearly as possible what was the actual cost of the trips to San Julian and Punta Arenas for the rams.

We are not quite clear as to the present rates charged for passages, coastwise, and are under the impression that they are still 33 1/3% above those detailed in Schedule A attached to the old mail contract. A copy of this schedule is enclosed. Please advise if this is still the basis of charge and if the present rates are merely a percentage increase, - and if so how much, - on the figures shewn.

We shall also require your certificate detailing the periods of thirty consecutive days during which the vessel has been laid up so that insurance premium can be recovered.

Please see that the copies of the Chief Officer and Chief Engineer's logs are sent regularly. Forms for this purpose were sent out to you in the "Oropesa" in March last.

9. With reference to the salvage pump which is being

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shipped by this opportunity, we send you herewith a drawing giving particulars to enable you to arrange for a suction and delivery pipe.

10. Enclosed please find copy of a letter from Messrs. Waldron & Wood with reference to the percheron stud shipped to you from Buenos Aires by the "Lagarto".

11. I am pleased to be able to inform you that we have received a letter from the Admiralty, dated 4th October, (copy enclosed) agreeing to our charge of £750 per annum for custody and administration of the oil fuel installation and 1s/- a ton for oil received into the depot and 1s/- a ton for oil delivered from the depot, both these charges to include overtime.

12. Herewith you will find copy of a letter from Mr. Gordon Glover, advising us that he has for sale a slipway equipment, made by Hawthorns & Co.Ltd. at Leith which, within the last twelve months, he shipped out to South Georgia for the Tonsberg Whaling Co. Owing to unforeseen local conditions this could not be laid down and one of another type has been sent in its place. They therefore have this plant on their hands at South Georgia, just as it was delivered, and it is quite possible that it could be acquired at bargain price. The Board is in favour of making an offer for it, delivered in Port Stanley, if we can first learn from the Governor that he is willing to put the land, at the proposed site, up for auction and that he does not purpose imposing any absurd restrictions as to the construction of the slipway as were suggested in your despatch number 597 paragraph 5.

The Governor is still in Scotland and we hope that when he returns to London before the end of the year we shall have an opportunity of meeting him and coming to an understanding with regard to the scheme.

13. Referring to your 609.2., the case of R.J.Allan, carpenter, has been considered by the Board and it was decided to retire him on a pension of £50 per annum. It must, of course, be understood that he does not remain in occupation of one of the

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Company's houses, rent free, as has happened in similar cases previously.

Consideration was also given to the employees mentioned in Mr.Slaughter's letter of the 30th June, 1922, namely, William Watson, Thos. Myles, Fredk.Jennings, Thos.Goodwin and Alexander Simpson. The following decisions were come to, which please note. -

William Watson. It is understood from Mr.Slaughter's remarks that this man has, since 1922, been working in Stanley. As no application for a pension has been received through you, it is not clear why the Camp Manager has put his name forward for consideration. In any case, in view of his remarks to the effect that Watson is still a comparatively young man and well able to work, the Board sees no reason to retire him on pension.

Thos. Myles. In this case, Myles joined the Company in 1883 and left it in 1886, after three years service. He was then away from the Company for 21 years,- during the best of his life,- and only returned in 1907, his total service as an employee being about 19 years. His, therefore, is not a case in which the Company would be justified in granting a pension. If, as stated in Mr.Slaughter's remarks, he is incapable of earning the wages paid him, he certainly should be discharged or paid proportionately.

Fredk.Jennings. It has been decided that this man should be retired and that he be paid a pension of £34 a year.

Thos. Goodwin. To be also retired on a pension of £30 a year.

Alexander Simpson. This case presents a little difficulty as Simpson is still capable of obtaining good employment. The Company's pensions have only been given to those who have worked the best part of their lives for the Company and who are no longer capable of work. The following decision was therefore come to, viz., if Simpson is giving up work in the Falklands and returning home, he will be paid a pension of £66 a year. If, on the other hand, he intends seeking other employment in the Islands, the pension will be limited to £33 a year while so

1241. 10. 10. 23.

employed and it will revert to ~~£66~~ a year when he returns to this country.

It must be distinctly understood that in all cases the pensions will only be paid on condition that the men leave the Camp.

The circumstances under which pensions have been gratuitously granted to employees of many years standing, incapable of further work, are quite correctly set out in Mr.Slaughter's letter of the 30th June.

14. Quotations are being obtained from several firms for the proposed house for the Assistant Manager at North Arm, and these range from Boulton & Paul Ltd. £1135, Harbrow Ltd. £973 and Browne & Lilly £994.

The plans have not yet been finally passed, but you will be interested to see the enclosed blue prints of the arrangements suggested by the firms mentioned.

We feel considerable doubt as to your being able to frame the building in Stanley within a reasonable time at an "all in" cost to compare with the quotations received, and it is therefore probable that it will be decided to accept one of the tenders mentioned above and so ensure the building being out and erected as soon as possible.

15. In view of Mr. Ernest W.Hobb's advice in his letter of the 11th July,- a copy of which was sent you last mail,- to the effect that the best time for shipment of the rams and timber would be December, we wired you on the 1st instant, saying that if you were able to arrange matters with him, it would be advisable to send the "Falkland" in November so that Mr.Slaughter could precede the boat in the "Oropesa" from Stanley about the 7th November. It is evident that only by arranging matters in this way could Mr.Slaughter be back in time for the shearing, when it is considered his presence at the Camp is of great importance.

The information was also added to our cable referred to that Mr.Hobbs had quoted 110 dollars per 1000, f.a b. Punta Arenas, for droppers, and that as this is considerably cheaper than we

1241. 10. 10. 23.

can buy here, it would be advisable to bring over in the "Falkland" a good stock. A copy of Mr. Hobb's letter is enclosed.

Yours faithfully,

E. N. Goswami

Managing Director.

16. The mail from Stanley by the "Lagarto", bringing your despatches Nos. 612 and 613, and your other letters, were delivered here this morning since the above was written. Time has not permitted of my dealing with the contents of that mail and replies must be deferred until the next opportunity.

17. Alluding to paragraph 14 above, the blue prints referred to are not being sent as it is found that they will require to be considerably modified before being finally approved.

E. N.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

Supplementary Mail

61, Gracechurch Street.

Per S.S. "OROPESA".

Nº 1242.

London, E.C. 12th October, 1923.

Dear Sir,

I am forwarding this note through our Agents in Lisbon, to advise you that we have concluded a contract with the Whaling Companies for the supply of 1500/1800 tons of South Wales coal for delivery to them on their return voyage from the South in March and April.

A copy of the contract will be forwarded you next mail giving particulars of the vessels we have contracted to supply, - and the respective quantities for each.

It is stipulated that the coal shall be taken in the inner harbour and that the factories will go alongside our hulks.

We have contracted for the coal at not over
^{s d}
 27/6 per ton f.o.b.

and have induced the P.S.N.C. to reduce
 their freight to 27/6,
 insurance will cost, say 3
 making a total of 55/3

Our selling price to the Whaling Companies is 75s/-, so that in round figures we shall have £1 a ton to pay for delivery to bulk and delivery to the Whalers.

The Pacific Company have agreed to take the coal from Cardiff and have the option of sending it in one or two steamers, the last of which to arrive in Port Stanley the first week in March.

It is satisfactory to have fixed up this business,

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

1242. 12/10/23.

as there is every prospect of it being repeated annually.

2. There is no time to deal with your despatches 612 and 613, but I take this opportunity of letting you know that Mr. Slaughter's suggestions, - and yours, - as to suspending the stoppage of the war bonus until after the shearing, will certainly be approved. A cable to this effect will be sent you within a few days.

3. Enclosed please find copy of a letter from Messrs. Petters Limited relative to two lubricating pipes for the main bearing of the pumping plant shipped to you by this mail.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO. 1243, PER S.S. "ORTEGA", DATED 5th DECEMBER, 1923.

- 1 Acknowledges No. 614.
- 2 "Gwendolin", - Installing motor engine.
- 3 Sale of Sullivan House and land at Stanley.
- 4 Pebble produce "held covered", when carried in "Karina Kirsten".
- 5 Medical attendance at Port Louis.
- 6 Thieving in Stanley.
- 7 Copy of Company's Articles enclosed.
- 8 Plan of Stanley prepared by Mr. Neave received.
- 9 No offer for canning material yet received from Waldron & Wood.
- 10 Sale of surplus sheep to Sidey & Poels - Position noted.
- 11 "Falkland", - Boiler Survey Certificate lodged with Registry.
- 12 Mansel Hardy - Forgery.
- 13 R.J. Dettleff - application for leave not to hand.
- 14 "Gwendolin", sails.
- 15 Hill Cove Hay - Rate of freight.
- 16 Coal for whalers - Contracts enclosed.
Method of weighing.
- 17 Timber from Coast.
- 18 H.C. Harding - Leave of absence granted.
Agreement.
- 19 Invoicing of Stores to Darwin and North Arm.
Sale of Farm Stores to outside Stations.
- 20 Mr. Gresham's trip in "Gwendolin".
- 21 Buildings and hulks. - Repairs to.
Moorings - Chain etc. required to be shipped next mail.
- 22 Darwin Ash Boat.
Converted pinnace "Speedwell" to be shipped next cargo boat.
- 23 "Fleetwing", - Conversion for Admiralty purposes in abeyance.
24. Noted that old Rifle Range Hut removed.
- 25 Shed at Camber.
- 26 Condition of "Proecis", and "J.P. Smith".
- 27 J. McNicholl - granting of extra passages approved.
- 28 Sample of Kerosene will be analysed when received.
Thornycroft recommend "Royal Daylight" for "Gwendolin" engine.
- 29 Government Educational Scheme - Passage rates for children per "Falkland".
- 30 Wool Tax.
- 31 Supervision of Admiralty property - letter enclosed re crane.
- 32 "Falkland", - No. 1. Survey due this month - Letter from Lloyds Registry enclosed.
- 33 Mares from Coast.
- 34 Freight contract for shipment of produce concluded with P.S.N.C. on same terms as last year.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street,

Per S.S. "ORTEGA".

Nº 1243.

London, E.C.3. 5th December, 1923.

Dear Sir,

Since writing you last, on the 12th October, I have to acknowledge receipt of your despatch No.614, dated 4th October.

2. 612.2. The Board is gratified to learn that all parties concerned will heartily co-operate in the work of installing the motor engine in the schooner "Gwendolin", and that everything will be done to make the job a complete success.

3. 612.4. The Conveyances referred to were duly sealed and signed and handed to the Crown Agents for the Colonies in exchange for their cheque for £4,500.

4. 612.6. We have arranged with the Underwriters to hold covered any shipments of produce made from Pebble Island for Mr. Dean in his vessel, the "Karina Kirsten".

5. 612.11. The arrangements you have made with the Government with regard to the medical attendance at Port Louis, are approved. Also your proposal as to the employment, when necessity arises, of an anaesthetist, - it being clearly understood that in such cases the employee concerned contributes to the cost according to his means.

6. 612.12. The thieving propensity of some people in Stanley certainly appears to be developing to an alarming extent, and the cases mentioned are indeed serious. It is to be hoped that we shall hear later that the culprits have been brought to justice.

Your correspondence with the Authorities on the subject of the inadequate police supervision is most timely and has been read with much interest. It is to be hoped that some

M.M.R. Gresham, Esq.,

Manager,

Port Stanley.

1243. 5. 12. 23.

improvement will be effected in the near future. From the Colonial Secretary's remarks, it is evident that the disinclination to prosecute shown by the Company in the past, has rather encouraged the pilfering. The Board will look to you for a complete change of policy in this respect.

7. 612.14. Enclosed please find, under open cover, a letter to the Colonial Secretary, forwarding him a copy of the Company's Articles of Association and list of Directors, as required by Ordinance No.7 of 1922.

8. 612.15. Please convey to Mr. A.A.P. Neave the Board's thanks and appreciation of the excellent plan of Stanley prepared by him. It is a vast improvement on anything we have here and will be most useful for reference.

9. 612.16. So far we have heard nothing from Messrs. Waldron & Wood in the direction of making an offer for the canning material.

10. 612.18. The position of the negotiations with regard to
614.18. the sale of surplus sheep to Messrs. Sidey & Poels is duly noted. It appears probable that there will be a few farmers prepared to make a contract on the basis of 70% of wethers being guaranteed.

11. 612.20. Mr. Baseley's Certificate of Survey of the "Falkland", boilers is to hand and has been lodged with the Registry. It is extremely satisfactory to hear that he found things in such excellent condition.

12. 612.21. It is fortunate that you were so successful
614.7. in detecting the forgery perpetrated by Mansel Hardy and that he has been duly convicted and sentenced.

13. 612.22. The copy of the letter from R.J.Dettleff referred to in the despatch did not come to hand, so that we are quite in the dark as to the concession he is asking of the Board. We have awaited the arrival of the following mail by the "Oriana", in anticipation of the omission being rectified, but as this has not been done, we will mention the position in the next cable message sent you. The excellent services rendered by Mr. Dettleff in the past are fully appreciated.

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and any arrangements with regard to his leave which you think fit to make will be approved by the Board. The application being made by him will certainly receive the favourable consideration of the Directors when the letter referred to comes to hand.

14. 612.23. The condition of the leach rope of the fore-sail of the "GWENDOLIN", as reported by Capt. Roberts, is extremely unsatisfactory. So far the portions returned to us have not been received, so that it has not been possible to take the matter up with the suppliers.

15. 613.2. Until the running expenses of the "Gwendolin". under the new motored conditions, are ascertained, it is not possible to say what the fair rate of freight should be for the Mill Cove hay. No doubt, however, before the next crop is ready, you will be in possession of sufficient information, and it must be left to you to fix a figure which will leave a reasonable profit to the schooner.

16. 613.7. I now enclose the undermentioned copies of
614.13.
the bunkering contracts entered into:-

Delivery.		
Novr./Decr. 1923.	Whaler "EIK 2".	30 tons.
Decr./Janr. 1924.	" " "WEDDELL".	70 "
March/April 1924.	"BRANSFIELD" "ROSS" "PORT SEANLEY" "FOGO" "ALMIRANTE GONI" "WEDDELL" "EDLE" "PAALL" & "CHARCOT".	300 "
" " "	"PYTHIA".	200 "
" " "	"ORN II" with catchers "NEB II" "GVAS" & "HAVORN II".	300 "
" " "	"SVEND FOYNEL" with catchers "ALEX. LANGE" "SCOTT" & "GRAHAM".	300 "
" " "	"FALK" with catchers "HAUKEN II" "GRIB II" & "KLO".	300 "
" " "	"SOLSTREIF" & cathhers.	300 "
		<u>1800 tons.</u>

In order to meet these commitments, we are shipping to you by the "Laguna", sailing from Swansea on the 10th instant, 1500 tons of best South Wales, - Ocean large, - coal,

1243. 5. 12. 23.

and this will leave 300 tons to be supplied from your present stocks. Please send the earliest possible advice as to when you will be in need of further supplies for your local requirements after these contracts are fulfilled.

With regard to your recent remarks on the subject of checking the weight of coal received and delivered, and your indent for a crane weighing appliance, we have discussed the matter very fully with Messrs. Lambert Bros. - who have world-wide experience in the bunkering business. They inform us that by far the most usual practice is to use baskets, when loading or discharging, of a uniform size. These are made specially for the purpose, and vary from those holding $2\frac{1}{2}$ cwt up to larger ones which will hold $\frac{1}{2}$ ton. The weight of different descriptions of coal will, of course, vary, and it is therefore necessary when loading or discharging to weigh an occasional average filled basket on which to base the total weight. If this is done, Messrs. Lambert Bros. assure us that the actual loss or gain, in any case, will be very slight. We are somewhat in the dark as to which size of basket will suit your particular requirements best, but we are sending you by the "Laguna", 8 to hold approximately 4 cwt. each and 8 to hold $2\frac{1}{2}$ cwt. Your indent for the large $\frac{1}{2}$ ton iron buckets has since been received and will be given attention.

17. 613.12. Your remarks on the subject of importing timber from Punta Arenas have been read with interest. You will have gathered from the cable sent you on the 16th October that the proposed voyage of the "Falkland", was approved.

In connection with a recent importation of posts from the Coast Mr. Slaughter has remarked in a letter home that some of these are rather like "walking sticks". Doubtless you will look into the matter, and if there are sufficient grounds for lodging a complaint with Mr. Hobbs, you will write him accordingly.

18. 613.14. Mr. H.C. Harding's application for leave of absence has been approved by the Board. In view of the

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expiry, in April next, of his agreement taken over by the Company, he will no doubt be making an application for one for a further term in due course.

19. 613.15. With reference to the question raised as to the invoicing of MamByars goods to the Darwin and North Arm stores, please note that in future this must conform to the regulation laid down in Remarks on Accounts dated 6th June 1923. That is, not more than 10% on c.i.f. cost to be charged to cover Stanley expenses. You must also give instructions that a proper Store Account at Darwin and North Arm is to be kept and the profit ascertained annually; this profit to be brought into the accounts quite clear of the wages, as it is quite wrong that the item, wages, should fluctuate with any profit made on the sale of stores.

The practice which - we gather from your remarks - has grown up of allowing stations outside the Company to purchase from our Farm Stores on the same terms as the Company's employees, is altogether wrong, and is to be stopped. Some plan must be adopted to differentiate in price between the two, otherwise it is clear the Farm Stores are directly competing with the Stanley Store.

20. 614.2. The remarks on the subject of your trip in the "Gwendolin", and the loss of time incurred, are most interesting, confirming as ^{they do} ~~the~~ the opinion which has long been held here that auxiliary power fitted to the schooner will save an appalling waste of time.

21. 614.3. It is satisfactory to hear that such good progress has been made with the repairs to buildings and hulks.

Captain Roberts's report on the moorings is to hand and his requirements as regards the chain, etc. in connection therewith will be shipped by the next mail.

22. 614.4. In view of the doubt expressed as to the condition of the Darwin Ash Boat, it is just as well that it was decided not to proceed, - at any rate for the present, - with the work of engining her. In 1241.4 you were advised that a boat of identically the same type has been secured. When she arrives

1243. 5. 12. 23.

in Stanley we think you will agree she is remarkably strong and well suited for the purpose intended. We had originally planned to send this boat out in the P.S.N.C. cargo vessel carrying the coal for the whaling steamers and intended to leave the U.K. in January. Unfortunately, owing to the way in which the steamers were hung up on the Chilian coast, through strikes, we had to accept the "Laguna" sailing on the 10th instant, or run the risk of being late with our bunkering supplies for the whalers. Every effort has been made to get the pinnaee completed in time for shipment on the "Laguna", but at the last moment this was found to be impossible. It will therefore be sent with the next coal shipment which we will endeavour to arrange to arrive in Stanley as soon as possible after your hulks are cleared by the whaling steamers.

23. 614.6. The question of adapting the "Fleetwing" for the purpose of dealing with the Admiralty moorings is in abeyance. Before deciding to sanction the expenditure entailed, the possibility of adapting for the purpose their own barge, which is to be stationed in Stanley, is being considered.

24. 614.10. Note has been taken that the old Rifle Range hut on the land being purchased from the Admiralty has been removed.

25. 614.11. The possibility of the large shed at the Camber, belonging to the Admiralty, being for sale, is certainly well worth following up. Should you hear that any definite decision has been come to on the point, please advise us immediately. It is more than probable that a part of it would work in very well for the wool shed at Fitzroy. With regard to the use of a portion of it on land to be reclaimed in front of the Office buildings, please send a rough plan or outline giving your views as to how and where any section of the building could be best made use of.

26. 614.12. Your remarks on the condition of the "Proceis" and "J.P.Smith" only confirm what we have learned from time to time of their condition. They are all very old vessels and

1243. 5. 12. 23.

there is little doubt that they cannot be relied upon for very much longer.

27. 614.14. Approval is given to grant J. McNicoll the two extra 2nd class passages he asks for. Not knowing the ages of his four children we are not prepared at this stage to say that we would be agreeable to pay the passages of all of them back to Port Stanley, as you will readily see the return fares for a family of six, whatever the age of the children may be, will run into a considerable sum.

28. 614.15. When the sample of kerosene comes to hand we will have it analysed and a report sent you. Messrs. Thornycroft & Co. have recommended "Royal Daylight" for use with their engine on the "Gwendolin", and 100 barrels are being shipped to you by the "Laguna".

29. 614.16. The Board, - which has not met since the receipt of your despatch, - will, I am sure, be most ready to do what it can to encourage the scheme of education for the children by granting the concession which you suggest on the fares by the "Falkland". You might point out that although the results of working that vessel profitably, over a period of years, are, for the present uncertain, the Board has, nevertheless, stretched a point in order to co-operate as far as possible in the Government's scheme.

30. 614.19. Although, from your figures, it appears the Company will have to pay a slightly increased amount, there is no doubt that the removal of the graduated land tax, and the substitution of one on wool, will be welcomed by all, as undoubtedly it is a more equitable basis.

31. Enclosed please find copy of a letter from the Admiralty dated 10th November, referring to a half ton steam crane which must be included in the Admiralty's property to be cared for by the Company under the contract entered into.

32. Also copy of a letter from Lloyds Registry of Shipping dated 9th October, relative to the second special survey No.1. of the "Falkland", which becomes due this month.

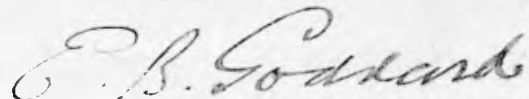
1243. 5. 12. 23.

The sample reports referred to are attached. From the requirements of this survey it is clear that it can only be carried out on a slipway or in a dry dock, but the "Falkland" certainly cannot be spared to go to the Coast for this purpose until after the wool season.

33. Referring to our cable of the 6th November advising that we had contracted with Mr. Morrison of Punta Arenas for the delivery in January/February of 50 mares, we send you herewith, for your information and that of Mr. Slaughter, copies of the letters exchanged with him on the subject.

34. From the enclosed copy of correspondence, and agreement entered into with the Pacific Company, you will see that we have contracted for the shipment of the Falkland Islands produce for the ensuing year on the same terms as last.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO.1244. PER "OROPESA", 9TH JANUARY, 1924.

1. Acknowledges No.615.
2. Noted that Mr.Neave's report re bridging of Bodie Creek is still delayed.
3. Coast Rams - re delivery on West Falklands.
4. Trips of "Falkland" to P.A. for sheep and timber.
5. Crawford - Mason - Question of domicile left to Colonial Manager.
6. Collection of produce by "Gwendolin".
7. Reports that Chairman has not yet met the Governor.
8. re Boats on offer at Dawson Island.
9. House for North Arm to be shipped next June.
10. Comments on new Government Regulations as to importation of Stock and fodder from Coast.
11. Stock Inspector - Govmt.scheme not approved.
12. Stanley Wages - Notes little prospect of reduction.
13. Land Tax - Abolition of.
14. Collection of produce - "Ballena" to call end of January.
15. Supervision of Admiralty Oil Installation - Services of Stacy.
- 15a. Our Tender of £550 for laying moorings accepted.
16. Shipment of house and steam coal to be made in March.
Requests Statement of Stocks to be sent each mail.
17. "Speedwell" to be sent per "Huanchaco" in March.
18. Advises position of wool market.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street.

Per s.s. "OROPESA",

N^o 1244.

London, E.C.3. 9th January, 1924.

Dear Sir,

I wrote you last on the 5th December and have since received, on the 21st ultimo, your despatch No. 615 of the 6th November.

2. 615.2. It is noted with regret that Mr. Neave's report on the bridging of Bodie Inlet is still unavoidably delayed.

3. 615.5. We are glad to note from your remarks that your cable advising the probable arrival of the "Falkland", at Port Howard en route to pick up the rams was despatched from Stanley five days before she actually arrived. In these circumstances the complaints made by Messrs. Miller and Evans are totally devoid of foundation.

4. 615.8. The arrangements made for the two trips of the "Falkland" to the Coast for rams and timber are noted with interest. Also the valuable co-operation of the Acting Governor in the matter.

5. 615.9. With regard to Crawford, it will be for you to decide where he had best be domiciled, having regard to the work on which he is employed. When the original agreement was entered into with him he was no doubt wanted for some time at Goose Green, and if you are now of opinion that his services can be made best use of in Stanley, the arrangements you have made with him are approved.

6. 615.11. The record given of the collection of produce etc. by the "Gwendolin", in sixty-one working days, is certainly very poor and must show a dead loss. It is noted that the conditions during the time were exceptionally bad, and it will

H.H.R. Gresham, ESQ.,

Manager,

Port Stanley.

-2-

1244. 9. 1. 24.

be interesting to see later what proportion of time ~~is~~ saved through the installation of the engine. It is satisfactory to learn that that work was about to be commenced and your later advices as to the progress made will be looked forward to with interest.

7. 615.12. Up till now the Chairman has not had an opportunity of meeting the Governor, who has been recovering slowly from his recent operation and therefore unable to face the fatigue of much business discussion. It is hoped that shortly, amongst other things, the question of a slipway will be talked over with him.

8. 615.13. I have your cable of the 1st instant relative to the boats on offer at Dawson Island. As, however, you make special reference to your despatch 617, which is not yet to hand, further comment at the moment is not possible.

You will have learned from 1241.4 and 1243.22 that a boat for Speedwell Island is being engined and sent from here. It is assumed therefore that those referred to in your cable are for some supplementary purpose.

9. 615.17. Alluding to remarks in my 1241.14, it is not the intention to ship out the house for North Arm until June or July next. It is considered desirable that the Assistant Camp Manager should be on the spot when the erection is taking place.

10. 615.18. The new Regulations issued by the Government with reference to the importation of Stock from the Coast have been read with interest.

In regard to the greater latitude which is being allowed in connection with the importation of alfalfa and other fodder, please note that notwithstanding the changes which the Government have seen fit to make, the Board considers it will be extremely dangerous to make importations from Uruguay, or any place in the Argentine north of Port Madrin. It is well known that foot and mouth disease is always to be found north of that place whereas, it is, I understand, unknown

1244. 9. 1. 24.

in Southern Patagonia bordering the Straits and Tierra del Fuego.

11. 615.19. There can be no other feeling but appreciation of the Governor's desire to do anything in the direction of improving the Colony's main industry, but at the same time it is considered that the practical advantages to be obtained by the employment of a person from another colony, such as New Zealand, where conditions are so totally different, are nil.

12. 615.22. From what you write, and having regard to the attitude of the Government in the matter, there appears to be little prospect of any reduction in the Stanley wages being made in the near future. This being so it is all the more important to see that we get a fair day's work from every man employed there.

13. 615.24. I have to acknowledge receipt of the November Gazette from which it is very satisfactory to note that the Land Tax has been really abolished. The inequitable incidence of this tax is amply shown by the cases you quote.

14. From the copies of the correspondence with the Pacific Company enclosed you will see that we have protested at the arrangement made for lifting our produce under which a collection from Stanley on the 2nd March was to be the first boat of the year. A cable was sent you in this connection asking if you had emphasized the importance of a sailing at the end of January, but the day following the despatch of that cable I was verbally informed by the Pacific Company that they will send the "Ballena" into Stanley towards the end of January. We have indicated that there should be about 2,000 bales available for shipment by the 31st of that month.

15. Alluding to remarks 1241.11 advising you that the Admiralty had accepted our tender for the supervision of the oil installation, we shall be glad to know if you have been able to secure the services of the man named Stacey referred to in your 607.2. In a conversation with the Admiralty they have expressed the opinion that it is

1244. 9. 1. 24.

desirable that the man placed in charge should certainly reside at Navy Point, on the spot, and that he can probably be accommodated in one of the Admiralty houses.

15a. Referring to remarks in 1243.23, the Admiralty has now signified acceptance of our tender of £550 for laying the moorings in the inner harbour for their barge or oiler steamer. See copy of letters enclosed. The sum represents the cost of completely equipping the "Fleetwing" for the purpose and no further charge will be made for the actual work of laying the moorings on the first occasion. As repayment for that service we shall have the valuable asset of the equipment for practically nothing.

The necessary timber, capstans and other materials specified in your memo. of the 3rd July will be shipped by the next opportunity.

16. Your cable of the 18th December enquiring about house coal came to hand. It is the present intention, - and arrangements have almost been completed, - to ship out in the "Huanchaco", to leave during the latter part of March 600 to 700 tons of South Wales Steam Coal from Cardiff, and we would at the same time ship 200 tons of house coal from Liverpool. We calculate that by the time the "Huanchaco", would arrive in Stanley your hulks will have been cleared by the whalers. If there is any doubt in the matter please advise by cable immediately on receipt of this.

Our coal business seems likely to assume larger proportions than in the past, and in order to enable us, on this side, to keep in close touch with the position of your stocks and storage capacity in Stanley, please forward each mail a statement of the approximate quantities on hand and an indication of your requirements for two or three months ahead.

17. The motor boat "Speedwell" for use in connection with the island work will also be sent out by the "Huanchaco".

1244. 9. 1. 24.

18. Following the practice recently adopted, I cabled out to you the average prices made for the different marks of Falkland wool sold at auction, and it is to be hoped that the clients will appreciate getting this information more promptly than of old. From this cable, and the various catalogues and reports enclosed, you will see that the market is very strong. The last of the Government, or B.A.W.R.A. wools to be offered in London will be put up this month. The remaining quantity will be sold in Hull and Liverpool a month or two later. With the clearance of this, and the present active demand, there appears every prospect of good prices being maintained.

Yours faithfully,



Managing Director.

1. This mail being carried by "Oriana" via Panama & Straits.
2. Acknowledges despatches 616 & 617.
3. Hides.
4. Coal for Whalers - Stocks to be reserved to fulfill contracts advised 12th October, 1923.
5. s.s. "FALKLAND" - Accounts received.
Renewal of boilers.
Coastwise passages to be reduced to 10%
above schedule rates instead of 33 1/3%,
"Gwendolin" a/cs to 31st October also to
be sent.
Special gratuity of £100 to Capt. Roberts.
6. Wm. Watson granted pension of £18 per annum.
7. War Bonus not to be cut down at present.
8. Noted that the Welsh Coal shipped gives satisfaction.
9. Engining of "GWENDOLIN".
10. Lighters - re Capt. Roberts's report on.
11. Approve purchase of two chatas and towing boat for "Falkland"
9 HP Thornycroft engine ordered for boat.
12. Dr. Moir's report - Australian tanks to be supplied.
Laboratory equipment and dental chair will
be sent when actual requirement known.
13. Purchase of Admiralty land - sealed Grant to be sent next mail.
14. re Salvage Pump.
15. Motor Winches - hot bulb starting.
16. "Egeria" - condition of and work done.
As to using concrete piles.
17. Sale of Butchery Sheep to the Coast.
18. "Ballena" shipment of produce noted.
19. Approves substitution of "Lobos" for "Kenuta".
20. Wool Market.
21. "Lady Elizabeth" - cabled measurements passed on to P.N.N.C.
22. Merino Rams from Australia - re loss of 9 at dipping.
23. "Huanchaco" sailing 18th March with steam and house coal -
also motor boat "Speedwell".

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

6-1, Gracechurch Street.

Per S.S. "ORIANA".

Nº 1245.

London, E.C.3. 6th February, 1924.

Dear Sir,

The Post Office gave notice yesterday morning that the above vessel, sailing on Thursday via the Panama and Straits of Magellan, will take a mail to Port Stanley at which port she is due about the 31st March.

2. Since writing you last on the 9th January, your despatches Nos. 616 of the 15th November and 617 of the 6th December, have come to hand.

3. 616.3. We are glad to note that you have taken up with the farmers the unsatisfactory condition of the Hides. 5 tons of salt were shipped to you in the "Laguna" of the quality used specially for curing Hides. The Salt Union, to whom we have referred, can, they say, supply us with nothing better for the purpose.

4. 616.5 & 18. Your remarks on the subject of coaling whalers are noted, and cables which have been exchanged between us relative thereto are confirmed. It was disconcerting to hear that there was a possibility of your being a little short of the quantities which we had contracted to supply to the vessels homeward bound. As these were definite contracts, - advised in our 1242 of the 12th October, - we cabled you on the 1st instant that all stocks on hand must be reserved to fulfill them. You do not mention the quantity you have agreed to supply the catcher returning from South Shetlands. If, after reserving sufficient for the above contracts, you find you are unable to carry out fully the arrangements made with the Captain, you may have to advise him by wireless of the position. The

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No.1245. 6. 2. 24.

prospects of getting coal across from the Coast by the "Kenuta", are practically nil, and in any case, it would be an unprofitable arrangement.

Having regard to the fact that we have delivered in Stanley 2500 tons of coal since August, and the "Falkland", did not commence running until November, it came somewhat as a surprise that you were likely to be short. This incident points to the importance of sending us each mail a statement of stocks on hand. Please have this made up, including the "Lagarto", and "Laguna" shipments (together 2,500 tons) shewing what the approximate deliveries have been, stocks on hand, and the commitments. If a statement on these lines is sent every mail we shall at any moment, when the Pacific may be offering us a steamer, know your exact position. It often happens that the Pacific Company are unable to arrange to give us a boat for this business under two or three months notice.

5. 616.7. The accounts and various statements in connection with the running of the "Falkland", to the 31st October are to hand. The information given will be most useful and is, I think, all that we can possibly want for reference purposes. After crediting the freight due on produce applicable to the period we can arrive at the gross profit, and the Board will decide later what amount of money must be placed to depreciation and how much set aside for renewal and replacement account.

In view of the fact that the boilers are now seventeen years old, it is certain that within a short time, when these are replaced, very heavy expenditure, running into several thousands of pounds, will have to be incurred, and provision for this must be made before any of the profit can be taken into account.

You will have gathered from my cable sent yesterday that the Board has sanctioned an immediate reduction in the coastwise passage rates. The fares to be charged in future to be 10% above the schedule instead of 33 1/3% as at present. It is hoped that this reduction will benefit and be appreciated by all.

No.1245. 6. 2. 24.

When asking you to forward these "Falkland" accounts as soon as possible after the 31st October each year, it is unfortunate that I did not also ask you to send the similar accounts for the "Gwendolin", made up to the same date. We realize that the schooner will be running at a loss on occasions when she is delivering stores and there is no wool to be brought in, but this will prove to be much less costly work than if the "Falkland" were used for the purpose.

The coastwise trade is regarded as one business, whether carried out by the steamer or the sailer, and any profits made by the "Falkland", would be subject to the losses, if any, made by the "Gwendolin". Please therefore take note in all future years to close both accounts at the 31st October and forward home as soon as possible.

Please inform Capt. Roberts that the Board has watched very closely the expeditious way in which he has worked the "Falkland", and it also realizes that he has done much good in raising the standard of service in Stanley in many ways. In appreciation of this you are instructed to pay him a sum of £100 as a special gratuity.

6. 616.10. William Watson. The case of this man has been fully considered by the Board. It is evident that he has never been a worker, in view of which fact it is disconcerting to hear that if he had not received the promise of a job in Stanley, he would still be on the pay sheets at North Arm. The Company is certainly better without such men. In view of the special circumstances, and taking into consideration his long term of service, the Board has agreed to grant a pension of £18 a year.

7. 616.11. The question of stopping the War Bonus has received the further serious consideration of the Board. It was realized that at the moment none of the other farmers were likely to follow the Company's lead, and a telegram was therefore sent you on the 18th ult. informing you to do nothing in the matter pending further instructions. In the meantime the Board will be glad if you will consult with the proprietors and managers

No.1245. 6. 2. 24.

in Stanley and send us their views on the subject.

8. 616.12. It is very satisfactory to hear that the Welsh coal supplied is suitable and that by its use time and labour are saved in the working of the "Falkland".

9. 616.13. We note the work of engining the "Gwendolin" is held up pending the arrival of Capt. Roberts. When the installation is completed please advise us by cable.

10. 616.14. Capt. Roberts's report on the lighters has been read with much interest. It again emphasizes the fact that has been brought before us for some time past that several of the lighters are in a very bad state.

At the end of his report Capt. Roberts has referred to possibly building the Punta Arenas type of lighter in Stanley. We shall be glad to hear from him if he thinks this practicable and to have his full views on the subject.

11. 616.16. It is satisfactory to learn that Capt. Roberts has confirmed the fact that a material saving of time can be effected by using a motor boat to tow chatas for loading the "Falkland", with produce as compared with the old raft plan.

Your despatch clears up the position referred to in your cable of the 1st January, and you will have received mine of the 21st ult. to the effect that the purchase of the two chatas, and the towing boat has been approved. The 9 h.p. Thornycroft engine has been ordered for the latter and will be shipped out as soon as possible.

12. 616.17. Dr. Moir's report of his work, and the general insanitary conditions prevailing at the settlements, has been read with interest. The Board wishes to give the fullest possible effect to his recommendations, and the Camp Manager will be advised accordingly.

It is the intention at all the settlements to put up fair sized Australian tanks, served by windmill pump, on the same plan as at Port Stephens. We are informed that it is only by exposing the water to the sun and air in some such tanks, free from all possible source of contamination, that it can be properly purified.

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With regard to the drugs, Dr. Moir must, of course, indent for what he requires. If, in addition, he will specify what he suggests should be supplied to carry out the laboratory work, and also details of the dental chair asked for, these can all be supplied at once.

13. 617.2. We have to-day received from our Solicitors the duplicate Deed of Grant relative to the purchase of land from the Admiralty. This will be duly sealed and forwarded to you by next mail. Meanwhile, the progress which has been made with the fencing is noted with interest.

14. 617.5. It is pleasing to hear that the motor salvage pump gives satisfaction. The two lubricating pipes referred to were omitted by Messrs. Petters from the case as mentioned in their letter of the 11th October; they were subsequently forwarded to you in the "Laguna", sailing in December.

We wrote Messrs. Petters on the 23rd January, drawing their attention to the little trouble that arose with the water cooling system and asking for their comments thereon. So far we have received from them no reply.

We note that you have sufficient suction hose for the pump in stock.

15. 617.6. Messrs. Clarke, Chapman & Co. have been asked if ~~for~~ the hot bulb and ignition tube for blow lamp starting can be fitted to the winch engines, and if so, to supply them at once. These will be shipped out by the next opportunity. We are at a loss to understand why these fittings were not on the engines supplied, as Mr. Peters, who was at the time at West Hartlepool, was sent specially over to Gateshead-on-Tyne to satisfy himself that the engines and winches were exactly what were wanted in every detail. Can he throw any light on this matter?

16. 617.8. The completion of the roof of the hulk "Egeria", is noted. Also that a considerable amount of piling will have to be done to strengthen the structure.

In connection with this matter we are very anxious to see an effort made to use reinforced concrete piles in place of

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timber, as far as possible, in future. It is felt that from our conversations with Crawford, the mason, he would have no difficulty whatever in carrying out this idea. Piles of this construction would cost no more and would be thoroughly permanent. We feel strongly that there are many purposes to which, with advantage, reinforced concrete might be applied, and we shall be glad to see a start made in that direction.

17. 617.11. It is obvious from your remarks that Mr. Hobbs's suggestion of selling him fat sheep, delivered in Punta Arenas by the "Falkland", is quite out of the question.

18. Your cable advising the sailing of the "Ballena" on the 31st January with 1710 bales of wool and 196 bales of skins is very satisfactory. It again indicates that Capt. Roberts must have done excellent work with the "Falkland", after his return from the Coast.

19. You will have received our cable approval of the Pacific Company's suggestion to give us the "Lobos", in Stanley about the 10th March in substitution of the proposed call of the "Kenuta".

20. The Wool Market continues to be very firm and prices have still further advanced. In the current series of sales there was only a small parcel of Falkland wools sold, mostly Pebble and Kebble. The former made up to 26½d, highest price, and averaged out at 20.09d. I understand that Mr. George Dean cabled this information to his brother, so that it was unnecessary for me to send you the usual cable advice.

The shipments by the "Oriana", and "Oropesa", will fall into the March/April series of sales.

21. The information as to the dimensions of the "Lady Elizabeth", given in your cable of the 18th ultimo, was passed on to the Pacific Company for their information in connection with the bunkering business.

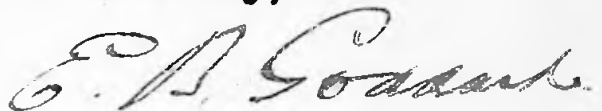
22. The arrival, in good condition, on the 10th January of the 30 Merino rams was noted with satisfaction, but as you can easily imagine, your further advice of the 18th January that nine had died after dipping came somewhat as a shock. The

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No.1245. 6.2. 24.

loss is, of course, covered by insurance, but this will not give us the rams which are so sorely needed. Your further remarks as to how this disaster was caused will be awaited with interest. In the absence of further information no other conclusion can be come to but that the loss was directly attributable to gross carelessness of some sort. We hope to hear from you in due course the fullest details as to who was present at the time and who was responsible for the dipping.

Yours faithfully,



Managing Director.

23. The sailing of the "Huanchaco" from Cardiff has now been fixed for the 18th March. As advised you by cable, we purpose sending by that opportunity 1200 tons of steam coal and 200 tons of house coal.

The "Huanchaco" is also taking the motor boat "Speedwell" for working the Islands.

PRECIS OF DESPATCH NO.1246, dated 9th April, 1924, per "OROPESA".

1. Acknowledges despatches 618/621.
2. Forgeries in Farm Cheques.
3. "Gwendolin" - installation of engine.
4. Confirms cable approval to purchase Lighter from Dawson Island.
5. do do Chatas and motor boat.
9 H.P.Thornycroft engine shipped "Huanchaco".
6. Hay - not shipped owing to disease in U.K.
re obtaining oat hay from P.A.
7. "Falkland" - condition of.
Timber - cost of voyage to P.A.
8. Tax on Wool.
9. Thieving at Great Island.
10. Detleff's leave of absence.
11. Canning materials to be shipped to Montevideo.
12. Notes Sidey & Poels not buying sheep.
13. "Gwendolin" - Suppliers' report on broken rope.
14. Coaling contracts. - baskets for coaling.
15. Fairy Cove Land - Deed of Conveyance returned completed.
16. Naval Camber Shed.
17. "Falkland" - re Special Survey.
18. Wool. Certificates of landing.
19. Merino Rams - as to death at Dipping.
20. Grasses for Rowett Research Institute.
21. Notes 65 horses from Coast landed ex "Laguna".
22. Bodie Creek Bridge - Board's appreciation to be conveyed to
Mr. Neave. Quotation for structure under consideration.
23. Coal shipments and contracts.
24. Delivery of mails at Stanley.
Liability to pay lighterage of consignees of cargo.
25. Conveyances enclosed for registration.
26. Slipway.
27. As to removal of Stanley Slaughter House.
28. "Fleetwing" - tackle for dealing with moorings shipped.
29. Motor ketch "Speedwell" shipped per "Huanchaco".
30. Sample of Paraffin - Thornycroft's analysis sent.
31. Hides - Prices obtained.
Treatment of.

32. Water System for Camp.
33. Salvage Pump - letter from Petters Ltd. enclosed.
34. Skin Drying Shed at Goose Green.
35. Reports coal shipped per "Huanchaco".
Supply for "Roald Amundsen".
36. Wool Landing certificates enclosed signed by P.L.A. Asks if
their signature acceptable to Govmt.
37. Advises position of Wool Market.
38. Acknowledges No.622 enclosing Accounts for 1923.
39. Advises sheepskin prices obtained at last sale.
40. D.M.Honeyman, Camp Teacher, to sail per "Ortega" 5th June.
41. Sends Brokers' report on bale of necks ex "Oropesa".

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.
REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "PROFESA",

Nº 1246.

London, E.C.3. 9th April, 1924.

Dear Sir,

The last outward despatch was dated 6th February, and I have since to acknowledge the receipt of the following:-

618,	dated 2nd January,	delivered 26th February
619/620	„ 30th January,	„ 7th March
621	„ 8th February,	„ 1st April.

The duplicate of 621, posted direct from the Coast, reached us on the 17th ulto.

2. 618.3. The account you give of the two cases of forgery, following as they do on the previous one perpetrated by Hardy, is certainly disturbing. It not only indicates great carelessness in drawing the cheques, but still more inexcusable laxity of those responsible for the payment, as it is understood that in both cases the amount written on the cheque did not tally with the figures. I understand that it is the practice here for cashiers in Banks to be given standing instructions with regard to cheques presented for payment to scrutinize most closely the written amount, as this can seldom be changed without it being obvious. The Board will look to you to severely censure the individuals responsible for the loss involved and, should further cases occur, those passing the cheques will certainly be surcharged.

3. 618.4. The details of the progress of the work of installing the "Gwendolin's" engine have been followed with much interest and your later advices on the subject will be anxiously looked for. It was an excellent idea to send Mr. Peters's photograph; it gives an interesting insight of the preliminary operations. The Board is gratified to learn that the job is being tackled with such interest by all hands

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

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concerned.

4. 618.5. The letter from the Gente Grande Company together with the plan of the 110 ton Dawson Island lighter are to hand. She certainly appears to be a powerfully constructed boat and, in view of Capt. Roberts's strong recommendation, we cabled you to ascertain at what price it could be bought delivered in Stanley. From your reply received it is understood that £2,100 is the figure. You will have since received our cable of the 14th ulto. to the effect that the purchase of the lighter has been approved.

Following on your suggestion, an enquiry was sent to the P.S.N.C. with regard to any lighters they may have for sale at Punta Arenas. In reply, it was stated that they only had one of a capacity of some 45 tons, which would be useless to us.

5. 618.6. Your further remarks, and Capt. Roberts's views, as to the employment of chatas in place of the raft boats used by the "Falkland", - and also for a motor boat to tow same, - are noted with interest. The cable sent you on the 21st January, and my despatch 1245.11, convey to you the Board's approval to purchase these three craft.

The 9 H.P. Thornycroft engine for the towing boat has been shipped by the "Huanchaco", and I send you herewith a copy of the makers' letter dated 14th February 1924 with a blue print attached giving the overall dimensions for installation purposes, and a further blue print giving particulars of the stern gear. Messrs. Thornycroft's instruction book for running this engine is also enclosed.

6. 618.8. Owing to the outbreaks of disease in so many parts of this country, it is found impossible to obtain hay guaranteed by the suppliers not to have come from an infected area. We accordingly cabled you on the 28th February to try and obtain supplies of oat hay from Punta Arenas, and shall await with interest to hear what you have done. From Messrs. Maclean & Stapledon's account received, dated 4th February, we

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find that fodder purchased from them had been sent to Stanley by the "Oropesa". It is noted from your remarks that this was in execution of your order sent previous to the receipt of our cable of 14th January stopping such shipments.

7. 618.9. The movements of the "Falkland", recited in your remarks have been followed with interest, and it is very satisfactory to learn that as much cleaning as possible was done to the hull by beaching her at Saunders Island. The foul condition reported by Capt. Roberts indicates the importance of periodically cleaning the bottom on slipway or in dry dock. The suggestion of fitting rubbing pieces to the bow plates should certainly be adopted.

The particulars given of the costs of the voyage for timber are interesting and certainly go to show it is hardly a payable proposition to send the "Falkland", for this purpose alone.

8. 618.11. You were undoubtedly right in protesting to the Government against applying the new tax on wool to the bales remaining over from last year's clip. The soundness of your arguments can hardly fail to appeal to the Government and there should be no doubt that they will give way.

9. 618.12. The descent of thieves on Great Island reported in your despatch is a most mysterious business. It is to be hoped that in your later advices we shall hear that the criminals have been traced. Certainly the facts given amount to the strongest presumptive evidence against Davis.

10. 618.13. The copy of your letter from R.J.Dettleff is now to hand and cable advice was despatched to you on the 1st March stating that leave on full pay was approved and the period of his absence from Stanley left in your hands to arrange.

11. 619.3. By all means ship the tin plate, and any other goods at the Canning Works which may be deteriorating, to Messrs. Waldron & Wood at Monte Video by the first opportunity. The solder, which will of course remain good for all time, might be retained in view of possible future requirements. It would certainly be required if canning was resumed.

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No. 1246. 9th April, 1924.

12. 619.4. It is not surprising to hear that Messrs. Sidey & Poels decided that the quantity of sheep offering did not warrant their embarking on the business. It seems only probable that Mr. Llanso will be deterred for the same reason.

13. 619.5. Enclosed please find Messrs. Adam & Lane & Neeve's report on the broken leach rope from the "Gwendolin". When fresh supplies of this kind are needed for that vessel we will certainly go to another supplier, as although they put up what appears to be a good defence, we agree with you that our experience of their goods has not been satisfactory.

14. 619.6. Your remarks with regard to the coaling contracts with the whalers are noted. Also what you say in connection with the baskets for the purpose. It is, however, not quite clear what you mean when you say you require those which go "3.3 to the ton". However, with those sent you recently and the $\frac{1}{2}$ ton iron tip buckets you should be fairly well equipped and if there is anything further you specially want doubtless you will advise me.

15. 619.9a. The purchase of the Fairy Cove land from the Admiralty has been duly completed, and I send you herewith the Deed of Conveyance signed in respect of same. Please return it here after the necessary formalities with the Government have been complied with.

16. 619.10. The two alternative proposals for utilising a portion of the Naval Camber Shed, - should it ultimately be purchased, - are quite clear from the drawing and photographs by Mr. Peters which you send. The matter was fully considered at the last Board Meeting and it was finally agreed that the first proposal to erect the shed, if purchased, alongside the East jetty possessed many obvious advantages in the saving of labour involved in shifting cargo in and out. Instead, however, of employing any wooden flooring, piling or iron girder work, it would be preferable in every way to have it erected on reinforced concrete piles and using reinforced concrete flooring. This would make the most durable and lasting job and in the end would cost little, if anything, more. Reinforced warehouse floors

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to bear enormous weights are being constructed here every day, and are seldom more than 4 inches thick, and frequently have to span, unsupported, 18 feet.

It occurs to me that perhaps Mr. Neave would be good enough to give you some information as to the construction of such a foundation and flooring. Failing that it would be quite easy to obtain here full and complete plans of construction and working instructions.

17. 619.12. With regard to the ^{2nd} Special Survey No.1. for which the "Falkland", was due in December last, it will be necessary to send her over to the Coast as soon after her work of collecting the wool permits. From Capt. Roberts's excellent report recently received, there does not appear to be much actual work required, but to complete the Survey she must necessarily be put on a slipway or into a dry dock. This of course means going to the Coast, to either Buenos Aires or Punta Arenas. There would appear to be points in favour of the latter. To that port the steaming entailed would be very much less than to Buenos Aires, and she could at any rate bring back a full cargo of timber, the freight on which would help to defray the cost of the trip, whereas, from Buenos Aires, it appears certain that nothing like a full cargo could be made up. We have written to Messrs. Waldron & Wood of Buenos Aires, asking the names of the dry dock firms in their city whom they would most recommend and to request them to send you direct their quotations. Messrs. Waldron & Wood will forward you a copy of their letter to us in reply, and you can obtain from Punta Arenas quotations for slipping there for comparison. It will then be for you to decide, - taking into account all circumstances, - which will be the best port to send the vessel to, and when the trip will best fit in with the work. It is fully realized that in the previous trips of the steamer to the Coast for survey purposes we have been very badly fleeced, but the Board feels that in Capt. Roberts it has a man whom it can implicitly trust to see that nothing but the necessary work for the survey, and, desirable repairs, are done.

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By this mail Mr. Slaughter is being asked if he requires more rams imported from the Coast this year. If so the trip for them might be made to fit in with the survey voyage, in which event the steamer will have to go across in plenty of time, as our previous experience in slipping the "Falkland", there showed that she can only get on and off the slipway on the best spring tides. References to this will be found in the despatches from Stanley at the time.

18. 619.13. The Certificate of Landing forms to be signed by the Customs Officer here in respect of wool imported from the Islands are to hand. Steps are being taken to have these completed in the case of the shipment by the "Ballena", but we fear it will not be possible to return them to you this mail.

19. 619.16. There is very little consolation to be obtained from the account you give of the unfortunate dipping of the Merino rams, which resulted in the death of nine. It is hoped that in due course we shall receive a copy of the Government's letter to Mr. Slaughter giving the fullest detailed information. It is particularly desirable to know whose carbolic dip was used and in what proportions.

20. 619.17. Governor Middleton informed us of the negotiations he had carried on with the Rowett Research Institute of Aberdeen, and the Board is pleased to know that you are co-operating and forwarding to that Institute samples of the grasses required.

21. 619.18. Your remarks are noted with interest. Also that the "Laguna" had safely landed 65 horses for the Farm and others.

22. 620. Your despatch with the enclosures have come safely to hand and have been studied with the greatest interest. The Board is particularly anxious that you should convey to Mr. Neave its deep appreciation of the work he has done for the Company. His report, plan and photographs in connection with the Bodie Inlet proposal could not have been more complete and will prove invaluable. Quotations for the proposed structure are already under consideration, and the scheme has received the sanction of the Board.

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Photographic prints have been taken of the plan as suggested by Mr. Neave, and three are enclosed herewith.

23. 621.2. Referring to your remarks on coal contracts and shipments, I would point out that the Pacific Company would not agree to the "Laguna" shipment being increased above the 1500 tons,- originally booked early in November,- as the incidental detention in Stanley would have made the vessel late for her other positions. I accordingly advised you in despatch 1243 that some 300 tons would have to be provided from your stocks to complete the whaling contracts. It was considered that you would easily be able to provide this quantity out of the 1000 tons delivered by the "Lagarto", in August. However, it is very satisfactory to hear that you are hopeful, with the assistance of Mr. Neave, of being able to meet the whalers' requirements. The statement already asked for giving deliveries, stocks on hand and estimated requirements for, say, three months ahead, will certainly prevent any similar difficulties arising in future.

24. 621.3. Your correspondence with the Government and the Pacific Company relative to the delivery of mails has been studied with interest. There is not the slightest doubt that we have been, for 23 years past, performing services for which we have not received even out-of-pocket expenses, and it is hoped that you will be able to have the matter put on a proper business footing. It may be taken as certain the Pacific Company know exactly their legal position and that they are correct in stating (their letter 12th October, 1923) that it is for "the Authorities to convey the mails ashore".

In this connection it has several times occurred to me to ask whether the position as regards the liability of the consignee of cargo to pay lighterage to the shore is recognized and if it is invariably charged in the case of shipments other than the Company's. The Bills of Lading provide most clearly for this, but as so many anomalies have existed in the past, it would be well to have your definite assurance on the matter.

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25. 621.6. Herewith the following Conveyances, duly sealed and signed, are returned. Please let me have them back after the necessary formalities have been complied with.

- (a) Two 10-acre Lots Nos 4 and 5 situated in the Western suburb. (Pensioners special allotments).
- (b) One 10-acre Lot No. 7 situated in the Western suburb.
- (c) One 10-acre Lot No. 6 situated in the Eastern suburb, near Colonial Wireless station.

As a matter of precaution the counterparts will be forwarded by next mail.

26. We have recently had several interviews with Governor Middleton, and the question of a slipway in Stanley has been seriously considered. He is very anxious to see it erected, and the enclosed copy of correspondence with him on the subject will acquaint you with the proposals he has put forward and the present position. At the last Board it was finally decided that, provided we could make a contract for the complete construction of a slipway of a capacity required by the Governor, the erection and fitting up of a well equipped workshop to deal with repairs, dwelling houses required, etc., the whole to be completely finished and ready for use for the sum of \$21,000, the Directors would give their sanction to the scheme. Under the Governor's suggestions this would mean that the Government would pay \$7,000 and the Company \$14,000. It is regarded that although this known expenditure would be some \$3,000 in excess of what is warranted in the way of capacity of slipway and shops to deal with the Company's own floating property, we should receive, freehold, at the end of ten years, an extremely valuable asset for the extra outlay. Further negotiations with Mr. Gordon Glover follow on this and you will see from a copy of his letter of 26th March enclosed that, taking all things into consideration, he is not prepared to contract at a figure which would justify the Company in proceeding with the work on the suggestions put forward. The matter, therefore, is, unfortunately, again in abeyance.

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27. In discussing the above matter, the Governor expressed himself as being strongly in favour of the removal of our slaughter house near the cemetery. Undoubtedly, if the slipway ultimately becomes an accomplished fact, the slaughter house would be obnoxious to many passing to and from their work. The Governor suggested that he would prefer to see the sheep killed across the harbour near their feeding ground and the carcasses boated across to Stanley. It would appear that this plan would save a great deal of driving and the Board would like to have your considered views on the point. If it can be done without loss or undue inconvenience it may be desirable to fall in with the Governor's wishes.

28. Referring to remarks in my 1244.15a relative to equipping the "Fleetwing", for the purpose of dealing with the Admiralty moorings, all the timber and other goods specified in your memorandum of the 3rd July, 1923 have been shipped by the "Huanchaco". Please keep me advised as to the progress of the installation so that the Admiralty can, if necessary, be informed of the position.

29. The motored ketch "Speedwell", referred to in previous despatches, will reach you by the "Huanchaco", and a statement is sent herewith detailing the list of gear, tools and spares which will be found on board. The Chief Officer of the "Huanchaco" will deliver to you the key with which these are secured. As previously advised you it is intended that this boat shall be stationed at Speedwell Island, in the charge of J. Clark, and you will no doubt take the necessary steps to ensure that he is thoroughly instructed by the Company's Chief Engineer in the care and running of the engine. In addition to the small anchor on board will be found two of 2½ cwt each. One of these only is intended for the "Speedwell", - the other was acquired cheaply and is sent out to the Store for sale.

30. Alluding to remarks in my 1243.28, I now send you herewith a copy of Messrs. Thornycroft's letter and analysis on the sample of oil with regard to which you asked for a report.

No. 1246. 9th April, 1924.

31. We have again lately looked thoroughly into the net results obtained for the shipments of hides in recent years, and our investigations go to show that drastic alteration is necessary to be made in our method of handling them if anything like a proper return is to be procured.

From the statement sent you herewith you will see that the net returns of various parcels in 1922 varied from 9/8d to only 18/9d per hide, or 3.06d and 3.70d per lb. respectively. In 1923 the results were much worse, the net return for the bulk of the instances given being no better than 8/9d to 12/6d per hide, or 2.21d and 2.12d per lb. respectively. Only a small parcel of F mark made 20/- per hide, or 3.31d per lb. The detention of these goods in Stanley, as shown on the statement referred to, has been appalling and unless measures were taken to see that they were properly resalted and cared for, it is not surprising that we have heard from our Brokers of the bad condition in which they arrived.

With regard to some horse hides which, owing to their condition, made no better than 2/6d and 1/3d each, or .52d per lb. against which the freight and charges amount to 1.11d per lb., it is obvious that we should have been better off had they not been shipped. All this goes to show that our methods of handling hides call imperatively for a change, and I would draw your attention to the enclosed special memorandum on the subject detailing exactly the methods to be employed in future in dealing with them. Kindly draw the Camp Manager's attention to this matter so that he may co-operate to the fullest extent in endeavouring to effect an improvement. When Mr. Dean was at Darwin he directed him to adopt the brine pit system of treatment on all sections where not already in use. Has this been done?

You will, of course, understand that the instructions contained in the enclosed memorandum do not apply

No. 1246. 9th April, 1924.

to shipments consigned outside the Company, such, for instance, as J.L.W. and D. & S., etc.

32. Following on the recommendations made by the Company's Medical Officer, it has been decided to instal at each section the best possible water system which surrounding circumstances permit. It is intended that an Australian tank shall be erected on the highest ground, fed by a "Samson" windmill pump at the spring and delivering its water by gravity to the settlement. This plan, which was adopted at Port Stephens some years ago, has worked admirably, and the health of the community there has much benefited.

33. Referring to remarks in my 1245.14, I send herewith copy of a letter from Messrs. Petters Ltd., dated 7th February, 1924, giving their reply to Mr. Peters's remarks in connection with the trouble experienced with the water cooling system of the motor salvage pump.

34. It will be within your recollection that a considerable sum of money was expended in erecting the new skin drying shed at Goose Green and installing the drying apparatus; also that it has not been of any use up to now. The matter was discussed by Mr. Dean and Mr. Slaughter when in the Islands, and we had several conversations with Mr. Peters when he was here on the same subject. It certainly is a pity to allow the expenditure already incurred to be wasted and the Board will be glad if you will keep the matter in view, and as soon as circumstances permit will instruct Mr. Peters to give it his attention and endeavour to make it a success.

It is understood that when the Canning Works are not running, to carry out experiments with the drying fan would necessitate the getting up of steam on the Babcock Boiler. This of course would be absurd, and we would suggest that experiments might be carried out by using the Ford Tractor pulley. For a short test this would not be unduly expensive.

35. The "Huanchaco", with 1200 tons of steam coal from Cardiff, 200 tons of Brynkinalt house coal from Liverpool

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No. 1246. 9th April, 1924.

and 11 tons of smithy coal, sailed on the 1st instant from the first mentioned port.

On the 4th instant we received an enquiry from Mr. Dannevig for 300 tons of coal for the "Boald Amundsen". In reply he was advised that we could only give him this quantity in early May ex the "Huanchaco", at 82/6d per ton. He was unable to accept this right away, and it has been finally agreed that he may take this, or a smaller quantity, if his factory steamer is in Stanley after the arrival of the "Huanchaco". It is not a definite contract.

36. Further to paragraph 18, the wool certificates in respect of the shipment by the "Ballena", are enclosed herewith for ~~a~~ parcels sold by Messrs. Jacomb, Hoare & Co. These, you will observe, are certified by the Port of London Authority, and the declaration by this Authority saves much time and no fee is charged. The certificates in respect of the shipments handled by Du Croz Doxat & Co. have been forwarded by them to the Statistical Office of the Customs and will not be returned, we understand, for a further 10 days. In addition to this delay the Customs purpose making a charge of no less than 5/- per declaration, which seems very excessive. Please advise us if your Government will accept the documents as executed by the Port of London Authority.

37. The first of the New Season's wool, by the "Ballena", was sold at Auction on the 31st ulto., at excellent prices, as you will have gathered from the cable sent you on the 4th instant. Full details in regard thereto will be ~~find~~ in the catalogues and reports enclosed. - - - - -

38. Since writing the foregoing I have received your despatch No. 622 of the 6th March, dealing with the Annual Accounts. Time does not permit of referring to these in detail and comment thereon must be deferred until next mail.

39. Very excellent prices have been obtained for recent sales of sheepskins, full details of which you will

No. 1246. 9. 4. 24. -13-

see in the enclosed copy of catalogue of the 4th instant.

40. In a recent letter from Mr. T.G. Slaughter, he mentioned that a new Camp Teacher would be required at the end of March. With the assistance of Messrs. Fleming and Haxton of Dundee we have secured one, by name David M. Honeyman, whose testimonials and recommendations are excellent. He will sail by the "Ortega", on the 5th June.

Yours faithfully,

E. B. Goddard

Managing Director,

41. In your Remarks on Accounts dated 7th November, 1923, you asked for a Broker's report on a bale of necks being shipped by the "Oropesa". Herewith please find copy of letter from Messrs. Anning & Cobb, dated 8th instant, dealing with the matter. It is very unfortunate that, as they report, the bale was so badly sea-damaged the shipment was valueless as a test to the market. However, their remarks will be of some guide to you with regard to trimming the skins in future.

PRECIS OF DESPATCH NO. 1247, PER "ORTEGA", DATED 4TH JUNE, 1924.

- 1 Acknowledges receipt of despatches Nos. 623 to 625 & 3 letters.
- 2 Annual Accounts dealt with in No. 1248.
- 3 Importation of fodder from Coast.
- 4 Admiralty Oil Tank Installation - Stacey.
500 tons lighter left Sheerness 22nd May.
- 5 Sale of Company's land in Stanley - limited to employees.
Sullivan House jetty materials.
- 6 Coal - for whalers
Notes statement of stocks to be sent each mail.
- 7 Dr. Baker's geological report.
- 8 "Gwendolin" - engine installation.
- 9 Delivery of mail ex P.S.N.C. steamers.
- 10 George Bowles granted pension of £37 per annum.
- 11 Mr. Langdon's agreement.
- 12 s.s. "Falkland", - Collection of produce.
- 13 Slipway - particulars of borings received.
- 14 Collection of produce by P.S.N.C.
- 15 Regarding collection of produce by J. Davis,
charge for hulkage, etc.
- 16 William Watson's pension - Grant cancelled.
- 17 Hulks, "Proccis", and "J.P. Smith".
- 18 Motor winches - hot bulb ignition.
- 19 Use of concrete for piles, etc.
- 20 Bonus of 10% declared in respect of 1923.
- 21 Steamship communication between Stanley and South
Georgia - correspondence with Colonial Office encl'd.
- 22 Bodie Inlet Suspension Bridge - contract placed.
- 23 £500 paid James Smith for buildings, etc. on Great Island group.
- 24 Short deliveries of cargo per P.S.N.C. steamers.
- 25 Report and Balance Sheet for 1923 enclosed.

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "ORTEGA",

Nº 1247.

London, E.C.3.

4th June, 1924

Dear Sir,

Since writing you last on the 9th April, I have to acknowledge the receipt of the following from you :-

Despatches,	623,	dated 17th March,	recd. 25th April
	624,	31st March,	29th April
	625,	14th April,	17th May
Letters,		dated 5th March	
		22nd March	
		27th April.	

2. Separate despatch No. 1248 is sent herewith, dealing exclusively with the Annual Accounts.

3. 623.4. Your remarks on the importation of fodder, and the position existing, are noted. It is, as you say, obvious that if others were permitted to bring it in from Uruguay, etc., we gain nothing by refusing to avail ourselves of this source of supply.

We are glad to have your note of the prices for hay from the U.K. and the West Falklands as compared with the cost of alfalfa from the Coast. The economy in buying the latter is strikingly apparent.

4. 623.5. It is satisfactory to hear that the man, Stacey, is still available for engagement in connection with the Admiralty oil tank installation. The enclosed copy of a letter from that Department, dated 27th May, will acquaint you that the 500 ton lighter left Sheerness for Stanley on the 22nd May, and that on arrival she will be handed over to your care, under the contract. We will assume that from that date our contract will commence. So that you would be able to make any necessary preparations in connection with laying the moorings, a cable advising the departure of the oil barge

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

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No. 1247. 4th June, 1924.

was sent you on the 30th May.

It has occurred to us to ask whether Stacey has any qualifications as a diver. If so, is he capable of examining the Admiralty moorings from time to time? (Vide copy of Admiralty letter dated 14th April enclosed). I would also direct your attention to copies of two letters from the Admiralty dated 16th April, 1924.

5. 623.8. Your interpretation of the Board's wishes with regard to the sale of any land in Stanley for building purposes being limited to the Company's employees is quite correct.

With reference to your suggestion to make use of the jetty material at Sullivan House in connection with repairs to other jetties, this is approved by the Board.

623.9.
6. 624.2. Your remarks on the subject of coal supplies
625.2. for the whalers are duly noted, and that the small purchase from Punta Arenas put you in a position to meet all contracts. Had you received earlier advice that the "Ronald", would not require the 300 tons, you would have been spared the trouble of purchasing this. However, the arrangements you have made for cancelling the "Ronald", contract are quite satisfactory.

We are glad to note that statements showing your position of coal stocks will be forwarded each mail. These should prove of great assistance to us in gauging your requirements from time to time, especially if you indicate thereon what your approximate needs, and commitments, will be for, say, three months ahead.

7. 623.10. The copy of Dr. Baker's report on his geological investigations is to hand, and also the copy of your letter addressed to the Government on the subject of the inaccuracies contained therein in connection with the "Falkland

No. 1247. 4th June, 1924.

8. 623.11. Your reports, and Mr. Peters's photographs,
624. 6.
with reference to the work of installing the engine of the
"Gwendolin", have been read with interest, and we were much
gratified to hear from your cable that the trials run on the
1st May had proved satisfactory.

9. 623.13. It is gratifying to hear that the Government are
satisfied that the delay of delivering the mails from the
Pacific Company's steamers is not the Company's fault, and that it
has been agreed that "no alteration is required in dealing with
the incoming mail".

It appears to us, however, as explained in a
previous despatch, that in collecting and landing these mails,
we are doing work for your postal officials for which we have
received no remuneration. This is a matter which should
certainly be set right, and will doubtless receive your attention.

10. 623.16. The case of George Bowles, late Camp hand,
came up for consideration at the last Board Meeting, when it
was agreed to grant him a pension of £37 per year.

11. 623.17. A form of agreement between Mr. Langdon and the
Company will be forwarded as soon as we receive Mr. Slaughter's
approval of the suggestions being sent him this mail in
connection with the salary of assistant managers, etc.

12. 623.18. Your account of the work done by the s.s.
625.10.
"Falkland" is noted with much satisfaction, and your plan of
subordinating everything to rapid collection is fully approved
by the Board. We appreciate that in adopting this course there
are ports which necessarily receive less attention than would
otherwise be the case, but we hope that with the "Gwendolin",
engined the grievance will be largely removed.

13. 623.20. The particulars of the borings made at the
site of the proposed slipway are to hand and will certainly
prove useful if the construction of a slipway again becomes
a matter of practical politics.

14. 623.22. The shutting out of some 400 bales of wool, etc.

No. 1247. 4th June, 1924.

by the "Lobos", was certainly most annoying. A complaint lodged at once with the Pacific Company resulted in their instructing their Valparaiso House to take steps to prevent the Falklands being robbed of the space promised in future.

We are pleased to learn from your cable of the 26th May that the "Magellan", has shipped 2826 bales of wool, 137 bales of skins and 777 hides. We assume this has cleared up all collected to that date in Stanley.

15. 624.5. In view of the information to the effect that competition may be encountered, in the collection of produce, from J. Davis, it was decided to cable you on the 2nd May that the Company's charge for use of hulks and storage thereon for any produce not brought in by the Company's boats will be £2 per ton, and further that we cannot undertake to hold it insured and that we cannot guarantee that the present ocean freight charged by the Pacific Company will apply. You will doubtless have informed any clients who show any inclination to break away that the "Falkland", cannot be maintained in the coastwise trade unless she is loyally supported by all, and that it must not be forgotten that the freight charged for her services includes all the many operations and storage of the produce in Stanley.

16. 625.4. It is noted that William Watson has declined to accept the pension of £18 per annum gratuitously voted him by the Board. With his refusal the offer is automatically cancelled.

17. 625.5. It is not surprising to hear that the old hulk "Proecis", has at last to be condemned. The reports as to her condition, received of late years, showed clearly her end was near. It is also realized that the "J.P. Smith", cannot be relied on much longer. The consequent loss of coal storage capacity is unfortunate just as we are endeavouring to develop the bunkering business for the whalers, though, until we have this year's experience, it will not be possible to know to what extent, if any, we are short of storage.

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18. 625.7. It is a question which we are going into with Messrs. Clarke, Chapman & Co. whether the costs of the vaporisers and lamps should have been included in the original price. If this is the case, a refund will be obtained.

19. 625.8. We are glad to hear that attention is being directed to the use of reinforced concrete for piles and other work; it is confidently felt that there is a large opening for its economical employment in the Islands. If, in this connection you require any information whatever, it can always be sent you if you will let us know your difficulty.

20. In confirmation of cable advice of the 2nd May, I have the pleasure to inform you that at the last Board Meeting the Directors authorised the payment of a bonus to all employees, of 10% on the salaries and wages paid them in 1923. The conditions, as to the exclusion of pay for contract work, and the minimum of days worked in the year, to be the same as in previous years. You will find these conditions clearly laid down in previous despatches.

21. Herewith please find copy of correspondence with the Colonial Office on the subject of the establishment of regular steamship communication between Port Stanley and South Georgia, etc. Unfortunately, the Board is unable to entertain the proposal.

22. A contract for the Bodie Inlet suspension bridge has been concluded with Messrs. David Rowell & Co., Ltd. for the sum of £2281 f.o.b. U.K. exclusive of timber; delivery in about four months. A plan of bridge is sent herewith, and also two blue prints of the foundation drawings. Please send these on to Mr. Slaughter so that he can make progress with the preparations as time and opportunity permit. Copy of Messrs. Rowell's letter of 6th May also enclosed.

23. Please note that following an interview with James Smith, late of Great Island etc., he has agreed to accept £500 in payment for all property, fences and materials,

No. 1247. 4th June, 1924.

etc. left by him on the islands. A cheque for that sum has been paid him; please advise Mr. Slaughter accordingly.

24. Referring to past correspondence and to your memorandum dated 7th March on the subject of short deliveries of cargo ex the Pacific Company's steamers, the matter has again been receiving our very earnest consideration.

As advised you, it was intended in future to hold back from payments due to the P.S.N.C. the amount of our claims for actual short deliveries in Stanley, relying for our defence on the repeated contention that it was impossible for goods to go astray on the lighters between the ship and the shore. Action on those lines has been delayed in the hope that you would be able to satisfy Mr. Whiteside, when he called at Stanley in the "Oropesa", in February last that this really is the position. Unfortunately, the reverse has proved to be the case. In a letter dated 11th April the Pacific Company wrote us as follows :-

" We have now had an opportunity of speaking to Mr. Whiteside about his discussion with Mr. Gresham at Port Stanley.

The possibility of pilferage of cargo after leaving the ship was gone into, and we regret to say that there was evidence that cargo has, in the past, been pilfered whilst in craft awaiting discharge. In fact, recent cases were cited where the delinquents had fortunately been caught and dealt with by the Police Authorities.

It appears that the cargo ex the sailing craft used for discharge sometimes remains afloat for as long as seven days, and we think that you can hardly expect the shipowner to take upon himself the additional risk of loss from discharging craft as it is clearly laid down in the Bills of Lading that our liability ceases immediately the

*Not true
as per 7th March.*

No. 1247. 4th June, 1924.

goods pass over the ship's rails. The only way to verify where the pilferage or loss takes place is for your Stanley Office to tally against the steamer's out-turn, and, after a long discussion with Mr. Gresham who thoroughly appreciates our position in the matter, it was decided that he should endeavour to obtain tally men for the purpose of checking the discharge ex ship.

Mr. Gresham pointed out how difficult it might be to secure tally men, but this is a matter which we feel sure he will be able to overcome, as he was informed that this Company cannot accept any liability for cargo once it is discharged overside. "

The robbery referred to is obviously the case on the "Lafonia", reported at the time. Again, it cannot be denied that it sometimes happens that packages are conveyed from the ship to the shore on the deck of our lighters. In view of the fact that the officers of steamers are well aware of this, what is the use of our declaring that loss between ship and shore is impossible as everything is under lock and key?

It is clear that the facts and the Company's position in the matter must be recognised.. It simply amounts to this. In the absence of any proper tally of the delivered cargo, we have not the slightest chance of recovering a penny for short deliveries, and by omitting to tally we are really assisting the Steamship Company to avoid payment of our just claims. To blame the Pacific Company in the circumstances is absurd. In no port in the world, except Stanley, is cargo not properly tallied from the ship and in most cases, even here in London, to a very large extent this work is performed efficiently by the more intelligent labouring men. The Board finds it impossible to believe that, if seriously tackled, it cannot be equally well done in Stanley. There is little doubt that conditions obtaining in the Falklands

to-day are a relic of the old sailing ship days when in the case of a vessel loaded only for Stanley there was no doubt about receiving all that was shipped. It appears to us, and we would like your views as to this, that for years past it has been the practice on the arrival of a steamer to concentrate all efforts on supplying the vessel with all available labour and getting the vessel away as quickly as possible. Instead, it should be your first concern to provide enough tally men to efficiently do the work and then let the steamer have all the remaining available hands; further, to absolutely refuse to work under any conditions which make tallying impossible. To continue acting as we have in the past would be sheer folly for, undoubtedly, in doing so, we have sacrificed the Company's interests in favour of those of the Pacific Company. It is more than probable that the captains may at times raise a great commotion about their vessel being delayed, but this must be ignored; it can easily be explained to them how it arises and that by their owners' action, we are compelled to protect ourselves.

25. A copy of the Report and Balance Sheet to the 31st December last is enclosed herewith and attached thereto you will find the usual detailed statement of the figures.

Yours faithfully,

E. B. Goddard

Managing Director.

Induced

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORTEGA",

Nº 1248.

London, E.C.3. 4th June, 1924

Dear Sir,

ACCOUNTS.

The receipt of your despatch No.622 of the 6th March was acknowledged in 1246, par. 38, but comment thereon was deferred until this opportunity.

The accounts, and the several schedules and statements in support, have now all been audited; I would add that the complete and detailed way in which they have been rendered is fully appreciated and has facilitated the work. The recommendations of the Auditors on some minor points will be referred to later.

FARM.

The result of the year's working is certainly satisfactory and a matter for congratulation; in comparison with 1921/22 a marked improvement is recorded. Your reference to one or two abnormal items of expenditure, such as travelling expenses and the cost of rams, etc. are duly noted. There appears in the account a credit for proceeds of sale of North Arm Cutter, £150. It would have been more correct to transfer this to London for the credit of the Capital Account covering small craft.

FITZROY ESTATE.

The separate detailed statements relative to this section are welcome. In connection therewith it is noted that no proportion of the Stanley establishment expenses are debited, but that Farm Account is charged with £600. As previously explained, it will only be necessary to keep the

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1248. 4. 6. 24. -2-

Fitzroy Account separate from the Farm for two or three years, but during such time it should bear its share. There appears credited for sale of fittings at Sullivan House £25. 10. 0., and press £10. These items should also have been transferred to London for the credit of the Capital Account.

SPEEDWELL ISLAND.

The details of this account are to hand and noted. Strictly speaking this should also bear its proportion of establishment expenses. The Stock of Stores and Materials on hand is shown as £906. 0. 10. The only statement received in support is for groceries, etc., £312. 9. 5. If not already despatched, please send statement for the difference.

STORE ACCOUNT & MILLINERY STORE.

The details and information given have been read with interest. The reduction in the value of stocks on hand is satisfactory so far as it goes, but I cannot emphasize too strongly that the Board will look to you to insist on all the old unsaleable, - or "dead stock", - being annually cleared out of all the stores, whether in Stanley or on the Farm, and sold for anything they will fetch. If not dealt with in this way they will, in time, certainly accumulate and amount to a considerable, but really valueless, figure in the books.

MAIL AGENCY, LIGHTERAGE, HULKAGE ACCOUNT.

Your remarks have received very careful attention, and while it is considered that the system under which these accounts have been kept for years past should be entirely re-organized, we cannot agree that they should be merged into one account. This for the reason that they represent two entirely different services. In the case of the Mail Agency, - it would now be more properly called Pacific Agency Account, - the chief revenue is received by way of commission on the homeward freights and passage money, granted to the Company by reason of the position it holds in being able to assure the Pacific Company of the whole tonnage of produce. Apart from any special expenses (not chargeable to the P.S.N.C. in account)

No. 1248. 4. 6. 24.

connected with the work of the Agency, the only amount to be debited to the account is the fair proportion, as you may decide, of certain Stanley establishment expenses. The Agency has really nothing whatever to do with hulkage or lighterage. All shipments to Stanley, without exception, must, under the terms of the Bills of Lading, be taken at the consignee's expense, from the ship's side, and the Store Account, or the client's, as the case may be, charged with the lighterage entailed, the credit passing to the hulkage and lighterage account.

HULKAGE & LIGHTERAGE ACCOUNT.

It is intended that this account should be made to "hang entirely by its own tail", and be put on a proper paying basis. It should be charged with all wages, costs and expenses entailed in the lighterage and hulkage work and credited for same by

- a. your special debits against the Store and clients referred to above,
- b. by the proportion of the coastwise freights transferred.

It should, of course, be debited with all repairs to hulks and lighters, etc.

Please have these two accounts put on this basis as from 1st January last. We shall then be able to see exactly how we stand and whether the account is a profitable one or not. There is little doubt that in the past the profit made on this account over a period of years was barely sufficient to balance the capital outlay the Company was called on from time to time to meet to provide new hulks and lighters.

With regard to the cost of running the "Kelp", it should be divided fairly, having regard to the services rendered, as between Mail Agency and Hulkage and Lighterage.

You mention you have not received credit for commission on shipments per "Lagarto", "Oriana", and "Oropesa".

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No. 1248. 4. 6. 24.

I cannot follow what these have to do with Hulkage and Lighterage Account; they relate more properly to Mail Agency. In any case, when closing such accounts at the end of the year, the estimated outstandings should be brought in, otherwise the results shown are inaccurate.

STANLEY BUTCHERY.

The profit on the working of this department is quite satisfactory.

S.S. "FALKLAND".

This account was properly closed as at 31st October. You will find that the principal part of the credit due in the period to which you refer, £5513. 18. 0., is written back in the closed accounts at the end of the year. I would explain that these cross entries are merely made so that you should have a complete record in your books of the earnings for the vessel's trading year.

SCH. "GWENDOLIN".

As previously instructed this account must also be closed at 31st October each year.

STORE & BUTCHERY DEBTORS.

It is certainly true that the total outstandings have been greatly reduced since 1920, but the figures show that at the 31st December last there was a small increase in comparison with December 1922. The lists of debtors in both departments have been closely scrutinized and the opinion held here is that a considerable curtailment of credit is still called for. Having regard to the position of many persons on the lists, and the unwarranted extent of same, the matter must still receive your close and energetic attention. It is realized that in many cases the list is the residue of an old regime, but I cannot emphasize too strongly that the Board will look to you to make a great alteration in this connection. A reasonable amount of credit to the Company's employees and permanent officials is justified but the extent allowed to many whose employment in the Islands may be terminated at short notice

No. 1248. 4. 6. 24.

is quite unwarranted and is really asking for trouble. For instance, to allow such persons in the position of Capt. Hockley to owe the Company £70. 1. 8 and T.A.Hall £112. 5. 3. is wrong, and if such cases have been brought about by excessive zeal of the Storekeeper, he must be severely reprimanded and given to understand the Board strongly disapproves of such action. The case too of the late butcher whose debt of £67 has been written off, is another instance of what is likely to occur in many cases if the old practice of giving all and sundry credit as in the past is continued.

LONDON OFFICE CASH ACCOUNT.

Almost every year the Auditors have called attention to this Account. They point out, what is perfectly true, that it really is nothing more than a suspense account and would more properly be called London Suspense Account. Please re-name it accordingly for the current year.

Yours faithfully,

C. B. Sound

Managing Director.

SALARIES.

The question of readjusting the salaries paid the Colonial Manager, Camp Manager and Assistant Camp Managers was discussed.

It was finally agreed as follows :-

MR. H.H.R. GRESHAM (COLONIAL MANAGER)

That in place of ~~the~~ the terms provided for in the existing agreement, he be paid, as from 1st January 1924, a salary of £1200 per annum, £100 per annum for entertainment allowance and 1% on the dividend distributed on the Ordinary Shares for the year, or part of a year in proportion, - in respect of which he shall hold the position of Colonial Manager. All commissions for Insurance or other Agencies and fees, Lloyds, Consulates and others, to be for the credit of the Company.

MR. T.G. SLAUGHTER (CAMP MANAGER)

That in place of the terms provided for in the agreement with Mr. Slaughter, he be paid, as from 1st January 1924, £1000 per annum and 1% on the dividend on the Ordinary Shares distributed for the year, or part of a year in proportion, - in respect of which he shall act as Camp Manager.

MR. H.C. HARDING (ASSISTANT CAMP MANAGER - NORTH ARM)

That the agreement taken over from Mr. Packe having expired on the 28th April, he be offered a new agreement at a salary of £500 per annum and $\frac{1}{2}$ per cent on the dividend on the Ordinary Shares paid for the year, or part of a year in proportion, - in respect of which he may hold the appointment.

MR. F.G. LANGDON (ASSISTANT CAMP MANAGER - FITZROY)

That provided Mr. Slaughter reports favourably on his work, he be paid, in addition to his present salary of £400 per annum, $\frac{1}{2}$ per cent on the dividend paid on the Ordinary Shares in respect of the year, or part of a year in proportion, - during which he shall hold his appointment.

MR. A.W.N. VINCENT.

That in addition to the salary provided for in his agreement, he be paid $\frac{1}{2}$ per cent on the dividend paid on the Ordinary Shares for the year, or part of a year in proportion, - in respect of

which he may hold his appointment.

SALARIES PAID PLUS PERCENTAGE ON DIVIDEND

It was decided that when an employee is receiving a percentage on the dividend paid, he shall not also participate in any bonus which may be granted.

E.B.C.

PRECIS OF DESPATCH NO. 1249 PER S.S. "ORTEGA" DATED 3rd SEPTEMBER 1924.

- 1 Acknowledges despatches 626/629.
- 2 Fodder - difficulties of sending supplies free from infection.
- 3 Noted Admiralty are retaining shed at Naval Camber.
"Egeria" motor winch.
- 4 "Falkland" Survey - noted left for P.A. on 20th August.
- 5 Wool Landing Certificates.
- 6 Bodie Inlet Bridge. - Experienced man to be sent to supervise.
- 7 Delivery of mails at Stanley.
- 8 Stanley Slaughter House.
- 9 Hides.
- 10 Skin Drying Shed - Mr. Peters efforts to convert.
- 11 "Falkland" - sheep carrying.
- 12 Bunkering contracts - Storage difficulties and cancelling of contracts.
- 13 "Gwendolin" - tank base to winch ~~supplied~~ shipped this mail.
Trial trip.
Grounding at Lively Island.
- 14 Meeting of Farmers re Mr. Munro's preliminary views and recommendations.
- 15 Dr. Moir's report - asks for information re apparatus indented for
- 16 Condition of Darwin Motor Boat.
- 17 Notes "Rosa Baker" and "Proecis" unserviceable.
Require Capt. Roberts's report on lighter from Dawson Harbr
and opinion as to converting "Samson" into lighter.
- 18 Lighters - approves of intimation given to P.S.N.C. that lighters
will not be taken to Port William to discharge cargo.
- 19 Complaints of P.S.N.C. as to slow working of ships at Stanley.
20. "Lafonia" robbery.
- 21 "Kelp" - Mr. Peters's report.
- 22 "Fleetwing" - progress noted.
- 23 "Speedwell" - discusses reports on.
- 24 Fitzroy & Speedwell Islands account can be merged in Farm A/C
next year.
- 25 "Falkland" - bumping in Tamar Pass.
- 26 Brokers state Hides ex "Magellan" arrived in better condition.
- 27 Shipments for Packe Bros. & Dean Bros. to be cabled.
- 28 Charts of Falkland Islands asked for.
- 29 Blow lamps for winches were properly charged for as extras.

- 30 Wool shipped per "Oriana".
- 31 Admiralty Oil Contract - draft contract enclosed.
- 32 Bodie Inlet Suspension Bridge.
- 33 ~~Ack~~ Lists of store & Butchery Debtors and remarks on.
- 34 Certificated mate for "Falkland"
Captain Roberts leave of absence.
- 35 "Loriga" - not informed she was to call at Stanley until she
has sailed from U.K.
- 36 Re incorrect deciphering of our cable giving opinion of
Meeting of Farmers on Mr. Munro's report.
- 37 Acknowledges receipt of copy of Governor's speech.
- 38 Materials purchased from Government.
- 39 Will reply to official private letter of 10th July next mail.
- 40 Gives names of men engaged who are sailing this opportunity.
- 41 Mr. W.M. Dean's arrangements for visit to Coy's Camp etc.
- 42 "Speedwell" - notes Mr. Slaughter's favourable impressions.
- 43 New agreements for J.D.Creamer and H.C.Harding enclosed.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

64, Gracechurch Street.

Per S.S. "ORTEGA".

Nº 1249.

London, E.C.3. 3rd September, 1924

Dear Sir,

Since writing you last on the 4th June I have to acknowledge receipt of the following from you :-

Despatches,	626,	dated 21st May,	recd. 25th June.
	627,	,, 2nd July,	,, 25th August.
	628,	,, 31st ,,	,, 1st September.
	629,	6th August ,,	1st September.
Letters,		dated 8th May	
		13th ,,	
		3rd July	
		10th ,,	

2. 626.2. With regard to the importation of fodder, it is difficult to know what can be done in the matter. You will doubtless have seen from the papers that foot and mouth disease has continued to spread over the country and it has not been possible to secure any supplies that could be relied upon to be free from all risk of infection. We have in view some new hay which would be safe and probably fit for baling in October. It is hoped we shall be able to secure a parcel for shipment.

3. 626.5. Note is taken that the Admiralty have decided to repair and retain the shed at the Naval Camber and that it will not therefore be available.

It is very gratifying to hear the good report of the motor winch installed on the "Egeria", and we would be particularly interested to hear if the Petter starting device works satisfactorily in all conditions of weather.

4. 626.6. From your remarks and your cables of the 12th July, it is noted that arrangements were made to send the "Falkland" to Punta Arenas for her Survey and that she left your port for the purpose on the 20th ult. The departure of Captain

H.M.R. Gresham, Esq.,

Manager,

Port Stanley.

Hockley which you report certainly created a difficulty but it is satisfactory to hear of the arrangements you were able to make for J. Walsh, with a provisional certificate, to take the place of mate for the voyage. The Underwriter's assent was obtained to this on receipt of your cable advising us of the position so that all is in order, in that respect, for the trip.

From time to time we have kept you advised of the timber ordered from Mr. Hobbs for the new wool shed and this should have enabled you to gauge the space available on the return trip of the steamer for your other orders.

5. 626.7. From your cable it is noted the Government will not accept the Wool Landing Certificates signed by the Port of London Authority. Those returned are therefore being replaced by certificates signed by the Customs Authorities. In connection with the regulation requiring these to be furnished to the Government within six months of shipment, please note that the Customs can only give certificates as to weights after delivery from the store and this, naturally, does not occur until after the sale. From advices sent you, you will have learned that the whole of the "Lobos" shipment, - from Stanley in April last, - had to be withdrawn from the July Sales and cannot be offered until nearly the end of September. This will mean that the certificates can only be sent by the November boat, thus reaching you in December, by which time the six months limit will have expired. Doubtless you will explain this position to the Authorities.

6. 626.8. Mr. Neave's generous offer of assistance in the supervision of the erection of the Bodie Inlet Suspension Bridge is very much appreciated, but we fear from your later advices that he will have left the Colony before the material is delivered. This is promised for shipment in September and it is hoped that a cargo vessel will be available soon after that when shipment will be effected. It is the intention to send out at the same time from the suppliers a man experienced in this class of bridge building to supervise the erection.

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7. 626.9. Your references to the delivery of mails from the steamer to the Post Master in Port Stanley (621.3 and 626.9) rather gave the impression that the Pacific Company was not responsible, and in order to have the legal position clearly defined and agreed by the Pacific Company, we have exchanged letters with them on the subject, as per copies enclosed. It is noted that you now debit their accounts for this work as "launch hire"; this is as it should be. Your system of charging lighterage to the outside consignees is noted and your explanation appreciated.

8. 626.12. The arguments against the suggested removal of the slaughter house to the other side of the Harbour, entailing as this would a vast amount of boating, are fully recognised by the Board. It is felt that until such time as the slipway is built and workmen would have to pass to and from it, the slaughter house as at present situated cannot be seriously obnoxious to the public. The matter therefore had better remain in abeyance pending future developments of the slipway proposition.

9. 626.14. We are glad to note that you have taken up the question of the shipment of hides and are giving effect to the instructions sent.

10. 626.16. It is hoped that Mr. Peters will meet with success in his efforts to convert the skin shed, - on which so much money has been spent, - into a useful and valuable asset. I would mention that it was suggested to run the Tractor engine merely experimentally, to save the cost of raising steam on the Babcock boiler. We are glad to note that Mr. Peters has more economical methods in view.

11. 626.19. It is pleasing to hear of the successful work which the "Falkland" seems to have performed in shifting the sheep from Great and Speedwell Island, etc. It is also noted, - thanks to Captain Roberts's energetic foresight, - we can count on the steamer carrying as many as 1500 at one time.

12. 626.20. The results of the bunkering contracts carried

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through last year are certainly satisfactory, and we quite see the difficulties detailed in your remarks attaching to the storage of the coal in one hulk. With regard to your suggestion of giving the Companies the option of cancelling their contracts, we hardly think there is any point in making this a condition of the agreement; this is a matter that can be well dealt with by you on the spot as was the case last year.

From Messrs. Lambert Bros. we learn that there is every probability of our fixing up contracts for the ensuing season and we have instructed them that, in view of our limited storage capacity, it will not do to commit ourselves beyond 2000 tons.

Your coal statement, dated 1st July, is to hand; it is on the lines required and will be invaluable in estimating the position of your stocks from time to time.

13. 626.21. Messrs. Clarke, Chapman & Co. have met us fairly in the matter of the broken tank base to their motor winch supplied for the "Gwendolin", and one in replacement is being shipped by this opportunity.

Your accounts of the behaviour of the "Gwendolin", on her trial trip and of her first voyage with the engine have been read with much interest. Of course, any economy in the consumption of fuel oil which Mr. Peters can effect will be welcome but at the same time, 5 gallons per hour is about what the makers indicated.

The grounding of the vessel entering Lively does indeed, emphasize the difficulties of the approach to that port. It would be interesting to hear the opinion of Captain Roberts as to the possibility of minimising these risks by having a buoy or two dropped to mark the channel.

14. 626.24. You will have gathered from the cable sent through you on the 16th July to the Governor that a well attended meeting of the farmers and managers on this side was held to hear from Mr. G.J. Felton Mr. Munro's preliminary views and recommend-

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ations after his first visit round the Islands. The general opinion expressed was to the effect that before taking any actual steps in the direction of importing stock it was desirable to wait until his full report was received. The majority of those present were strongly of opinion that importations of stock from the Coast might be of considerable value and that the Governor should be urged not to bar them entirely as it was understood Mr. Munro had recommended: It was also urged that it would be a decided advantage if he could visit the Coast on his way home so as to be able to speak with first hand knowledge of the stock and general conditions there.

So far as this Company is concerned, the Board feels that in view of the large number of rams imported in November 1922 and 1923, it would be better to do nothing this year.

We learn that Mr. Munro is returning to New Zealand via this country; the Board will look forward to the pleasure of meeting him and hearing his views first hand.

15. 626.25. Dr. Moir's Report is much appreciated and it goes to show that he takes a very live interest in the welfare of the community for whom he is medically responsible. The Board is quite prepared to support him in connection with the laboratory he asks for and you will accordingly, no doubt, arrange for him to have the extra accommodation required. It is, however, at the moment, not decided whether, when the concentration at Goose Green takes place, the Medical Officer will be housed there or at Darwin. However, in view of the progress being made with that proposition, - the wool shed will probably be shipped out in January, - it, and other details, must be settled before long.

With regard to the apparatus asked for by Dr. Moir, we enclose an estimate from the Surgical Manufacturing Co. Ltd. for the various instruments, which amount in all to £174. 9. 4. Of this sum the microscope and stand amount to £140

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This appears to us, in the absence of any technical knowledge of the instruments, to be an enormous figure and before asking the Board to sanction the expenditure, I shall be glad to learn from Dr. Moir whether there is any probability of obtaining what he requires for a smaller price. The operating and examining chair has been ordered and will be shipped out next mail.

16. 627.3. From the report received on the Darwin Motor Boat, it is clear that if the boat is to be kept in condition, - and Mr. Slaughter reports that she is being used regularly, - she should be brought into Stanley without a moments delay where no doubt McNicholl can make as good a job of renewing her plates as he did in the case of the launch "Plym". If the Board decides on this course a cable will be sent you and the new shaft and outer bearing of the stern tube will be ordered at once and shipped as soon as possible.

17. 627.5. It comes as no surprise to hear that the hulks "Rosa Baker" and "Proecis", are no longer fit for service, and we note that you recommend the purchase of two lighters from Punta Arenas similar to the Dawson. We are rather sorry that you have not sent home a report on that craft as it was the Company's first experience of importing lighters from there, and we would like to have Captain Roberts's full report on the capacity as compared with the iron lighters and its general suitability for the trade. The price paid for it, £2,100 (delivered) is certainly high and before a decision can be come to by the Board as to the replacement suggested, it will be necessary to see what can be done from this side.

The Board's sanction was asked, and given, a year or so ago, to convert the "Samson" into a lighter, but the matter appears to have been dropped. Please send us Captain Roberts's opinion of her suitability for this purpose and as to her probable capacity. Is there any reason why the "Lafonia", should not be similarly converted if it is decided that she is not suitable or required for motoring? What would be her capacity if gutted for the purpose?

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18. 627.6. Your action in notifying the Pacific Company that in view of the attendant risks you will not in future send the lighters into Port William, is entirely approved and you will be supported by the Board in taking a firm stand in the matter.

19. 627.7. From copies enclosed you will see that we too
628.7. have had considerable correspondence with the P.S.N.C. in connection with their complaint of the slow working in Port Stanley. The question of discharging the coal ships by contract has been raised and we certainly think that the time has come when a strong effort should be made to work on those lines as undoubtedly, when paid on the basis of 2/- per hour, there is no inducement for the men to hurry with the work and it really is not fair on the steamer. You will see the Pacific Company suggest 2/6 a ton and we hope you will be able to establish this as the rate.

In their letter of the 13th August they comment on the men objecting to work with the $\frac{1}{2}$ ton iron tubs and the baskets, both recently sent you, and speak of the coal being discharged in canvas slings. This seems to us an extraordinary statement and your explanation would be welcome.

In connection with the alleged unnecessary delay of mail steamers, we would draw your attention to the position we have taken up, namely, that the refusal to meet our claims for short delivery has compelled us to in future insist on tallying every package out of the ships. It has been pointed out to them that the despatch in the case of those vessels is not likely to be improved.

We cannot quite follow the remarks (628 para.7) that the Pacific Company are incorrect in stating that pilferage in our lighters has come to light. What about the "Lafonia" with regard to which case they seem to be fully informed?

20. 627.8. It is satisfactory to hear that one of the suspects in connection with the robbery from the "Lafonia" has been brought to book, although the fine imposed appears to be very inadequate.

21. 627.9. Mr. Peters's report on the "Kelp", is read with interest; it is noted that it has been necessary to reduce the working steam pressure.

22. 627.10. The progress made with the conversion of the "Fleetwing" for the purpose of handling moorings is also noted. The Admiralty, if necessary, will be advised as to the position with regard to mooring the barge temporarily.

23. 627.11. The reports on the ketch "Speedwell" are somewhat disappointing, particularly in view of the fact that every possible care was taken in the selection and alteration of the boat under the most competent advisers obtainable. Further than that, we could never hope to give a boat a more thorough testing at sea than the little vessel had on her trip from Southampton to Cardiff. We had the further advantage of being able to absolutely reply upon the report of the seaman who took her round on that occasion. His final report from Cardiff was to the effect that the water she made was not abnormal. We therefore hope to hear later that the explanation of the leak complained of is attributable to the fact that she was 46 days on the deck of the "Huanchaco", mostly in hot weather, and the time she was on the beach in Stanley tending to dry her seams and caulking. No doubt the straining on the trip to Darwin in her dry condition would have opened things out and that after recaulking there would be some improvement. As to her not coming up to expectations in the matter of sailing and "staying", it was never intended from the first that her sails should be anything more than auxiliary. In fact her conversion has been identical with what would have been carried out in the case of the Darwin Ash Boat had that boat been in sufficiently good condition for the purpose. That vessel and the "Speedwell" are exact in every minute detail except that the "Speedwell" is one foot longer. Please keep us advised as to her condition when she is regularly in commission.

24. 627.12. With regard to merging Fitaroy and Speedwell

Island with the Farm Account, our Auditors, for the purpose of tax adjustment, would like these kept separate for this year, after which they can be treated as one.

25. 627.15. The Extract of Log and Note of Protest in connection with the "Falkland" bumping in Tamar Pass, are being forwarded to the Underwriters. The incident is, of course, unfortunate, but it is satisfactory to note there is no suggestion of any material damage resulting.

26. Enclosed please find copy of letter from Messrs. Anning & Cobb from which you will see that they report the hides which arrived by the "Magellan", as being very much better in condition than anything they have seen from the Islands for some years.

With regard to the complaints from Mr. A.E. Felton and others as to the quality of salt supplied, is it possible that he has been sent some of that imported from Monte Video? If you can obtain a sample from him and send it home, further investigations can be made.

27. Please note when cabling shipments of produce in future, Messrs. Packe Bros. & Co., Ltd and Messrs. Dean Bros., Pebble Island, would both like their quantities given separately as is done in some other cases.

28. We understand that your Local Government has of late issued charts of the Falkland Islands showing the new boundaries. If these are obtainable please send two or three copies.

29. Referring to your 625 para.7., you will read from the enclosed copy of Messrs. Clarke, Chapman's letter, dated 11th June, 1924, that the blow lamps, etc. were properly charged for as an extra.

30. With reference to the unfortunate shipment of wool by the "Oriana", in respect of which the Bills of Lading were inadvertently made out for Liverpool instead of London, we regret to advise you that all our efforts to

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induce the Steamship Company to deliver the wool at the latter port at the contract rate of £5 per ton have been in vain. For your information please find copy of letter from the Royal Mail Company, dated 25th July, 1924, and attached thereto a copy of one from the P.S.N.C. on the subject. The mistake has cost the Company in extra freight and charges about £35. 0. 0. This will be sufficient to emphasize to you the importance of guarding against the perpetration of a similar error.

31. 628.2. The information contained in your letter with regard to the delivery of oil for the Admiralty, and the condition of the barge, etc. will be passed on to the Admiralty at once. Their attention will also be drawn to your report as to the "Kelp", being under power ²⁰ in some conditions of weather.

The arrangements you have made with Stacey, who will act as caretaker, are noted and approved.

Herewith please find copy of letter from the Admiralty, dated 5th June, 1924, laying down regulations with regard to certain precautions which should be taken to prevent losses from oil fuel installations due to possible acts of sabotage. No doubt the risks on this account in the Colony are very remote; nevertheless it is only right that every care should be taken.

I also send you copy of a letter from the Admiralty, dated 26th August, and attached thereto draft of the contract, together with a Memorandum of Instructions with regard to the management of the installation. A reply is being sent to the Admiralty to the effect that whilst, in general, we agree to the terms of this draft, we prefer, before signing it, to forward a copy to you and to receive from you your cable advice that the various regulations with regard to your duties as laid down therein can be complied with. If you see no difficulty in this respect, please cable to me the

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following code word:-

YONEV = I see no difficulty in carrying out the regulations and duties referred to in the Admiralty's draft contract and instructions enclosed with their letter of the 26th August, 1924.

32. 628.5. From what you write we have every confidence that Mr. Peters could see the work of erecting the Bodie Inlet Bridge through successfully, but the feeling here is that it would save him much trouble, - and certainly a great deal of time, - if a foreman erector experienced in the work were sent out.

With regard to the suggestions as to pine decking, tar, etc., it was decided some time ago to get the contractors to include in the contract creosoted timber, all cut to size. You may rely on every part being clearly marked and numbered to coincide with the detailed working plan. This is the common practice in all such work.

33. STORE & BUTCHER DEBTORS. These lists, together with your remarks thereon are to hand, but time has not permitted of their being examined in detail.

34. 628.11. I am sure the Board will agree with you in the importance of having a certificated mate on the "Falkland" and, unless advised to the contrary, you may take it that the suggestion of Capt. Roberts carrying on next season as at present and selecting a man himself when here on leave, will be approved.

With regard to Capt. Roberts's application for leave next year after the last trip of the "Falkland", the matter will come before the Board at the next Meeting and, in the meantime, I feel safe in saying that the Directors will be prepared to accede to his request; the final decision will be conveyed to you next mail.

35. 628.12. We had no knowledge of the intention of the Pacific Company to send the "Loriga", into Port Stanley until some time after that vessel had sailed and no intimation of the conveyance of an outward mail by her was issued.

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36. 628.13. With regard to the cable message sent by us from Mr. Felton to the Governor, detailing what had taken place at the meeting of Farmers held here, it was rather mystifying to read in the reply received, as per copy enclosed, that the "Government greatly regretted that advice of Munro should not be sought in the first place". From the confirmation of the messages just received from you the explanation is clear; a terrible blunder appears to have been made in decoding our message in which a portion of the 22nd word, ROPBE, which correctly reads "should be", was taken to read "shipment per steamer during December/January". This obviously gave the impression that it was proposed to import rams from the Coast during that period, whereas it was not suggested by anyone at the meeting that any further rams should be bought pending the receipt of Mr. Munro's final report. To have done otherwise would certainly have indicated precipitate haste and a poor appreciation of all the Governor has done in the interests of the sheepfarmers. A cable has been sent you pointing out the mistake and requesting you to explain matters to the Governor. You will, of course, at the same time, convey a full apology to him for the error made. It should not be necessary to point out to you that some better system than appears to obtain should be adopted in the Stanley Office to check all cables. I would bring to your notice in this connection that the way in which the confirmation has come to hand is quite inaccurate. For instance, the 7th word in that message was YACIV = Hubert Cobb, whereas the 7th word in your confirmation is given as YACIV / MATHEWS. Obviously this is not the way a message could have reached you.

37. 628.14. I have to thank you for the copy of the Governor's speech to the Legislative Council which is of great interest.

38. 629.2. The statement received of the materials, plant, etc., the purchase of which from the Admiralty was sanctioned in our cable of the 9th August, indicates the excellent bargain made. There can be no doubt that all the machinery and material ~~will~~ prove of considerable value in connection with various work and installations contemplated.

39. An answer will be sent to your official private letter of the 10th July by the next mail.

40. To meet Mr. Slaughter's appeal for further men, the following have been engaged and sail for the Colony by this opportunity.

<u>Labourers.</u>	James Norris	Harry Bailley
	John Sweet	Fredk. Davies
	Frank Stroud	Percy Channon

Carpenter. Geo. Weedon.

We have also engaged, for Mr. Bonner, in response to your cable of 8th July, the following, who also sail by this opportunity.

F. Willshire
H. Hatchman
W. Britten.

A fourth had agreed to go out but he cried off at the last moment; another in his place will be sent next mail.

41. Please note that Mr. W.M. Dean is making arrangements to arrive in Stanley by the "Ortega", on the 31st December. It is his intention to visit each of our stations during the shearing season and to spend about a fortnight at Port Stephens. The Board will be glad if, in making your plans for the "Falkland", you will keep this in view so that his movements can be expedited as much as possible.

42. Since writing paragraph 23 on the subject of the boat "Speedwell", Mr. Slaughter's letter of the 4th August has been received, from which it is gratifying to note that he is more favourably impressed with the vessel.

Yours faithfully,

E. B. Goad

Managing Director.

43. New agreements, as per copies herewith, have been entered into with Mr. Creamer and Mr. H. Harding; both are travelling out by this opportunity.

Ind. 10
PRECIS OF DESPATCH NO.1250 PER S.S."OROPESA", DATED 8TH OCTOBER 1922

- 1 Acknowledges receipt of despatch No.630.
- 2 Oil Fuel Depot. - Claim and statements being sent to Admiralty.
 Company's remuneration to commence from first day of discharge of oil.
 Hand pump sent per parcel post.
- 3 Re sale of Admiralty Stores.
- 4 Proposed improvements in Stanley. - Asks if outlay is to come out of surplus revenue.
- 5 Concrete Mixer, Stone Breaker and Bodie Bridge material being shipped per "Ballena".
 Cement being shipped in new style of drum.
 Bridge erector to be sent when foundations are ready.
- 6 Government attitude unreasonable in connection with Export duty on 1922/23 Clip.
- 7 Leave of absence in 1925 granted to Capt. Roberts.
 His house to be made as comfortable as possible.
- 8 Sale to Government of jetty and hulk at Sullivan House for £200 approved.
- 9 "Falkland", at Punta Arenas. - Delay on Slipway.
- 10 New Lighters. - Will discuss question with Capt. Roberts when he arrives home.
- 11 Explains position as to coal shipments to meet Whaling contracts.
- 12 Darwin Motor Boat.- Awaiting report referred to in cable.
- 13 Sheep from New Zealand. - Explains that when last writing Company was unaware J.L.Waldron were negotiating with Government with regard to importation of rams from Coast.
- 14 J.H.Watson - Camp Teacher - fresh agreement enclosed.
- 15 Wool Sales - reports position.
- 16 Stock of Fencing materials to be always available in future.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street.

Per S.S. "OROPESA",

N^o 1250.

London, E.C.3. 8th October, 1924.

Dear Sir,

I wrote you last on the 3rd ulto., and have now to acknowledge the receipt,-- on the 9th September,-- of your No.630.

2. 630.2. Admiralty Oil Fuel Depot. The form of receipt for 5380.2 tons of oil ex the R.F.A. "Petroleum", and the Weekly Statement, to 7th August, are to hand and are being forwarded to the Admiralty with our statement of claim.

With reference to the further information asked for, you will have received by last mail (1249.31) the "Memorandum of Instructions" with regard to the management of the installation and this should give you all the details required. Your remarks are being sent on to the Admiralty so that any forms, not already sent, may be supplied.

With regard to the date of the commencement of the Company's remuneration for taking charge this,-- it has already been agreed with the Admiralty,-- will start from the first day of discharge of oil from the R.F.A. "Petroleum" in July, although it is noted Mr. Neave does not hand over to you until the 1st September. Please advise me of this date.

From the copy of the Admiralty's letter, dated 2nd October, enclosed, it will be seen the hand air compressing pump for the oil barge was despatched by parcel post on the 25th Sept.

3. 630.3. It is unfortunate that you were unable to secure the two stone crushing machines and concrete mixer with the plant taken over from the Admiralty for £528. The concrete mixer does not appear on your statement dated 5th August. Please

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1250. 8.10.24.

send a detailed schedule of the goods.

4. 630.4. The account you give of the proposed improvements in Stanley is certainly most interesting and when carried out must prove a great "boon" to the residents. You do not refer to the point, but it is assumed that the outlay will be met out of accumulated surplus revenues. Is this so?

5. 630.5. It is fully recognised that stone breaking and concrete mixing machines are essential if anything like rapid progress is to be made with the foundations for the Bodie Bridge, Wool Shed, &c. One of the Ransome Machinery Company's mixers, of 7 cubic feet capacity, driven by a 3 H.P. petrol engine, will be shipped by the s.s. "Ballena" to sail from Liverpool 1st November. Please find herewith, for Mr. Peters's information, descriptive catalogue of the machine including "Working Instructions".

By the same opportunity will be shipped one of Messrs. Robt. Broadbent & Sons 8" x 5" stone breakers on portable trolley, with screen. The power for this will have to be provided and it has occurred to us that in view of the limited use there will be for the machine after the Bridge and Wool Shed are completed, it could not be an economy to send specially for this work the 9 H.P. oil engine required to drive it, and that it would be better to utilise the pulley drive of Fordson tractor, - although the power is greater than needed, - for which purpose a shaft and pulley to reduce the revolutions of the Tractor, - 1000 p.m. - to the 250/275 r.p.m. required by the breaker can be supplied. A cable on this matter was sent you on the 6th instant.

The whole of the Bodie Inlet Bridge material, including creosoted timber, will be shipped by the s.s. "Ballena". Enclosed herewith you will find an interesting photograph of one of the towers, as erected at the works, and also one of a section of the Bridge.

The Contractors advise us that about 250 tons

No. 1250. 8.10.24.

of cement will be required for the foundations, and as some 50 tons will be required for the Wool Shed, 300 tons in all will be shipped by the s.s. "Ballena". I would particularly draw your attention to the new drum in which this is being sent, at an additional cost of 18/- per ton of cement. It is certainly the best package for the purpose yet brought to our notice and should entirely eliminate the losses hitherto sustained from various causes in the case of previous shipments. Notwithstanding this, however, stringent instructions should be given that on no account should the drums be left in the open, unprotected from rain. Please report on this package in due course.

A complete duplicate set of Messrs. David Rowell's plans is sent herewith.

As previously advised you it is considered that it will be a great assistance to Mr. Peters, and in addition save much valuable time, if one of Messrs. David Rowell's foreman riggers, who has erected these bridges in all parts of the world, is sent out. He can, however, do nothing until the foundations have been prepared, and as there is necessarily much uncertainty as to when this will be, I would ask you, when you are in a position to do so, to send a cable well in advance saying when you suggest he should arrive out. The necessary arrangements can then be made. See Code Additions herewith.

From the photographs and plans you will see that the bridge is carried by two towers - 39 feet 6 inches high, each consisting of two lattice work columns, braced together. The Suppliers have made a great point of the advantage of sending these four columns, each of which weighs 3 tons, complete in their full length, and a cable advising you of this was sent you on the 6th instant. A copy of the shipping specification, giving full weight and measurement details of each package to be handled, is enclosed, so that you can know well beforehand the number to be dealt with and arrange accordingly. A cable will be sent you at once advising

No. 1250. 8.10.24.

that the "Ballena", will bring the material above mentioned, so that if it is practicable you may arrange for them to be put straight on board the "Falkland", and so save unnecessary handling. This early advice may also enable you to prepare any jetty required on the site of the Bridge.

Please hand Mr. Peters the enclosed copy of letter from Messrs. David Rowell & Co., dated 19th September, giving their recommendations with regard to the proper proportions of materials to be used in mixing the concrete and also the size of the stones in the case of that to be used for the foundation work for the piers.

6. 630.6. The attitude adopted by the Government in connection with the Export Duty on Wool of the 1922/23 clip is most unreasonable.

7. Following up remarks in 1249.34, the Board has approved of Capt. Roberts returning home on leave next year after the last trip of the "Falkland", as suggested in your letter of 3rd July.

I might mention here that we learn from Mrs. Roberts the accommodation provided in their house is really inadequate for their needs and that the arrangements in many respects are primitive in the extreme. It is the wish of the Directors that they should be made as comfortable as circumstances permit and Mrs. Roberts has been given this assurance. Mr. W.M. Dean will go into the matter on the spot with you in December and in the meantime you might consider what to recommend.

8. The cable sent you on the 26th ulto. will have advised you that the Board approved of the sale to the Government of the jetty and hulk at Sullivan House for £200.

9. Your first cable advice to the effect that the "Falkland", was expected to get off the slip at Punta Arenas on the 16th September, and that the total expenses would be

No.1250. 8.10.24.

slightly under £2000, was read with considerable satisfaction. Your later message reporting that in consequence of a new stern tube having to be made she could not be refloated "until the end of the month", (September) was disappointing as it is feared that the expenses will considerably exceed the original estimate. This is certainly likely to be so if the absence of any advice to date of her coming off the slipway means that it has been found necessary to keep her hauled up for a further fortnight. Your later reports will be anxiously awaited.

10. Alluding to remarks in last despatch (1249.17) the question of lighters was further considered at the last Board. It was quite recognised that something must be done as soon as possible to rectify matters but before giving authority to order two similar to the "Dawson," it was ^{thought} desirable to await Capt. Roberts's return home and go thoroughly into the question with him prior to coming to any decision owing to the saving likely to be effected by buying steel lighters here, in plates and sections, and having them erected by men sent out. ~~xxx xxx~~.

11. With regard to cables exchanged on the subject of proposed coal shipments to be made per s.s. "Ballena" to meet contracts entered into with the Whaling Companies, it is necessary to explain exactly the position here. We have induced the Pacific Company to put on the s.s. "Ballena", to sail 1st November, to take the Bodie Inlet Bridge and to go to South Wales for our coal on condition that we took there a substantial tonnage of from 600/1000 tons. As there is much uncertainty about the Steamship Company being agreeable, or in a position to definitely fix a following Falkland bound vessel to go to South Wales for our coal for delivery in time for the Whalers, it is obvious that if we contract to supply them with 2000 tons, we must make ourselves safe by shipping our full requirements to meet these contracts by the certain opportunity - the "Ballena" now offering. A cable was therefore sent you asking how much

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coal must be shipped by her to meet contracts and your reply is to hand, but it is not quite an answer; it reads - "Utmost capacity beginning December for 900 tons Welsh Coal 300 tons House will require later shipment arriving end of March owing to s.s. "Falkland", requirements". Notwithstanding this message, having regard to the uncertainty of the following vessel mentioned above, we are sending you 1000 tons Welsh Coal and 300 tons House and have given you timely advice by cable so that your arrangements can be made accordingly.

12. Referring to your cable of the 29th September, no decision will be come to with regard to the Darwin Motor Boat pending the receipt of your further report.

13. Your cable of the 2nd September reading :- "Government advise me Shaw Savill Steamship Line are prepared to bring sheep direct from New Zealand £5 per head for not fewer than 300 shippers find fittings fodder advise all of the farmers", was duly communicated to all concerned here. From my cable of the 26th September you will have gathered that the total response was as follows :-

G.J.Felton	10 rams
Packe Bros. & Co.Ltd.	40 "

As previously advised you, the general feeling here is to await Mr. Munro's final report and to see some results from the heavy Coast importations before doing anything further.

With regard to remarks in 1249. para.36, and my cable of the 1st September, I would like to explain that when that despatch was written we had no knowledge here that Messrs. J.L.Waldron had for some time been in direct negotiation with the Government with regard to an importation of rams from the Coast. It was certainly not mentioned at the Meeting of Farmers referred to in the cables exchanged.

14. An Agreement (copy enclosed) has been concluded with James Henry Watson, Camp Teacher, and he is returning by this opportunity.

No.1250. 8.10.24.

15. The whole of the "Lobos" Wool, withdrawn from the July sales, and that arrived by the s.s. "Magellan", is being put up in the present series. As the quantity was over 3000 bales it has had to be divided over three dates, 22nd September, 2nd & 8th October. The average prices made for each mark on the 22nd September were cabled you on the 26th, and on the whole are very satisfactory, although not quite up to March prices.

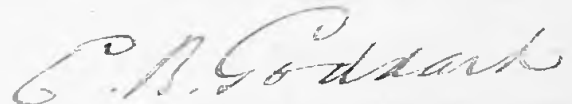
The demand on the 2nd was less strong, and some lots were taken in.

The average results made on the 2nd and 8th October will be cabled on the 9th instant.

Copies of catalogues sent herewith will give you full details.

16. In the Camp Manager's letter of the 28th June, 1924, he mentions that he was unable to carry out certain fencing at Ruanna in consequence of the necessary material being out of stock in Stanley. Please see that sufficient is always available in future to meet any demands that may come from the Farm.

Yours faithfully,



Managing Director.

- 1 Nothing to acknowledge.
- 2 Admiralty Oil Installation. Barge to be
scraped and painted.
"Kelp", powerful enough for peace-time
requirements.
Notes duties can be carried out.
Claims submitted for management charge
and receiving.
- 3 Lighters. Steel too dear.
Hobbs quotes for wooden ones from
Punta Arenas.
- 4 Wool Landing Certificates.
- 5 Tanker "British Beacon", due Stanley mid-December
with cargo.
- 6 Wool Sales and prices.
- 7 All Bodie Bridge materials shipped this opportunity.
Cement going in casks instead of drums.
- 8 Notes "Falkland", arrived back from Punta Arenas
on 22nd October.
- 9 Reports 1000 tons of steam and 300 tons of house
coal being shipped in "Ballena".
Contracts entered into with whalers enclosed.
- 10 Preliminary set of plans for new wool shed enclosed.
- 11 Anticipate shipping wool shed in January.

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The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "BALLENA",

N^o 1251.

London, E.C. 30th October, 1924.

Dear Sir,

Since writing you last, on the 8th instant, no letters from the Colony have been received.

2. Alluding to remarks in 1249.31, relative to the condition of the Admiralty's oil barge and the limited towing capacity of the "Kelp", please find herewith copy of letter from the Admiralty dated 24th October, 1924. You will see from this they wish the barge scraped and painted and that they consider our tug will be sufficient to meet peace-time requirements.

I have to thank you for your cable of the 20th inst. advising that you see no difficulty in carrying out all the duties detailed in the schedule attached to the agreement.

A claim for our management charge, as from the 21st July, together with one for £269. 0. 2. for cost of receiving the oil ex "Petroleum", has been rendered and credit for same will be made in accounts when received.

3. Referring to the subject of lighters, - 1249.17, - quotations have been obtained from several makers of steel lighters here. These, unfortunately, go to show that owing to the increased cost of material, wages, etc., a barge of 100 tons capacity would cost f.o.b. U.K., to-day, double the price of that paid in 1915 to Messrs. Crichton & Co. This has thrown us back on to the Punta Arenas source of supply and accordingly a cable was sent to Mr. Hobbs, on the 22nd instant, to the effect that if he could obtain a more favourable quotation

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

-2-

No. 1251. 30. 10. 24.

than the price paid in March last for lighters of the same specification as the "Dawson", we were open to consider placing
X orders for two. Prompt advice of what is done in the matter will be sent you.

4. I am afraid I see possible difficulties ahead for you in connection with the Wool Landing Certificates required by the Government. Your cable of the 26th May indicated that the Port of London Authority's signature would be accepted only if under seal. As that body appear to have no existing organization for sealing such documents, it follows that they would all have to go before its Board. It is therefore doubtful if that practice would be continued. For that reason it was decided to fall back on the Customs and pay the 5s/- fee for their certificate in each case.

A number of these are being sent you this mail and you will notice that in many cases the quantity of the bales has been altered but that the weight is unchanged. It is important that you should know exactly how this has come about. - Only when the whole shipment has been delivered from the warehouse is the actual weight ascertainable and any discrepancies between the Bill of Lading and delivered quantities cleared up. The Wool Brokers then compile these Certificates, entering on each the actual number of bales sold and delivered against each mark and also the weight. On receipt of these forms the Customs have altered the number of bales in several cases to correspond with the quantities for which the Custom's entry, - necessarily based on the Bill of Lading, - was passed - and point out that with regard to the weight stated, it is not a matter which concerns them. There is no question whatever that the Port of London Authority's final figures and certificates, both as regards delivered quantities and weight, are the most reliable data obtainable.

X Since writing above Mr. Hobbs has quoted £1900 each delivered Punta, £2100 delivered Stanley.

No. 1251. 30. 10. 24.

5. Enclosed please find copy of letter, dated 23rd October, from the Admiralty advising that the Oiler "BRITISH BEACON", with 9,300 tons of oil fuel for discharge in Stanley, is due at your port about mid-December.

6. In a cable message sent you on the 13th instant, particulars were given of the average prices made for each mark of Wool sold on the 2nd instant. The catalogues enclosed will give full details and from them you will see that some 120 bales were unsold; these will be offered in the November series of sales together with the "Loriga" shipment.

7. In the cable above referred to you were also advised that all the Bodie Inlet Bridge materials, including the cement, have been shipped by the "Ballena".

Unfortunately, at the last moment, the suppliers informed us that the makers of the steel drums, referred to in my 1250.5, had been unable to obtain the steel required and in consequence the shipment has had to be sent forward in casks. These casks are tongued and grooved and we are told they are much superior to the ordinary export casks supplied in the past. Please report on them in due course for our future guidance.

The countershaft (referred to in 1250.5) is being sent by Messrs. Broadbent with their stone breaker for the purpose of enabling you to reduce the revolutions of the Fordson to suit those of the breaker.

8. It was a relief to receive your telegram reporting the arrival of the "Falkland", in Stanley on the 22nd October, and we must await the bill of costs!

9. 1000 tons of Welsh Coal - Ocean Merthyr - are being shipped in the "Ballena", as well as 300 tons of House Coal in bags.

Contracts (copies enclosed) have been entered into for the coming Season, as follows:-

No. 1251. 30. 10. 24.

<u>Whalers (with catchers)</u>	<u>Nov.</u>	<u>Nov./Dec.</u>	<u>Dec./Jan.</u>	<u>Jan./Feb.</u>	<u>Mch./Apl.</u>
	Tons.	Tons.	Tons.	Tons.	Tons.
"Weddell"	50/70				
"Bransfield",	50/70				
and			50/70		
2 newbuilding..				50/70	
"Neb"		60/70			
"Svend Foyn 1"					300
"Solstreif"					300
"Pythia"					300
"Falk" }					
"Orn II" }					640
"Ronald" }					
"MAUDIE" }					400
Nov.	<u>100/140</u>				
Nov./Dec.		<u>60/70</u>			
Dec./Jan.			<u>50/70</u>		
Jan./Feb.				<u>50/70</u>	
Mch./Apl.					<u>1940</u>

All possible pressure is being brought to bear on the Pacific Company to fix a cargo boat to sail in January to take a further quantity of Welsh Coal. As soon as this is definitely arranged, and we can gauge the probable date of arrival at your port, we will cable, asking you to indicate the maximum quantity of coal that we can ship.

10. A preliminary set of plans for the new Wool Shed at Goose Green is sent herewith; these should enable progress to be made with the foundation work when possible.

11. As previously advised you, we anticipate shipping the Wool Shed for Goose Green in the January cargo boat.

Yours faithfully,

C. B. Goddard.

Managing Director.

PRECIS OF DESPATCH NO. 1252, PER S.S. "ORTEGA", DATED 3RD DEC R, 1924.

- 1 Acknowledges No. 631.
- 2 S.S. "FALKLAND"s slipping and repairing expenses at Punta Arenas.
Mr. Luxton's horse.
- 3 Government Experimental Farm - Mr. W.M. Dean able to lay Board's views before Governor.
Re proposed Exchange of land.
- 4 Bodie Creek Bridge - Foreman Erector not being sent.
Erecting instructions enclosed.
- 5 Conveyances of Fairy Cove land returned duly sealed.
- 6 Mail service to South Georgia.
- 7 Shipping facilities with New Zealand.
- 8 Stanley Land - Board sanctions sale to P. McPherson.
- 9 "Gwendolin", - notes saving in time of voyages since fitted with engine.
- 10 Mr. Dean will go into the question of boating facilities at Darwin and Islands.
- 11 Legislative Council - Board pleased with Mr. Gresham's appointment.
- 12 Mails - Government payment of £20 for receiving etc. satisfactory.
- 13 Advises change in P.S.N.C. freight rates on produce.
- 14 Discusses subject of lighters.
- 15 "Falkland"s movements to fit in with Mr. Dean's programme as near as possible.
- 16 Position of Wool Market communicated.
- 17 Chartres new wool press.
- 18 Endeavouring to fix cargo vessel for end of January.
Wool shed, etc. to go by her.
Coal Stocks.
- 19 Illnesses of Mr. Slaughter and Captain Roberts.
Underwriters agree to Walsh being in charge of "Falkland".
- 20 25 tons of Hay to be shipped in January.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per S.S. "ORTEGA",

N^o 1252.

London, E.C.3. 3rd December, 1924.

Dear Sir,

I wrote you last on the 30th October, and your despatch No. 631 of the 30th September came to hand on the 24th ultimo.

2. 631.2. Your remarks on the s.s. "Falkland"s trip to Punta Arenas are noted. Since my 1251 advice from Mr. Hobbs indicate that the total expenses for slipping and repairing will be in the region of £3000. Before presenting the claim on the Underwriters for the proportion recoverable in respect of the vessel bumping in Tamar Pass, I will await your report on the trip, - after arrival back in Stanley, - so as to ensure everything possible being included.

It is unfortunate that the importation of Mr. Luxton's horse was prohibited. We had nothing whatever to do with the purchase or proposed shipping arrangements, all of which Mr. Luxton attended to himself, otherwise I think it would have occurred to us to cable you to obtain the necessary sanction to import.

3. 631.3. The account of the Government's intentions with regard to an experimental farm has been read with much interest, and carefully considered by the Board. I need hardly say that the Directors desire to give every possible support to the Governor in any steps he thinks it desirable to take in the interests of the sheep farming industry. Fortunately, Mr. W.M. Dean will arrive in Stanley with this mail, and he will be able to lay before him the Board's views and to arrive at some satisfactory arrangement.

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1252. 3rd December, 1924.

The exchange of land at Port Louis for the Government Reserves at Darwin and Port Sussex is certainly desirable, but in considering the matter the following facts need to be borne in mind :-

- (a) You speak of the block 5 as 6,000 acres, whereas it is given as 8,000 in the Second Schedule of the Live Stock Ordinance No.6. of 1901, and as 7,800 acres in the Lease purchased in 1911 - now being paid for by the usual thirty instalments.
- (b) On block No.5. is situated the Port Louis settlement, - wool sheds, pens, etc. It can hardly be that the Government suggest that the land on which these essential buildings stand is to be included in the exchange. Possibly your reference to 6,000 acres means that only that amount of the block 5. is wanted and that the remainder, with the settlement etc. is to stay in the Company's possession.
- (c) Taking the loss in pasturage only at 1400 sheep as stated in your figures, it means, at present prices, an annual loss of approximately £700 to £800. In addition there would be the permanent loss of 616 acres of land.
- (d) Should the proposal be carried through, and at some future date it be decided to abandon the experimental farm, it would only be fair that it should be understood the Company is to have the first option of repurchase.

4. 631.4. It was particularly gratifying to learn from your cable of the 25th ultimo that the Bodie Bridge work was proceeding rapidly, and that Mr. Peters considers erector absolutely unnecessary. The Board will, I am sure, appreciate the interest and energy which Mr. Peters is evidently putting into the work and that he feels thoroughly competent to see the whole job through. In these circumstances the foreman erector previously referred to, will not be sent out. I have therefore obtained from Messrs. David Rowell & Co., and send you herewith, detailed erecting instructions such as they usually send to all parts of the world with their bridges. Mr. Peters will do well to follow these closely.

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5. 631.5. Enclosed please find, duly sealed, the following two Deeds of Conveyance:-

(1) Dated 6th September, 1924, for part of Crown Lots 39, 40 and 41, situated North of Stanley Harbour, consisting of about 27 acres, transferred from the Government to the Company in exchange for other land in adjustment of the boundary fence line.

(2) Dated 6th September, 1924, for part of Lot 27, situated North of Stanley Harbour, transferred by the Company to the Government in exchange for other land in adjustment of the boundary fence line.

6. 631.6. The account of the arrangement entered into by the Government with the Tonsberg Whaling Company for the mail service to South Georgia is interesting, but it is difficult to see how it can possibly prove a payable proposition.

7. 631.7. It has always been realized here that the Shaw Savill Company would be quite prepared to provide shipping facilities from New Zealand to the Falklands, if it is made worth their while to call in. It is, however, a distinct step forward to know that their minimum consideration would be 300 sheep at £5 per head. Live Stock must be always the nucleus of the cargo bookings warranting the call at Stanley, and whenever there is a prospect of the indicated minimum being wanted, we shall certainly do all that is possible to encourage the Shaw Savill Company and the trade with New Zealand, by placing an order for such goods as hay, butter, etc.

8. 631.10. The Board has sanctioned the proposed sale of the half acre plot referred to to P. McPherson.

9. 631.11. The details of the voyages made by the "Gwendolin" have been studied with much interest, and it is noted therefrom with satisfaction what a great saving of time has been effected as a result of the instalment of auxiliary power.

10. 631.16. The question of the boating facilities required in connection with Darwin and the Islands will be gone into fully by Mr. W.M. Dean when in Stanley. The suggestion that a

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vessel of double the size of the "Speedwell", should be stationed at Speedwell or in the Sound is not favoured by the Board. Such a craft would cost considerably more than the "Speedwell", - probably some £1500 or over, - and would not be an economical proposition having regard to the fact that for at least ten months in each year her work would consist of merely conveying the Manager, or Assistant Manager, from place to place. This could be far more cheaply done by a boat like the "Speedwell", and when the number of sheep to be shifted warranted it, the "Gwendolin", could be used for the purpose. However, Mr. Dean will go into the matter in all its bearings.

11. 631.17. The Board was very pleased to learn of your appointment to the Legislative Council.

12. 631.18. The arrangement made with the Government for the annual payment of £20 in connection with services rendered for receiving and delivering mails is satisfactory.

13. Please note, - and advise clients, - that the rates of freight on wool and skins/^{and other produce} for the coming season have been agreed with the Pacific Company at £5. 7. 6. per 1000 Kilos, or 36s/- per 40 cubic feet, at ships option.

That Company recently informed us that rates from Punta Arenas for the same period had been agreed at a net advance of 17s/6d per ton. They suggested that ours should be increased to the same extent, but to this we refused to agree on the grounds that the reduction of 10s/- made to the Coast last year, after our contract was concluded, was not extended, as it should have been, to the Falklands.

14. Since writing you last in 1251. par.3., on the subject of lighters, the matter has been under further consideration. The position resolves itself into this :-

We can contract here for two steel barges, - 70 feet x 20 feet x 7 ft. 6 ins. capacity 110 tons, - of a better type and design than those at present in use, made of half inch steel plate throughout (Crichton's barges in Stanley have only $\frac{1}{4}$ " plate) at such a price that with the cost of sending riveters

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out and the erection in Stanley they will cost, finished and ready for work, £4000 to £4200, or practically the same figure as two from Punta Arenas of the same type as the "Dawson", would cost delivered in Stanley. The question for consideration is, whether, under local conditions, the half inch steel barges have a longer life than those built of wood. Experienced opinion here is all in favour of the half inch steel plate in this respect. However, before finally deciding, we shall be glad to have Captain Roberts' recommendations on the point. The old argument as to the greater liability of the steel barges to damage can, in view of our ten years experience with the Crichton barges without mishap, be disregarded.

Enclosed I send you a blue print of the type offered, from which it will be seen that they would be an improvement in type on those in use.

15. Please see that the "Falklands" movements are arranged so as to enable Mr. W.M. Dean to carry out his programme of visiting the various places on the Farm and on the Islands with the least possible delay.

16. The wool brought home by the "Loriga", is being offered at Public Auction Sales on the 9th instant; the prices realized will be cabled you as usual. Meanwhile the market has a distinct improving tendency and there is every hope of a good return.

17. In connection with a new 200 ton Hydraulic Press which will shortly be shipped to Chartres Station, Mr. Luxton, when here, asked if the assistance of Mr. Peters could be given in its erection on the station. We shall, of course, be glad if you will render Mr. Luxton all the assistance possible.

18. We are endeavouring to arrange with the Pacific Company, - and there is every prospect of their agreeing to do so, - to give us a cargo vessel for Port Stanley to leave U.K. about the end of January. By that opportunity we shall

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ship the whole of the new Goose Green wool shed; also six iron dips for Goose Green and the Islands, and the dinghys required by Mr. Slaughter.

Early in January we will ask you by cable what will be the maximum quantity of coal which we can ship at the same time to replenish your stocks. If the whalers on their outward voyages take the quantities contracted for, as specified in 1251.9., it would appear that it would be safe to send you at least 300 tons.

19. The Board was very sorry to hear from your cables of the 18th and 22nd ultimo that Mr. Slaughter and Captain Roberts had been so seriously ill. I trust that the improvement in their condition reported in later messages will continue and that they are by now fully restored to health.

In this connection the Underwriters were advised that the s.s. "FALKLAND", was being run with Walsh in charge and Osborne as mate and pilot, and they agreed to hold us covered accordingly.

20. Only within the last few days has it been possible to secure a parcel of hay which to our personal knowledge comes from a district in which there has never been an outbreak of foot and mouth disease. We have accordingly obtained twenty five tons in all and have made arrangements for this to be specially pressed and shipped by the cargo steamer leaving in January. This should provide ample for your requirements in the coming winter.

Yours faithfully,

C. A. Gadsden

Managing Director .

PRECIS OF DESPATCH NO. 1253, DATED 7th JANUARY, 1925, per s.s. "OROPESA".

- 1 Acknowledges despatch No. 632.
- 2 Sounding and buoying of Lively and Chartres harbours.
- 3 Mr. Munro - meeting with him to be held on the 8th
January.
Meeting held on 11th December with Dr. Orr
of Rowett Research Institute.
- 4 Instruments for Dr. Moir ordered.
- 5 Lighters - two of "Dawson", type ordered from Punta
Arenas.
Notes position of "Samson", and "Lafonia".
- 6 Discharge of P.S.N.C. vessels.
- 7 Tallying of "Ortega's" cargo.
Re Captain Roberts of "Magellan"
- 8 "Speedwell" - Pleased vessel is giving satisfaction.
- 9 New charts received.
- 10 Question of payment of freight Liverpool/London ex
"Oriana", again being taken up with
P.S.N.C.
- 11 Damaged Flour - sample being analysed.
- 12 Appointment as Consul for Uruguay noted.
- 13 H. Duffin - part passage money to be paid by Company.
- 14 s.s. "Falkland" - Survey and repairs - Expenses at
Punta Arenas.
- 15 Mason - endeavouring to obtain suitable man.
- 16 Assistant Storekeeper for Stanley.
E.G. Creece.
- 17 P.S.N.C. Itinerary of sailings for 1925.
- 18 Coal - 600 tons to be shipped per "Lagarto" 7th Feb.
- 19 Hay - 25 tons do. do.
- 20 Bodie Inlet Bridge - progress noted.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per s.s. "OROPESA",

No 1253.

London, E.C.3. 7th January, 1925.

Dear Sir,

Since writing you last on the 3rd ultimo, I have received, - on the 17th December, - your despatch/ of ^{No. 632} 3rd November.

2. 632.5. We are very glad to hear that Captain Roberts intends to do something in the way of sounding and buoying the approaches to Lively and Chartres Stations. Any move in this direction must tend to facilitate the approach of vessels and save expense. We have several times discussed the matter with Mr. Luxton, and he has always signified his willingness to co-operate, but for want of the necessary technical knowledge, was unable to carry the work through.

3. 632.6. Mr. Munro arrived in London last week, and a meeting of the Directors, and all Falkland Farmers resident on this side, is being summoned for to-morrow, when his report and recommendations can be fully discussed.

Through the courtesy of the Governor a proof came to hand with the last mail, and this has been circulated amongst all interested so that they may be conversant with its contents before that meeting. The report will also come before the Board at a meeting to be held to-morrow.

In connection with this investigation I received a letter from the Rowett Research Institute, Aberdeen (copy enclosed) in response to which an invitation was sent to all who have had practical experience of farming to meet Dr. Orr and give him all the information he required. This meeting took place on the 11th ultimo, and Dr. Orr expressed his intention

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1253. 7th January, 1925.

of proceeding further with the research work in hand and, at a later date, issuing a full report with such recommendations as he thought of practical value.

4. 632.7. Please inform Dr. Moir that the instruments and apparatus asked for have been ordered and will be shipped by first opportunity.

5. 632.8. Your further remarks, and your cable of 11th December, on the subject of lighters, have been read with interest. In view of the strong preference existing for the 'Dawson' type of craft as against those of steel construction, coupled with your advices that if ordered from Punta Arenas the "Falkland" could tow them across and thus save a considerable sum, it has been decided to place the order with Mr. Hobbs. A cable was accordingly sent him on 30th December, as per copy enclosed. It will be now left to you to make what arrangements with Mr. Hobbs you think best as to time of delivery of one or both vessels.

Your report on the progress of work entailed in converting the "Samson", and the position of the "Lafonia", is noted.

6. 632.9. We appreciate the difficulties mentioned in connection with the insufficiency of labour. We are, however, hopeful that your endeavours to establish a piece work system for discharging coal will be successful. You are perfectly right in your contention that it is not for us to supply the P.S.N.C vessels with tubs, baskets, or any other gear, for the discharge of coal and in cases where we have provided them you will doubtless have made a charge for the hire.

7. 632.9. Your report on the first effort at tallying cargo per "Ortega" is most interesting, and the long list of discrepancies between your staff and the ship's is illuminating. Certainly the difficulties in the way of carrying out a correct tally are emphasized, but we cannot agree with you that the tally taken is of little use to us. On the

No. 1253. 7th January, 1925.

contrary we consider it of great value for the reason that when your lighters from the steamer have been discharged and all goods passed through the Custom House, you should certainly find that any packages actually short delivered are amongst the long list of those signed for and agreed as "in dispute." This will fully justify us in deducting, from any sum due to the P.S.N.C., the value of the short delivered goods. To have succeeded in getting the ship to admit that any goods are "in dispute" is therefore a great advance.

We entirely agree with you as to the irritating methods of the P.S.N.C.; Captain Roberts of the "Magellan" appears to have gone out of his way to make trouble. Should a similar case arise again, your proposed method of dealing with it will be approved.

8. 632.10. It is pleasing to hear that the "Speedwell" is now giving satisfaction. Mr. Peters' report as to the cause of the engine "seizing" will be awaited with interest. It would appear that lubrication had not been properly attended to.

9. 632.11. The copies of the new coloured charts are to hand.

10. 632.12. On the strength of further information given in your despatch, the question of who shall pay the coastal freight (Liverpool to London) on the wool shipped per "Oriana", is again being taken up with the Pacific Company. Copies of the letters exchanged to date are enclosed, but the matter will not be allowed to end there. I will keep you advised.

11. 632.17. From what you write it would appear that the extent of the damage to the flour has been exaggerated. However, the sample received is being analysed and a report will be sent you later.

12. 632.19. Your appointment as Consul for Uruguay is noted.

13. 632.21. Your suggestion to extend to H. Duffin the same terms as given to the six navvies recently sent out is approved.

14. 632.22. The full account given of the damage to the

No.1253. 7th January, 1925.

"Falkland", is most interesting and we are inclined to think that we have fared better, as regards extortionate charges, than on previous visits of the vessel. This, no doubt, is due to Capt. Roberts.

The statement with regard to the cost of the voyage, the survey and the damage, will enable us to present our claim to the Underwriters. We shall certainly recover not only half of the slipping expenses, but also half the cost of the voyage to Punta Arenas and back.

15. 632.23. The necessity of having a Mason-bricklayer in Stanley for some time to come is admitted. Steps have been taken to secure a suitable man to be sent out in the next steamer. The desirability of securing one with a knowledge of reinforced pile work will not be overlooked.

16. Several men have been interviewed in connection with the vacancy for Assistant Storekeeper, and it was our intention to send out the one selected in the cargo boat at the end of January. Your cable received to-day reads:-

"Replacement E.G.Creece should await examination
"arrange send store assistant as soon as possible
"after inspection by E.G.Creece."

This we understand to mean that until Mr.Creece has been medically examined, it cannot be known if he is retiring in which case a head storekeeper will have to be sent. Further, that if the assistant storekeeper is to be sent "as soon as possible after inspection by E.G.Creece", it will mean that his departure will be delayed until March, and perhaps, April.

17. The Pacific Company's itinerary of sailings, issued in respect of 1925, showing only the "Oropesa" sailing of the 8th January, and again 8th October, came as rather a shock. The matter was taken up with them immediately, and copies of correspondence which ensued is enclosed. This will give you all the information we have as to the position.

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18. Following my remarks in 1252.18, you will have gathered from my cable of the 8th ultimo that the Pacific Company were prepared to put on the "Magellan", to load under the tips (which is a considerable saving) at Swansea, or Port Talbot, provided we guaranteed a minimum of 600 tons coal. On receipt of your reply the arrangement was concluded. Subsequently, however, the P.S.N.C. have decided to substitute for the "Magellan", the "Lagarto". She is to clear from Swansea on the 7th February.

19. Alluding to 1252.20, the 25 tons of hay have now been pressed and will be forwarded by the "Lagarto".

20. Mr. Peters' report of the progress with the Bodie Inlet bridge, and his photographs, are much appreciated, and we shall be glad if you will keep us similarly advised, as the work proceeds.

Yours faithfully,



Managing Director.

- 1 Acknowledges No. 633.
- 2 Re Meeting in London between Farmers & Mr. Munro.
- 3 Proposed expenditure on Stanley improvements.
- 4 Fordson Tractor spare parts sent this mail.
- 5 Condition of Marine Superintendent's house.
- 6 Coal for Whalers - Storage capacity.
- 7 Acreage of Block 5 required for Government Farm.
- 8 Mr. Slaughter's illness - leave this year.
- 9 Mr. Creece's health.
Store Clerk.
- 10 Captain Roberts' health.
Certificated Mate for "Falkland".
- 11 Sale of surplus sheep to Coast.
- 12 Mr. Langdon's agreement - Passage clause.
- 13 Board pleased with Dr. Moir's work -
To have operating table, etc.
- 14 Monte Video Quarantine Station.
- 15 Discharge of coal ex "Ballena" on piece work basis.
- 16 Bodie Bridge - Progress of.
- 17 Accounts of "Falkland" and "Gwendolin".
- 18 Tallying from P.S.N.C. vessels.
- 19 P.S.N.C. have met claim for Liverpool/London freight
on Wool ex "Oriana".
- 20 Oil Fuel Depot - letter from Admiralty enclosed.
- 21 Goose Green Wool Shed shipped -
Re Peters' and Crawford's application to erect
on contract terms.
- 22 5 Iron Dips shipped.
- 23 Reports position of Wool Market. - Notes shipment
per "Ballena".
- 24 Out-turn of produce ex "Loriga", - "H.G.6" - Discrepancy.
- 25 Mason - have not yet been able to secure one.
- 26 Hay from Chairman's farm shipped "Lagarto".
- 27 4 Rams for Pebble Island shipped.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street.

Per M/V. "LAGARTO",

Nº 1254.

London, E.C.3. 6th February, 1925

Dear Sir,

The last outward despatch was dated 7th ultimo, since when I have received, - on the 19th January, - your No. 633.

2. 633.8.24. You will no doubt have also received by last mail the supplementary letter, dated 9th January, which was forwarded to overtake the "Oropesa", at Lisbon. This will have given you all information concerning the meeting of Falkland Island Farmers and those interested, held here on the 8th January to discuss with Mr. Munro his report. Since then Mr. Munro has been to Aberdeen to hear, first hand, from the Directors of the Rowett Institute, what progress has been made with the research work in hand. Following this it is proposed to call a further meeting of all interested about the middle of February when Dr. Orr and Mr. Munro will both be present.

3. 633.4. The information given relative to the proposed expenditure on Stanley improvements, and the sources from which the outlay will be met, has been read with much interest.

4. 633.5. The spare parts for the Fordson Tractor are being sent you by this opportunity.

5. 633.6. It is clear from your description that the old house used by the Marine Superintendent is no longer fit for occupation, and the cable since received from Mr. W.M. Dean confirms that there is no alternative to condemnation. On receipt of Mr. Dean's recommendations, and ^{the} plans which you are forwarding, the Board will decide what shall be done in the matter.

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1254. 6th February, 1925.

6. 633.21.7. It has, from the first, been realized that in contracting to supply the whalers with 2000 tons of coal annually, your storage resources are being taxed to the utmost. The good profit resulting from the business has induced us to secure it if it can in any way be put through. The real difficulty is caused by their requiring the coal all at one time, and so emptying your floating capacity, coupled with the fact that immediate replenishment of your stock to meet local requirements cannot be relied on under existing conditions with the P.S.N.C.

It has occurred to us that a solution might be found by landing a sufficient quantity, as a reserve, to meet the "Falkland's" and other demands for, say, three months after the whalers have cleared out your hulks, and so make yourself safe for tiding over the period until the next shipment arrives. Your views on this will be welcome.

Are you supplying the "Afterglow", and the Tonsberg Company's mail vessel to South Georgia, with coal? If so, please advise us as to contracts entered into and probable annual requirements.

7. 633.10. Your remarks clear up the doubt expressed in 1252, paragraph 3, as to the amount of acreage of Block 5 required by the Government for the experimental farm.

8. 633.11. The Board much regrets to hear that Mr. Slaughter's illness has proved so serious and that his convalescence will be prolonged. From Dr. Moir's report it is obviously necessary that he should have a good rest, and your cable of the 30th January has advised us that he is "proceeding on leave this year".

9. 633.12. Your reports as to Mr. Creece's health have also been a matter of much concern to the Directors. It is sincerely hoped that under skilfull treatment here he may be fully restored to health and able to resume his duties. The difficulties caused by his absence, and that of Dettleff, are

No. 1254. 6th February, 1925.

appreciated, and although you ask that a man should be sent out as soon as possible, I take it that that is qualified by your cable since sent (5th January) asking that no appointment shall be made until Creece arrives and it can be seen whether he is likely to be fit to return to Stanley. This means that it will not be possible to get a man away before March or April. The suggestion in your cable of the 30th January that Rumacres, who is at Punta Arenas, would be suitable as Store Clerk, is not favoured. We would prefer to see a man sent from home. When Rumacres was in the Company's employ at Goose Green he was far too much of the discontented type to encourage his re-engagement.

10. 633.13. Captain Roberts's collapse does, indeed, emphasize the importance of having a certificated mate on the "Falkland". As, however, his return home is now so near, his original recommendation to delay appointing one until he has had an opportunity of approving of him will be adhered to.

We hope that your later advices will report Captain Roberts's complete restoration to health.

The Board highly approves of your action, and the arrangements made for "carrying on" the coastwise trade under the difficult circumstances created.

11. 633.14. As up to the present we have heard nothing further from you, or from Messrs. Sidey & Poels, we fear that they have been unable to obtain the necessary tonnage for collecting the surplus sheep.

12. 633.15. There was no intention of providing for passages "home", in the case of Mr. Langdon's agreement for the good reason that he was engaged in the Colony which, from birth, has been his home, and he therefore is in a very different position to men sent out from here. If at the termination of the agreement Mr. Langdon's engagement is renewed, any application he may then make for passages to England will certainly receive the Board's favourable consideration.

No. 1254. 6th February, 1925.

13. 633.16. The Directors have been much gratified to hear of the zeal, energy and skill shown by Doctor Moir, and his further report to hand has been read with keen interest by all. This clearly indicates the unprecedented wave of sickness with which he had to contend, and it is fortunate that such a competent medical man was on the spot to deal with the situation. By all means let him have what he requires in the way of an operating table and lamps, etc; the cost is negligible.

14. 633.17. The correspondence relative to the Quarantine Station at Monte Video is certainly illuminating. It is nothing short of a farce that it should be described as such.

15. 633.18.26. You are to be congratulated on at last getting your labour to discharge the coal on a piece work basis, and the Pacific Company should be well satisfied with the saving in time, and money, effected thereby in the case of the "Ballena".

16. 633.22. From your remarks, and the report to hand, there is no doubt whatever that Mr. Peters has risen splendidly to the occasion in the matter of the Bodie Bridge, and the Board will, I am sure, read with much satisfaction your report of the excellent progress being made with the work. The error made by Mr. Neave in arriving at the exact distance across the water might have been much more serious, and it is fortunate that Mr. Peters sees his way to overcome the increased difficulties caused thereby. Mr. Peters's further photographs are most interesting and enable one to visualize the work in progress as nothing else could.

17. 633.23. The accounts for the "Falkland", and "Gwendolin", trading to 31st October are to hand. When the outstanding items in connection with both can be adjusted, the final balance will be struck. There appears little prospect of there being any profit with which to pay even

No. 1254. 6th February, 1925.

interest on the capital employed. These conditions cannot be too widely known in the Islands, particularly amongst those who are of opinion that the vessels are being run at a handsome profit to the Company. It is extremely doubtful whether any one realizes that while they have the benefit of the "Falkland", she is only being maintained at the Company's expense and loss.

18. 633.25. You will have seen from paragraph 7 of last despatch that we take rather a different view to yours on the question of tallying from the P.S.N.C. vessels. In the case of Captain Daniel of the "Oropesa", refusing to wait for a proper receipt to be given, we feel we have no grounds whatever to complain as by doing so he was clearly putting himself out of court and playing into our hands. We assume of course that no receipt whatever was given, and I would here add that, the old method of signing for the goods as "received subject to Customs tally", should, on no account, be reverted to, - far better to give no receipt at all. The Pacific Company know well that the only tally at all binding on them is that taken at the ship's side, and if they hold no receipt, they certainly cannot point to one in resisting a claim.

19. Following my remarks in last despatch, paragraph 10, enclosed please find copies of further letters exchanged with the P.S.N.C. on the subject of Liverpool/London coastal freight incurred on 91 Bales of Wool shipped per "Oriana". I am glad that they have at last agreed to meet our claim, particularly as it is very doubtful if, in the circumstances, we could have legally compelled them.

20. Enclosed please find copy of a letter from the Admiralty, dated 30th January, and also a copy of the calibration table to which they refer.

21. The whole of the material for the new wool shed at Goose Green is being shipped by this opportunity,

No. 1254. 6th February, 1925.

and you will find enclosed herewith copy of fully detailed specification.

In a recent letter from Mr. Slaughter we were informed that Mr. Peters, and Crawford, had made an application to him to carry out the foundation work and the erection of the building on contract terms. In the course of the next few days a cable will be sent you to the effect that the suggestion meets with approval and asking you to telegraph their quotation for carrying out the whole of the work. It must, of course, be understood that the materials will be delivered at Goose Green and from that point they would have to provide all further labour required.

22. The five iron dips, for Goose Green, Speedwell Island, George Island, Barren Island and Swan Island, are also going by this vessel. Specifications and drawings are enclosed herewith. From these it will be seen that the last four are 24 feet long while that for Goose Green is 60 feet, so that care will be needed in sorting the component parts for the separate destinations.

23. The first series of Wool Sales for the year commenced on the 20th January and closed on the 3rd instant. Influenced, it is thought, by reports of easier prices at Sales in New Zealand, cross bred wool showed a decline of from 5% to 10% in comparison with last Sales.

The "Ballena", - which we were glad to learn from your cable had left Stanley on the 22nd January with a good shipment, - is due on the 25th instant. The following series of Sales commence on the 10th March, and as the lists usually close with arrivals up to a fortnight before, it is somewhat doubtful if she will arrive in time.

24. A discrepancy exists in connection with H.G.C. wool per "Loriga", with regard to which please report. 97 bales were pressed, and that quantity appeared on the Bill of Lading, but the ship has out-turned only 95.

No. 1254. 6th February, 1925.

We notice that on your statement reconciling quantities received and shipped^{in 1924} a reference is made to "two bales being on the "Great Britain", wet, which may belong to Speedwell or to Saunders Island." This does, to us, emphasize the indifference that has always existed in Stanley with regard to proper tallying of both outward and inward cargo, and it is hoped that in this respect you will be able to effect some improvement. The great difficulty attending a correct tally of outward shipments, from here, owing to the vast number of miscellaneous packages, we are fully alive to, but we fail to see why, with any reasonable care, this should not be done accurately in respect of the wool and skins shipped in Stanley. Had this been done, there could not, for instance, be any doubt whatever as to which station the two bales in the "Great Britain" belonged. And further, the "Loriga" turned out 2 bales of wool and four bales of skins in excess of Bill of Lading and four bales of J.B. which were not even on the Bill of Lading.

You will see from the above that this is a matter which calls for your serious attention.

25. Every possible endeavour,- in the country and in Scotland,- has been taken to secure a bricklayer and mason; so far without success. At the moment they are all fully employed at high wages, but we still hope to find a man suitable to send out next mail. The "Lagarto", could not, in any case, have accommodated one, her passenger list being full for some time past.

26. I am pleased to be able to advise that we have at last got away a shipment of hay. This comes from Mr. R.H. Cobb's farm, and he is able to certify that there has not been a case of foot and mouth disease on it, to his personal knowledge, during the past 30 years. The bales will vary somewhat in weight,- they average about 1 cwt. 0 qrs. 24 lbs.,- and for that reason, should be sold on a weight basis. We shall be glad to have your report as to the condition in which this

No. 1254. 6th February, 1925.

shipment arrives.

27. Four rams, for Pebble Island, are being forwarded by the "Lagarto", and a cable advice of the intention to despatch them was sent you on the 9th January so that the necessary notice could be given to the Government.

You will find on the Bill of Lading only 360 bales of hay mentioned. The explanation of this is that we gave the Shipping Company instructions to set aside 10 bales for the use of the rams on the voyage and to provide sufficient fodder for them during the period of quarantine. Please therefore debit Pebble Island with the value of these 10 bales, and also see that you recover from the ship, on their account, any unused quantity.

The Veterinary Certificate in respect of the rams is enclosed herewith.

Yours faithfully,



Managing Director.

PRECIS OF DESPATCH NO. 1255 PER M.V. "LAGUNA", DATED 20TH MARCH, 1925.

- 1 Acknowledges Nos. 634 & 635.
- 2 New House for Marine Superintendent -
Quotations asked for.
- 3 Government Experimental Farm.
- 4 "Speedwell", - discusses type, rig and seizing of engine.
- 5 Discharge of tanker "British Beacon" -
Statements and Account sent to Admiralty.
Receiving and delivery costs noted.
- 6 Stanley Motor Boat - spares and renewals ordered.
- 7 "Falkland", - Acknowledges Classification Certificates
for hull and machinery.
- 8 Wool Shed - Drawings, Erection Notes, &c. enclosed.
Asks for Peters and Crawfords quotation for
erecting on contract.
- 9 Mason - cannot engage one here.
Question of apprenticing.
- 10 Advises Meeting held with Mr. Munro and Directors of
Rowett Research Institute.
- 11 "Ballena", arrived too late for wool to be included in
March Sales. - State of Market.
- 12 Knowsley Electrical Co. anxious to trade with Islands
re Wireless Sets.
Six valve set sent for Manager's House.
- 13 Pebble Motor Boat per "Ballena", -
Re Mr. George Dean's complaint of negligence.
- 14 Acknowledges cable advising profit for 1924.
- 15 Cement shipments. - Asks for report on out-turn.
- 16 Hides - shipment per "Ballena".
- 17 Re condition of Mr. Creece.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61. Gracechurch Street.

Per M.V. "Laguna",

Nº 1255.

London, E.C.3. 20th March, 1925

Dear Sir,

Since writing you last, on the 6th ult., I have received your 634/5 of 3rd and 21st January.

2. 634.2. The plan of the new house for the Marine Superintendent is to hand, and quotations for same have been called for. The Board is at a loss to understand why, if the condition of the old building is as bad as Mr. Dean appears to have found it, the matter has not been previously reported.

3. 635.2. Your further remarks with regard to the Government's intentions in connection with the proposed experimental farm and Block 5 Port Louis are noted. On the return of Mr. Dean we shall hear what transpired at the discussion between him and the Governor.

4. 635.3. It is difficult to understand your remarks with regard to the "Speedwell", when you write, "I cannot emphasize too strongly that if any more engined boats are sent out that what is required is a sailing boat with an engine, and not a motor boat with sails as auxiliary." It should hardly be necessary to repeat that the "Speedwell" is an old Admiralty pinnace identical in every respect and detail with the boat known as the Darwin Ash Boat which boat Mr. Slaughter agreed with Mr. W.M. Dean when in Darwin in 1923 was eminently suitable for motoring and for the Island work intended. The lines of the hull resemble those of a life boat and have no similarity whatever to those of any ordinary motor boat. And further, in order that her sailing capabilities should be improved beyond

H.H.R. Gresham, Esq.,

Manager,

Port Stanley.

No. 1255. 20. 3. 25.

- 2 -

question," an addition of 8 inches was made to her keel, here, before shipment.

We can but assume your reference is specially to the rig of the vessel in which case it should be a perfectly simple matter to effect the necessary alterations in Stanley so as to increase her sail area up to the limit of her stability.

If the complaint is that she should have been rigged as a cutter, and not a ketch, I would point out the latter rig was especially adopted on the recommendation of Mr. George T. Dean for the reason that it would provide two masts on which tackle could be rigged for lifting horses in and out of the hold. Mr. George Dean, as you are aware, has had more experience of Island boating work than any one else in the Falkland Islands. However, the matter is one for compromise, and if it is agreed that the balance of advantage would be gained by dispensing with the one mast and making her a cutter, by all means alter her accordingly, and as quickly as possible.

With regard to the seizing of the main bearing, referred to in your 632.10, we are awaiting Mr. Peters' report on his survey of the trouble. This should have been sent for the information of the Board at the time. Mr. Slaughter has reported that it was due "to lack of lubrication", and to "possibly, the oil being too thin". In either case there must have been negligence, or ignorance, on the part of someone, for, as you are aware, the engine had been run for over 600 miles, before leaving here without the slightest hitch, so that there can be no question of her bearings not having been well "run in". The "Kelvin's" are the most simple engines made, and there are more of them in use by unskilled fishermen, and others, around this coast than any other type. No one with the slightest experience would ever allow a bearing to seize; the heating which always precedes such a condition would have given ample warning that something was wrong.

The Board realizes that in placing such valuable property in the care of inexperienced people it is necessarily running considerable risks, but it does expect that when such cases as this arise to have your assurance that the trouble will be probed to the bottom and those responsible reprimanded and instructed how to obviate a recurrence.

What are the facts about the particular oil used? Surely sufficient experience has by this time been gained in Stanley of the working of internal combustion engines to ensure that only the proper oil, of which you should have ample supplies for the engine, has been sent to Speedwell Island. Please report as to this, and also whether J. Clark was properly instructed before taking over the boat by the Company's Chief Engineer as to the care of the engine, as directed in 1246.29.

5. 635.8. The statements relative to the discharge of the oiler "British Beacon" are to hand and have been forwarded to the Admiralty with our account for the work done.

The information you give as to the cost of receiving and delivering the oil, and also the experience gained in the rate of discharge, will prove most useful for future reference.

6. 635.9. We quite agree that the service rendered by the Stanley Motor Boat has been eminently satisfactory. The spares and renewals asked for in Mr. Peters' report are being ordered at once and will be shipped by first opportunity.

7. 635.12. The two Lloyds Certificates for the Classification of the "Falkland's" hull and machinery are to hand.

8. Wool Shed - Goose Green.

By last mail you would have received a set of blue prints, - as per Messrs. Wm. Bain & Co's letter of 5th Feb. They have now supplied the enclosed set of drawings, Nos. 1/15, and sketch sheets, Nos. 1, 21, 23, 27, 51, all on linen, and these should be forwarded to Mr. Peters for his use during the erection of the building.

No. 1255. 20. 3. 25. - 4 -

In addition you will find herewith a Key Plan on linen of the Pen Fencing and a sketch showing the Timber Gratings. Also the following:-

- a Messrs. Bain's memo dated 18th February, 1925 re sorting of material, system of numbering, and best method of procedure in erecting the Shed.
- b Erection Notes giving further details of the system of numbering parts.
- c Materials List (16th February) detailing numbers - pages 1/24 - 1/8 - Rivet List - Bolt List 1/8.

Not knowing how soon Crawford can be spared from the Bodie Bridge work and be in a position to commence the foundations for the Shed, it was deemed expedient to cable you on the 3rd instant, as indicated in 1254.21, informing you that the Board was prepared to consider contracting with Peters and Crawford for the work and asking you to cable their quotation. It is of course not expected that they will be able to name a figure until all plans and instructions for the erection, now being sent, have been considered by them, but please advise me in due course.

9. All efforts to obtain a mason-bricklayer have proved unsuccessful and in the present condition of the building trade here there is little prospect of getting one on our terms. In view of these circumstances we think you should revert to the practice, adopted years ago, of apprenticing to the Company for a term of years some young promising hand. An arrangement would have to be come to with Crawford, and something extra paid him, for allowing the apprentice to work with him and for giving him instruction in the trade. After all most of the work in Stanley is straightforward brick laying, and it should not be long before he would be sufficiently capable. You will doubtless have in the office records of ^{the} lines on which these apprenticeship agreements were drawn and a similar form could be followed. These remarks equally apply to carpenters.

No. 1255. 20. 3. 25. - 5 -

10. Referring to remarks in 1254.2,- following on a desire expressed by the Directors of the Rowett Research Institute to meet Mr. Munro in consultation with Falkland Island Farmers before Mr. Munro's departure for New Zealand, a meeting of all interested was held here on the 17th February. The enclosed copies of my letter to the Colonial Secretary, dated 20th March, 1925 and of the minutes, will acquaint you with what was done. Mr. Munro sailed for New Zealand on the 19th ult.

11. You will doubtless have heard that the s.s. "Ballena" arrived just too late for her wool to be included in the current series of sales. This is not regarded as a misfortune as the markets, both here and in the Colonies, have, of late, had a drooping tendency, and values are to-day marked down, as compared with January, from 15% to 20% for merino and about 10% for our coarser descriptions. Some 47,000 bales were withdrawn from last sales and these have been carried forward to the present series.

There is little doubt that high prices have had a tendency to curtail trade in the manufactured article and, in addition, the recent advance in the Bank Rate would help to restrict buying. It is hoped that matters will have steadied themselves by the time the May sales commence and that the "Ballena" wool will meet a fair demand.

Quotations and prices are given in Brokers' circulars enclosed.

12. The Knowsley Electrical Co., Ltd. of 26, Chapel Street, Liverpool, have been introduced to us by our friends Messrs. Lowden, Connell & Co. They are anxious if possible to establish a business with the Islands in the sale of Wireless Sets in which they specialize, and, with this object in view, they have asked to be allowed to send out, for use at the Manager's house, one of their six valve sets. With this, they are of opinion, you should be able to get loud speaker results from practically any station in the United States or

No. 1255. 20. 3. 25.

- 6 -

South America. I would call your attention to the copy of their letter enclosed, dated 11th March, 1925, and also to the full directions for handling the set which they are sending you direct. Doubtless you will be able to obtain the assistance of your local wireless expert to put you in the way of operating the set successfully. I feel sure you will find it entertaining, and when the cheaper set referred to by the makers is forthcoming there should be a demand from the stations.

We shall await with interest your report, for the information of the Knowsley Electrical Co., of the results obtained.

13. No mention was made in despatches of the arrival of the motor boat, shipped in the "Ballena", last November, for Pebble Island.

We now regret to hear that a strong complaint of negligence to take proper care of the boat on arrival in Stanley has been lodged by Mr. George Dean, and the facts as stated by him certainly call for your report. Mr. George Dean has written as follows :-

"When I got into Stanley I found that even the engine had been under water.
 "The F.I.Co. towed her ashore and let the tide rise and fall into her.
 "I told Mr. Gresham I considered it was an obvious case of neglect.
 "They not only permitted the engine to get under water, but everything besides including bedding, spare parts, tools, etc.
 "The boat is now as tight as a drum, but of course everything on her has been wet including magneto, coil, battery, vapouriser, crankcase and reverse gear, etc."

Experience has repeatedly shown that such boats carried on deck dry to such an extent on the voyage that they invariably leak badly on being put in the water, and it is therefore surprising that special steps were not taken to protect the property. Even assuming the craft was hauled up as high as her draft would permit, was it not possible to remove all bedding, tools and loose gear?

No. 1255. 20. 3. 25

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14. I have to acknowledge receipt of your cable of the 13th instant advising the profit shown in the Stanley Accounts for 1924 as £94,600.

15. In 1251.7 of the 30th October last, you were particularly asked to report on the condition of the cement casks then being shipped by the "Ballena", but so far we have heard nothing from you on the subject.

We now, however, hear from Mr. Slaughter that "there has been a big loss in this owing to the weakness of the barrels in which it came, at least 100 of which had burst." What is wanted from you is information as to the condition in which the parcel was delivered from the "Ballena" and whether the casks were better, or worse, than in the past. It is important that requests of this nature should receive prompt attention.

By the "Lagarto", sailed February, 100 drums of cement were shipped. These are the drums specially referred to in our 1250.5. As advised therein the extra cost per ton of cement is 18s/-, and we are anxious to know in what condition these were landed so as to judge whether the extra outlay is warranted.

16. 635.11. I am somewhat surprised to learn that notwithstanding the definite instructions in despatch 1246.31, and the memo. enclosed therewith, that the Hides have been shipped by the "Ballena" under their separate marks, as of old. Before making any comment on this, I will await the further report on the subject which I note you are sending. The failure of the several clients to furnish specifications is nothing new, in fact it was for this very reason that the regulations as to shipment were laid down. As previously explained, the Brokers have to throw all parcels, of various marks, together, sort to description, - not mark, - and lot for sale accordingly. These lots are then weighed as a whole, and invoiced. It is quite impossible, therefore, in the absence of specifications for

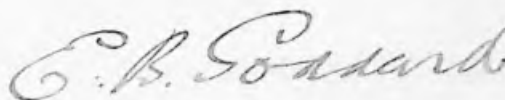
No. 1255. 20. 3. 25.

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some, to accurately Account Sale to each consignor. In these circumstances clients must be advised of this practical difficulty and informed that while the best possible will be done for them, the Company will accept no responsibility whatever, for the strict accuracy of the return for their parcels forwarded.

17. We are pleased to find Mr. Creece looking better than we expected after his voyage. He is at present in St. Bartholomew's Hospital and, from the preliminary examinations made, it is understood that his trouble is primarily caused through the appendix. We therefore have every hope that he will be quite restored to health after an operation. When this is over, and he is able to attend to business, his assistant storekeeper, after being interviewed by him, will be appointed.

Yours faithfully,



Managing Director.

Despatch No. 1256 per "Lobos" at Valparaiso, 4th April, 1925.

P R E C I S.

- Included*
- ✓ 1 Acknowledges No. 636.
Explains how this mail is being carried.
 - ✓ 2 J.Clark & A.G.Barton - increases in salary authorised
by Mr. W.M.Dean noted.
 - ✓ 3 Darwin Motor Boat, "Speedwell" and boating facilities
for Farm will be discussed with Mr. W.M.Dean
on his return.
 - ✓ 4 Hides - salting on "Great Britain".
Brokers report that consignment ex "Ballena"
improved.
 - ✓ 5 Sale of Sheep to Coast - notes nothing arranged with
Sidey & Poels, and that arrangements have been
made to boil down.
Asks why 8s/6d was paid for Bonner's fat wethers.
 - ✓ 6 Bleaker Island Wool - brought to Stanley by "perfecto
Garcia".
 - ✓ 7 Geese - Cartridges being sent.
Poisoning.
 - ✓ 8 Experimental Farm. - Exchange of land.
 - ✓ 9 P.S.N.C. passenger and produce services with the
Islands.
 - ✓ 10 Collection of Falkland produce by Messrs. Samsing.
 - ✓ 11 Bodie Bridge - progress noted.
 - ✓ 12 Oil Fuel Depot - copies of letters from Admiralty
enclosed.
 - ✓ 13 E.G.Creece - Appendix operation on 24th March -
progressing satisfactorily.
Assistant Storekeeper will be appointed
when Mr. Creece is well.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

61, Gracechurch Street.

Per "LOBOS", at Valparaiso.

Nº 1256.

London, E.C.3. 4th April, 1925.

Dear Sir,

I wrote you last on the 20th ulto., and received your 636 on the 30th idem.

The straits to which our mail service is reduced are exemplified by the erratic route by which this mail is being sent, viz: via Genoa, - thence per s.s. "Conte Rosso", to Buenos Aires, over the Andes, and then per s.s. "Lobos", from Valparaiso to Stanley!

2. 636.2. The increases in salary authorised by Mr. W.M. Dean, in the cases of J.Clark and A.G.Barton, are noted.

3. 636.3. Your remarks on the Darwin Motor Boat, the "Speedwell", and the boating facilities required for the Farm working generally, are noted, and further comment will be deferred until the matter has been fully discussed with Mr. W.M.Dean on his return.

4. 636.4. It was quite understood that salting of hides in Stanley would entail more labour, and for this an additional charge was to be made, - vide memo on the subject dated 14th February, 1924, - but in the absence of further explanation we are at a loss to see why there is insufficient room on the "Great Britain", as for years it was the custom to do this work on that craft. However, from the report just received from our Brokers, Messrs. Anning & Cobb, - a copy of which, dated 30th March, is enclosed, - you will see that a great improvement is reported in the condition of the last consignment. It therefore appears that if you make a point of getting the hides shipped at the earliest possible moment,

H.H.R.Gresham, Esq.,

Manager,

Port Stanley.

No. 1256. 4. 4. 25. - 2 -

the condition on arrival here will give less grounds for complaint. This should get over one difficulty.

There will remain that of accounting strictly accurately for the shipments as explained in last despatch, 1255.16. It will therefore still be necessary to formally advise all senders of hides that we will not guarantee the strict accuracy of the apportionment of the proceeds.

5. 636.5. I note that the negotiations with Messrs. Sidey & Poels have not come to anything, and also that arrangements have been made to boil down at Goose Green. The price agreed with Mr. Bonner, 8/6d for fat wethers, is certainly on the high side, and it is more than probable, owing to the recent fall in the value of skins, that a loss will be incurred on this deal. For boiling down nothing approaching this figure has been paid previously. How was the amount, 8/6d, arrived at?

6. 636.6. Mr. A.M. Bonner's extraordinary action in forwarding the Bleaker wool by Davis's cutter has been brought to the notice of Mr. A.F. Cobb whom, we feel sure, was in complete ignorance that such a thing was contemplated. Copy of correspondence with him on the subject is enclosed.

7. 636.8. In view of the Government's decision to discontinue paying for the destruction of geese, the supplies of cartridges asked for will be sent by first opportunity.

With reference to the suggestion of poisoning, made by Mr. Munro, we have so far seen no outline of what method is to be employed. Have you heard of any?

8. 636.9. Your remarks, and the correspondence with the Government, relative to the land to be exchanged in connection with the experimental farm are duly noted. As Mr. W.M. Dean has, on behalf of the Board, agreed to the proposals, there will be no necessity to cable you as per your para.9. We understand that under the arrangement come to the Company will make no further payments to the Government in respect of ^{land purchase of} that portion of Block 5 taken over. It will therefore be necessary for

No. 1256. 4. 4. 25.

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you to agree with the Authorities and advise me what sum is to be paid annually on the 1st October, to the Crown Agents, in place of the £639. 19. 9. as at present.

9. 636.10. It is quite unnecessary to emphasize the iniquities and shortcomings of the Pacific Company in respect of the services, for passengers and produce, provided for the Islands. It is a matter which is always before us, and forms the subject of one unceasing protest from this office throughout the year. We fully appreciate that, apart from the War years, the homeward passenger facilities afforded to-day are the worst in the history of the P.S.N.C's connection with the Islands, and you may rest assured the matter will be brought very strongly before them. Of course, it is a simple fact that the consideration of sending any particular passenger or cargo boat into Stanley is one of pure L.S.D., and if any boat, in position on the Coast, can do better if sent home direct, they will not for any sentimental reasons put her on the Falklands route.

What amounts to nearly a complete withdrawal of the passenger boats from the service this year, was an entirely new and unexpected development not therefore taken into consideration when our contract for the shipment of this year's produce was renewed. You may, however, safely rely on our not overlooking the matter when entering into the new agreement, and in no circumstances will the shipment of the produce be promised them unless some definite undertaking is given to provide adequate passenger accommodation homewards in April and outward in October.

10. 636.11. If you can obtain a copy of the circular issued to farmers by Messrs. Samsing, please forward it. So far we have heard nothing of the matter on this side, and in the event of any stations suggesting supporting the opposition referred to, they will of course be informed that the Company's vessels will no longer serve their ports. Vide also remarks 1247 B.

12

11. 636.12. Mr. Peters's report.

12.

13.

As soon as he is sufficiently fit to attend

E. D. Ford

Managing Director.

PRECIS OF DESPATCH NO. 1257 PEE "DUENDES" DATED 28TH MAY, 1925.

- 1 Acknowledges 637 & 638.
- 2 Accounts for 1924 received.
- 3 Encloses further correspondence with P.S.N.C.
re service.
- 4 Sale of Marine Superintendent's old house noted.
New one being shipped this mail.
Plans enclosed.
- 5 Arrangements for bridging Murrel River approved.
- 6 "Speedwell" - matter will be discussed with Messrs.
Gresham, Slaughter and Roberts.
Epitome of Reports received enclosed.
- 7 Bodie Bridge - acknowledges reports and photographs.
- 8 Rails for Goose Green shipped this opportunity.
Refers to cabled tender for erection of wool shed.
- 9 North Arm House. Will discuss with Mr. Gresham.
- 10 Reports arrival of Mr. & Mrs. Slaughter.
- 11 Exchange of Land - Deed of Conveyance returned
cancelled.
- 12 Coal - question of landing small quantity.
- 13 Oil Fuel Depot - Calibration Table.
- 14 H.G.C.Wool - tallying.
- 15 Dead Pebble Ram being claimed for.
- 16 Instructions for fixing patent glazing to wool
shed enclosed.
- 17 Oil Fuel Depot. Letters from Admiralty enclosed.
- 18 Copies of letters from Lloyds enclosed.
- 19 Bonus for 1924 advised.
- 20 Mr. A.Pitaluga's wool will be held for September sales.
- 21 Reports position of Wool Market.
- 22 Acknowledges letter re Sheep Breeders Association.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)
REGISTERED 1902.

61. Gracechurch Street.

Per S.S. "DUENDES".
N^o 1257.

London, E.C.3. 28th May, 1925.

Dear Sir,

Since writing last on the 4th ulto., I have received your despatches Nos. 637/8 of the 14th and 21st March.

2. The final accounts to 31st December, 1924, together with the supporting statements, etc., are to hand and are under examination. The results are certainly satisfactory. Your remarks, and the explanations given with regard to the various accounts, are noted, and any comment thereon will be deferred until they have been fully dealt with.

3. 638/7. A copy of further correspondence which has passed between this office and the Pacific Company with regard to their service is enclosed.

4. 638/8. The arrangements in connection with the sale of the Marine Superintendent's house, whereby you have obtained £170 and avoided the labour of demolition, are excellent.

The new house in replacement, made by Messrs. Browne & Lilly, Ltd. of Reading, is completed and will be shipped by this opportunity. It was thoroughly inspected a few days ago by Mr. W.M. Dean who was accompanied by Craig, the carpenter from North Arm. The latter reported that Browne and Lilly's work is considerably better than that of Messrs. Harbrow, the suppliers of the North Arm house recently sent out.

Foundation plans for Marine Superintendent's house are enclosed, and also drawings giving information in respect of the windows.

5. 638/9. The agreement come to with the Government for

A.W.N. Vincent, Esq.,
Acting Manager,
Port Stanley.

No.1257. 29. 5. 25.

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the bridging of the Murrel River meets with the Board's approval. It will be interested to hear when the work is taken in hand.

6. 638/10. As Mr. Gresham, Mr. Slaughter and Captain Roberts are expected shortly, I do not purpose dealing here with the further remarks contained in your despatch relative to the "Speedwell"; the matter can be discussed with them. Meanwhile, however, from a perusal of all the reports sent home since the vessel's arrival, such an extraordinary amount of conflicting statements, - if not absolute contradictions, - are apparent that they have, for the purposes of record, been epitomised in a statement, which with notes thereon, is enclosed.

7. 683/11. The further reports and photographs of the Bodie Creek Bridge are to hand, and have proved most interesting.

8. 638/12. 14. The rails, as per Mr. Peters's plan, for connecting the jetty at Goose Green with the wool shed have been shipped by this opportunity. The makers advised that for the loads to be carried 14 lb. rails would be more than sufficiently heavy, and these have been accordingly sent instead of the 25 lb. rail asked for.

Referring to the cable dated 13th April advising that Peters and Crawford had indicated £2700 as the figure at which they would be prepared to contract for the foundations and erection of the shed, that sum is so extravagantly wide of the price given by the suppliers that it cannot be considered for a moment. The detailed tender, however, which is coming by the "Lautard" may throw some light on the matter.

9. 638/13. The matter of the Assistant Manager's house at North Arm will be discussed with Mr. Gresham on arrival. Meanwhile, we have had the advantage of several interviews with W. Craig who erected the building, and from whom we have learned full details.

10. 638/15. Mr. and Mrs. Slaughter have arrived; the former has undoubtedly benefitted by the voyage home.

11. 638/16. Herewith please find the Deed of Conveyance, -

No.1257. 28. 5. 25.

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duly cancelled,- for those portions of Lots 40 and 41 and Penarrow Point transferred to the Company. The Crown Grant in place thereof is to hand and is in order.

12. 638/18. From these remarks it would appear that despatch 1254 para.6 must have been read somewhat hurriedly. It was never for a moment suggested that any of the whalers' bunker coal should be landed,- to do so would be ridiculous,- but merely that a quantity sufficient to ensure the "Falkland" supplies between the departure of the whalers and the arrival of the next shipment, a matter of some 50 to 100 tons. The difficulties of position were very clearly stated in the despatch referred to above.

13. 638/22. Your remarks with regard to the Calibration Table have been forwarded to the Admiralty, and I will advise you in due course of their reply.

Your two letters of the 24th March are to hand. The Weekly Return of Receipts and Issues to the 31st March was received and has been forwarded to the Admiralty. The remarks with regard to Mr. Peters taking the dimensions of the filter are noted.

14. 638/23. The explanation of the discrepancy in respect of the shipment of H.G.C. wool again emphasizes that the so called tally is really no tally. The matter will be gone into with Mr. Gresham.

15. 638/25. The Underwriters have been informed of the death on the voyage of one of the Pebble Rams. Please advise as soon as possible the date of landing at Pebble Island of the remainder and let me know if within six months of that date any further mortality has occurred.

16. Enclosed please find detailed instructions for fixing Pennycock's Patent Glazing supplied for the new wool shed. These should be forwarded to Mr. Peters who will be in charge of the erection.

17. Your attention is directed to the undermentioned letters from the Admiralty, copies of which are enclosed,

*Belts under to.
Landed
May 13 "25"*

No. 1257. 28. 5. 25. - 4 -

dated,

22nd April, 1925 re 17½ tons of oil fuel issued for
pump, voucher, etc. required.

7th May, ,, Details of Stores being provided for
oil fuel Lighter C.82, etc.

11th ,, ,, Suggestion that Mr.G.Roberts be asked
to advise re state of repair of Depot -
See copy of our reply attached.

I also send you herewith copies of the
Contract, - and the Memorandum of Instructions, - concluded with
the Admiralty relative to our control of the Depot.

18. Enclosed please find copy of letter from
Lloyds, dated 6th April, pointing out that no reply has been
received by them to their letter to you of the 9th July last.
A further letter, dated 2nd May, covering one to you of 30th
April dealing with certain irregularities which appear to
exist in certificates issued is also sent herewith. These
matters will be taken up with Mr. Gresham on arrival.

19. I have the pleasure to advise that the Board
has sanctioned the payment of a bonus, in respect of last year's
results, of 10% to all employees on the amount of their wages
in 1924, subject to the same conditions as to minimum qualifying
time of service as heretofore. Your special attention is
directed to my letter of 20th March last to Mr.Gresham on this
particular point.

20. In accordance with your memo. dated 4th April,
note has been taken to the effect that Mr. Andreas Pitaluga
wishes his wool held over until the September sales.

21. You will have learned that at the series of
sales which commenced on the 6th May a further decline in
values, - as compared with last series some 10% to 15%, - was
registered. It was deemed prudent to meet the market and the
enclosed statement and catalogues will give full particulars of
the prices realized. These were also cabled to you on the
25th instant.

No.1257. 28. 5. 25.

- 5 -

22. Your separate letter, dated 17th March, relative to the formation of a Sheep Breeders Association is to hand, and contents noted.

Yours faithfully,

E. A. Gossard

Managing Director.

6

EPITOME OF REMARKS FROM STANLEY RE
M/V. "S P E E D W E L L",
AND NOTES THEREON.

Mr. Gresham's Despatch
627/11. 2nd July 1924.

"Has been put on the beach and thoroughly overhauled." (See statement in direct contradiction 638/10.) "Leaking 9 ins. per week - copper sheathing needs repair - iron shoe piece to be replaced with metal one made by McNicoll." "Now arrived at Darwin, - Slaughter reports, leaking, engine worked splendidly all the way."

T.G. Slaughter
4th August, 1924.

"This boat went round to Speedwell and behaved very well in the big sea met with on the way round. She is running very well and there is no further trouble with leaks. She is now quite tight. She is a splendid sea boat and the engine runs well and has given no trouble at all. Will require re-coppering very soon."

Mr. Gresham's Despatch
632/10. 3rd Nov. 1924.

"We certainly took too pessimistic a view on the condition of the "Speedwell". The boat has now been in commission for some time, and with the exception of being too small for the work likely to be required of her, gave every satisfaction. Unfortunately, it has just been reported that her engine has seized. When ballast was taken out in Stanley it was badly restowed."

Mr. Gresham's Despatch
636/3. 1st Feb. 1925.

"I reported in 632/10 ballast had been taken out in Stanley, - I find I was wrongly informed - none underneath the flooring was removed in Stanley, so it must have been stowed incorrectly at home".

NOTE. Ballast was removed when vessel was lifted at Swansea for shipment and was merely thrown in afterwards. Should have been restowed properly in Stanley.

- 2 -

Mr. Gresham's Despatch
638/10. 21st March, 1925.

Enclosing Engineer's and Carpenter's reports. General all round complaints, chiefly alleging bad workmanship in connection with additions. (This is the first reference made to this.) See copy of Surveyor's letter as to work done attached. Complains angle of engine bed incorrect.

NOTE. Kelvin's special Engineer employed solely for this purpose fitted the engine and decided on the angle and lay out. The engine having run for approximately 1000 miles perfectly - without one hitch - before the seizing trouble occurred, proves that this angle could not have been the cause of the trouble.

"Leaking again, - now on beach at Goose Green and is being thoroughly overhauled." Reports copper sheathing defects. "False keel is in five pieces." "When the vessel arrived in Stanley we were not able to give her the thorough overhaul which she has now received." "She should prove a useful boat for the Choiseul Sound."

NOTE. False Keel.

The structural strength of the boat would not have been affected in the very least had this been in 15 pieces instead of 5. Its sole purpose is to give a greater depth grip of the water and not to strengthen as is implied by the remark.

THE FALKLAND ISLANDS COMPANY, LTD.

LONDON, 22nd May, 1925.

SWANWICK SHIPYARD,

SWANWICK,

SOUTHAMPTON,

FREDK. SHEPHERD & MORGAN, Ltd.,

NAVAL ARCHITECTS, SHIPBUILDERS & ENGINEERS.

19th November, 1923

Mr. Goddard,

Messrs. The Falkland Islands Co. Ltd.,

61, Gracechurch Street,

London, E C.

Dear Mr. Goddard,

I beg to advise you that I was at the Southampton Launch & Boat Building Co.'s yard yesterday and again today.

I was agreeably surprised to see the work so well ahead and with the exception of one or two details which I pointed out to Mr. Truckle - the workmanship and materials were quite satisfactory.

Yours faithfully,

(sgd.) FREDK. SHEPHERD.