

184.

Ghana

July 5th, 00.

Went July 3rd

Sir,

My last despatch left per "Ammon" via Sandy Point on June 18th.

1. Despatch per 3. The expense of trans-shipping coal from one bulk to another is one that we have always avoided whenever possible, but it was certainly cheaper in this case to deal with the difficulty in that way rather than to attempt the almost impossible task of warping the "J.P. Smith". This bulk had on board about 300 tons of coal, and being barely ~~25~~ 25 ft. deep, was quite 18 feet out of the water. Since she broke her cable in 1895 we have moored her with a heavy anchor, and her moorings are to the eastward of Hobe Street. In order to warp her, we should first of all have had to take off the anchor, an operation requiring the best part of a day, and sufficiently calm to enable a boat to hang on to the cable. The distance from the "Pegasus" was over $\frac{1}{2}$ of a mile and in calm weather the snapping would have occupied quite a whole day. As it was, the weather at the time was so boisterous that I had to ask the Captain for one day's grace as the bulk could not lie alongside with safety and the towing of the "Pilot of Hope" to the "Pegasus" had to be postponed until it was calm in the evening.

2. Despatch. Mr. Packe's damaged bale has been dried, re-baled, and shipped per "Hexham". A note of this was made by Mr. Packe on his specification. I now enclose an extract from the "Fair Rosamund's" log with reference to the bale No. 41 per "Modestia" which was very slightly damaged at Port Louis.

3. Despatch. I should hardly go so far as to say that the accident to the "Fair Rosamund" was due to Captain Willis's fault

F. R. Cobb Esq.
Managing Director,
LONDON.

fault, the schooner having dragged her anchors in a heavy blow which is a different thing to being run ashore whilst under way. He seems to have taken all possible precautions—the delay was caused by the rudder becoming unshipped as she was bumping astern. After getting her off they had to discharge the cargo and beach the schooner to re-ship the rudder. Both the "Fair Rosamond" and "Hornet" must be hove down when we can manage it. Willie is the only Captain that I feel afraid about. Emmenga is prudent and at the same time has got over a lot of ground this year and done good work, and I hope has a good few years' work left in him. What I do not relish is that all three Captains are getting on in years and at present there are no younger men coming on who are fit to take the place in any emergency.

5. Par. 6. I am glad to learn that you are taking steps to charter for more steam coal. I agree that the reduction in the price of house coal was a mistake, but this was done to meet the competition on the part of Captain Thomas of the "Orchid". When the price of coal rose at home we advanced our price to 56/-, if now, on this ground, we again advance our price, it will seem rather grasping. As it has been altered so lately to 56/- per ton, and 50/- for fractions of a ton I think it might be left at that. I had tried the experiment of burning "Glongowan" coal in the "Sissie", but it was a failure—the coal is too hard altogether and will burn only in a furnace with a strong draft. The "Samson" might be able to burn it, and I will see what the new engineer thinks of it. We have been selling the coal ex "Hornet" at 40/-, but I am now mixing it with Welsh to burn in the "Sissie". It answers well, though the consumption is of course greater.

6. Par. 10. I am glad that the Board recognise the necessity of replacing when possible the hulks that are past usefulness, and should the "Garland" be sold here, I should not hesitate to purchase. Although the frames are eaten through by the action of the acid, she is not thereby rendered unsafe for the storage of cargo in the Harbour. In placing her alongside another vessel we should have to be careful of the injured side. The "J.P. Smith" and

and "Ironclad" can be made tight by caulking, and will be attended to when possible. The weather for the next month or two will be unfavourable for this work. I should imagine that it would pay better to endeavour to sell the "Sanna" as a sea-going vessel than to convert her into a hulk. If we get her off without much damage, would it be feasible to send her to the River Plate with, say, 2000 tons of salt, matches, and other cargo not saleable here, and dispose of ship and cargo there? At Spring Point I met the mate of the "Levant" who told me that he came from Sweden, knew the ship well, and had seen her building. He said that she always did make about 6 inches of water every 2 days. The vessel looks to have been very roughly built, the work in the hold has been scamped, the mainmast was not even pointed but left square, and I can quite believe what this man told me. This points to the possibility that she has sustained but slight damage, and if she really always did leak, she would not be a profitable craft to convert into a hulk as she would want so much pumping. I do not consider that the "Ironclad" would be suitable for a hulk owing to her enormous capacity. When she arrived here she had on board 3200 tons deadweight, of which the top 500 were coal. The shifting of such a vessel would involve an immense amount of labour, for although the "Sanna" would be able to move her, you would want at least 18 men to lift the anchor. If you had only 800 tons of coal in her she would tower above any gun-boat and the hoist of coal from the hold would mean great work and delay, and if she had, say 2800 tons, sufficient to put her down on a level with a gun-boat, she might at times draw too much water. I am aware that our arrangement with the Admiralty does not restrict us in any way as to the size of the hulk placed alongside or her height from the water, but I feel certain that if we placed alongside a huge vessel towering above the ship, even I should say, the "J.F. Smith" only one-third loaded, the Commanders of "Ironclads" would represent the inconvenience to the Admiralty and would bring pressure to bear upon us to provide more suitable vessels. They are thoroughly

spoiled

spoiled in some yards where they can coal 1000 tons in a short time, four shallow lighters being placed alongside and coal taken in from all four simultaneously. I will sound Biggs as to the "Capricorn" - for the present I have a part of the coal ex "Doris" stowed in her. As to the "Tricar of Bray" I think we might be able to make use of her for collecting stone in Port Phillip which we ought to be able to sell at quite 7/6-per ton to vessels wanting ballast. Patchiff has ballasted several for 7/-, but it would be worth quite as much if the total quantity required, say 800 tons, were put alongside at once instead of coming in piecemeal, 10 tons at a time. Out of our 7/6-, 1/- has to be deducted for royalty. Even supposing the bulk did sink the loss would not be great. The statement made by the Captain of the "Argus" that the price of ballast is now 17/6 per ton is quite untrue, Patchiff having offered to do it at 7/- to 7/6 according to the amount required. The Captain, however, evidently thought that it would be cheaper to pick it up himself and not knowing the best places, possibly found that the cost was nearer 17/6 to him, although in return for his going alongside the West Coast I paid a small sum to assist him. I hope that the story will not get about that this figure represents the normal price of ballast in Stanley, and as you say, cause coal freights to go up.

7. Par. 14. I note that the Board do not desire to spend any money on the "Fasp". I will not send any of the machinery home until the new Engineer has had a look round. In 1898 the outer rivets of the boiler were all cut off and the centre converted into a capsule for smelting, all the iron castings we have made here being manufactured by means of this. The outer plates are only old iron unless I could get a price for them from the Naval Yard as scrap-iron for making beams at the range.

8. The Governor has placed a notice on the Gazette Board stating that the Naval works will be continued in August, and that 30 men will be employed. I trust that this will not mean a further upsetting of the already disturbed labour market. Mr. Hayes is expected by the next outward mail.

9. The "Thetis" has returned from Coosa Creek with our own and Mrs. Bommer's tallow, which, with 18 Bales of wool from North Ann, will be shipped by the steamer due on the 9th. It is very fortunate that we have been able to get this into Stanley before the alteration in the mail service. The "Thetis" is now ready to leave for San Carlos and Salvador to load wool for her homeward voyage.

10. The Board will regret to learn that Mrs. Foley died at Darwin on June 21st after a lingering illness.

11. Johnson is now cutting down the "Rosa Baker" and converting her into a lighter. The cabin will be left practically intact as this, being built above the deck, will not interfere with her storing capacity. The hatch has to be made much larger the hold floored over, and as the windlass is pretty well past repair, we are fitting into her the "Fair Rosamond's" old one which was replaced by the patent windlass bought in London for the "Helen". The decks are in fairly good order but will be caulked as soon as the dry weather sets in. This work will require a lot of material and will add considerably to the cost reported in my last despatch when completed, I will report the further amount to be capitalized. It is fortunate that only just before the commencement of her last voyage she was strengthened by extra beams and heavy wooden knees.

12. Our cooper, W. Ryan, has informed me that when he was engaged 4 years ago, one of his children was not strong enough to travel and that he was told that if the boy recovered, he would be sent out to the Colony on an application being made. Ryan would like him sent out in the "Thetis" next year if possible; the boy is at present in Ireland and one of the "Thetis's" crew, Byrne, is going to the same place. If Byrne returns in the vessel he would bring the boy to London and look after him.

13. July 20th. The "Orallana" arrived here on the 15th inst bringing me your despatch No. 311 of June 15th. I had had a couple of interviews with the Acting Colonial Secretary as to the arrangements to be made on the arrival of the steamer, the Governor had stated that he would not allow any cargo to be discharged

discharged in Port William. I enclose a copy of his minute from which you will see that he at first proposed to decline to allow me to go on board. I did not know whether the Captain would care to come on shore unless specially invited by the Governor, and suggested that he should write a letter, but he would not even do this and I was commissioned to convey a verbal invitation. I sent the "Fair Rosamond" out to Port William in case cargo had to be discharged there. The steamer was sighted at noon-I went out in the "Sissie" taking the pilot and we waited for the steamer to come up. She came right into Stanley Harbour without stopping and dropped anchor at 12.45 to the Eastward of the "Great Britain". On going on board I was glad to find that I knew Captain Archer very well indeed having made a voyage with him in the "Liguria". We were therefore able to talk over matters without reserve. I got the mails on shore and the lighter alongside without delay and took Captain Archer up to the Governor, who with his wife came back with us on board the steamer. The cargo was all discharged by 3.30 p.m. and at 4.15 the steamer weighed anchor. She was therefore at anchor for 3 1/2 hours only and got away into Port William again without difficulty.

14. Captain Archer is of opinion that they will go alongside the "Great Britain", but says that a good deal depends on the individual Captains-he himself would not have any hesitation in taking his vessel alongside, but he fears that Captain Massey in the "Aravia" may demur. On my remarking that there were 600 casks of tallow and 800 bales of wool on the hulk ready for the first steamer that came along, English or German, he thought that Captain Massey would not like leaving it behind. I told him that I knew of only one case of any steamer grounding alongside the "Great Britain", round which there is usually 30 feet at low water-the occasion was during spring tides at dead low water the "Sakkarah" drawing not less than 25 feet was made fast to the hulk when a light Easterly breeze sprang up causing both steamer and hulk to tail into shallow water. Not the slightest damage was done as there is quite

quite effect of boat and there. I thought it better to let him know the worst that had happened. Captain Archer thinks that the tallow will be a difficulty, and I fear that they will not look at hides.

18. Desp. 912-3. I am glad to have your authority to speak out plainly to clients who are still under the impression that we are making a small fortune out of them, as I have, for a very long time thought that the profit we derive from acting as their agents is not adequate. With reference to the shipping of wool by the "Thetis" I was not aware until now that an offer had been made to all regular clients and declined—this of course makes a difference. I had always thought that the Directors laid great stress on produce being consigned to and sold by us, and that the Farmers who did this should be considered before the others, and I did not know whether the Directors would discontinue taking wool for Cameron and Greenshields in order to carry out the wishes of a regular client like Mr. Bertrand who always has a large credit balance. At any rate I gather that my reply to Mr. B. Stickney reported in my 111-13 was correct.

19. 911-3. The way the Cosmos Company has handled us over the shipping of this years produce has been really too bad, and so I should think hardly calculated to induce you to give them much encouragement in the future. Seeing that you were prepared to give them all the 1900 season's produce it may fairly be said that the Company has reciprocated the favourable terms given by the Cosmos in the past, though I quite see that it may be necessary to dally with them and use them as a lever against the P.S.S. Co. I told Mr. Schlotfeldt on May 31st that we should have 600 bales of tallow and 800 bales of wool for the July boat, and he ordered specie for that amount. This quantity represents more than the minimum stipulated for by Mr. Pepper and I had promised to have it ready and it was ready. If, as I understand, our contract with the Cosmos Company was an arrangement renewed annually, surely they ought to have carried out their share of the bargain, more especially as you were ready to do the Company's part.

part. The result is that the "Great Britain" is again congested- Kettle is here to overhaul the boiler and if I discharge the "Fortuna" the produce must be put into the lower hold of the "Great Britain" and Kettle will be delayed. On the whole it is better to let the "Fortuna" wait until the arrival of the "Oravia" and if Captain Massey will not go alongside the hulk, I shall be able to put 500 bales alongside him and make sure of getting rid of them at any rate.

IV. As regards outward freights, the reduction is delusive, and I think the P.S.N.Co. should give us better terms. I enclose a table of freights per "Orallana" from which you will see that C. Williams's freight averages $36/8\frac{1}{2}$, and ours, although reduced, is $33/7$. I do not know how the P.S.N.Co. classify goods for charging freight, but I should very much like them to work out our freight at their tariff rates and see what the reduction to $32/-$ and 5% really represents. In your letter to them you informed them that the Kosmos gave us a general 20% reduction all round- their concession will not represent anything like that, and I think their action somewhat disingenuous. In view of the heavy discounts we make, I think they ought to give us the same as the Kosmos; namely 20% off all tariff rates whether from Liverpool, Monte Video, or Valparaiso. I would also ask that the freight on the Bill of lading should be worked out at the tariff rate without any deduction being shown there- then in presenting their freight account to you for payment, let the 20% be deducted and let the arrangement be simply one between Liverpool and London. Of course we should not divulge the reduction here, but it might get about. For instance, the Governor from what I can make out, intends to go on board every steamer, as Mrs Grey-Wilson put it - "it will make such a nice break every month"-and he might light upon our Bill of lading in the Purser's office. He knew about our reduction from the Kosmos and I am sure would not be above asking me point-blank what we get from the P.S.N.Co. If I am able to hand him our Bill of lading I can answer the query without admitting anything, or telling anything.

18. As regards homeward steamers I hope that in view of the short time that we shall have at our disposal you will be able to dispense with so many Bills of Lading. For some of the homeward bound steamers while we had to write as many as 10 sets of 5 each to fill up 50 forms is no light task and would delay the steamer. As, as shippers used to make these out, Mr. Schlottfeldt, as Agent, signed them and made out his manifest, and the work was divided; but what with B/L, manifest, specification, passengers tickets and lists, we shall have so much to attend to, that I hope the number of Bills of Lading will be made as light as possible.

19. I expected to have been supplied by the P.S.N.C. with full instructions as to returns required, with the necessary forms, and above all with a definite tariff of fares and freights, and a copy of the contract. With the exception of the correspondence sent in your despatch, the enclosed letters from the Head Office at Liverpool and from the Manager at Valparaiso contain all the information that I have received. In their letter to you of May 24, the P.S.N.C. say - "You will be responsible for the cost of Fares and Freight as per tariff named in the enclosed letter on the subject to the Company's Agents at Sandy Point at the outset". I have not received any copy of this tariff or letter. On the whole I do not feel impressed with the attitude taken up by the P.S.N.C. In your letters to them you place at their disposal all the facilities we are in a position to afford, and go further and undertake that if these are not adequate, to expend money to make things easier for them, by for instance cutting extra ports or moving the "Great Britain", an operation that the Directors had doubts about before. The Directors after making these offers ask for concessions; in reply the P.S.N.C. accept in silence all that the P.S.N.C. can offer them, but when it comes to reciprocating the latter concessions, they hedge. The only concession they do give is on the freight and that, as I have shown above, is not as good as it looks. I have of course only the correspondence sent in your despatch on which to form an opinion. Another point that strikes me is that the P.S.N.C. write to their Manager at Valparaiso, and their Agent at

10.

at Sandy Point, but to the Company, their newly-appointed agents here,, who are held responsible for the management of the business they merely write that they hope that all arrangements have been made for despatching the steamer in 6 hours. I enclose a copy of a letter to them asking for a supply of forms etc. They sent me 2 flags and 60 copies of the mail table, which are already disposed of; all that I possess in addition comprises 3 ticket books, a rubber stamp, a hand-book for 1899, and a copy of the "Pacific line Guide Book" describing the ports they call at with illustrations. I may in the Board's opinion be expressing my views too freely, and these may be pessimistic; I sincerely hope they are, but I cannot help thinking that so far as we have progressed up to the present, the P.S.N. Co. are treating the Company somewhat cavalierly.

20. I am glad to report that Mr. Schlottfeldt has received a letter from the Captain of the "Moris Brodersen" informing him that the gunpowder failed out correct at the port of destination.

21. The "Thetis" left for San Carlos and Salvador on the 7th. Provided that he is able to fill up at Teal Inlet, Captain Thomas will ride in here for his papers and sail direct from Salvador.

22. The American ship "P.M. Blanchard", Captain Courtney, 92 days out with coal from Baltimore to San Francisco, put in on the 16th inst with damage to deck-work and loss of sails. I enclose a copy of the Report of Survey. We have commenced the repairs which Johnson estimates will run to about \$500 or \$700. This will throw back our own work, such as the "Rosa Baker", "Alangoran", and the patching-up of the "J.P. Smith" and "Praecis". The Captain had a good Easterly wind as he made the entrance to Port William and brought his ship right up without a pilot—had the "Samson" been here we might have earned something for towing into Stanley Harbour. She was sailed in on the 17th. The owners are Messrs J. Rosenfeld's Sons.

23. The American ship "Henry Pailing", Captain Matthews, 78 days out with general cargo (a large quantity of railway iron) from New York to Kahalui put in on July 13th with crew sick

and

II.

and the vessel leaking. She was sighted on the 12th whilst the "Orellana" was here; immediately after the steamer had left I sent out to her, the "Sissie" returned for a gang of men and took them out that night. The ship had anchored outside Point William but was brought to a safe anchorage by 6 a.m. on the 13th, and on the 19th was sailed into the inner harbour. A survey has been held and the Captain recommended to lighten her up for a further examination. I have not seen the report so cannot send a copy. She was making $1\frac{3}{4}$ inches of water per hour outside, but this is now reduced to $\frac{1}{2}$ inch, shewing that the vessel had been severely strained, probably by her heavy cargo. The Captain informs me that the ship is not insured and that consequently he will not take any steps until he has consulted his owners.

24. After waiting for a very long time in the hope of hearing from his agents Captain Meyer decided to sell the "Garland". In his last letter to Messrs Walker he informed them that if he heard nothing to the contrary, he would take this step and the ship was consequently sold on the 19th. Captain Meyer had talked of and proposed to call for sealed tenders, and I had to tell him that unless the vessel were sold by auction I should decline to deliver up the papers. I received a telegram from the London Salvage Association asking what the cargo would fetch and what I recommended; this I interpreted as inferring that any action that I took would be approved, and seeing that the cost of forwarding the cargo to its destination would be prohibitive, I decided to sell the cargo at the same time. I knew that Williams was very keen on getting the ship and that the price would be run up, and more especially if he knew that I wanted it. I therefore commissioned John Aldridge to bid for us to prevent William from running us up purposely. The reserve price was fixed by the Captain at £300, and after £500 was reached, Aldridge took up the bidding for us and it was knocked down at £1000. Mr Harten who was bidding for Williams said afterwards that he thought Aldridge was bidding for Cameron or Greenhields for a hulk on the Coast, and had he thought it was for the Company, he would have gone to £1200. He says that Williams intends to have a hulk here at any

cost

12.

cost, even if he purchases a ship and sails her here. There is no doubt that he is in a hole over the "John R. Melley" - he has salvaged a lot of stuff and piled it up on the piece of ground near the Town Jetty rented from the Government. His term expires next month and so far they have not granted him any renewal.

Kka gaka was The coke (300 tons) was knocked down to us at 17/- per ton; for the coal (300 tons of so-called smithy), we bid up to 31/- and left it at that figure and Williams got it at 25/-. He has since offered me 200 tons of it as he wants only enough for his own consumption, but I want to know more about the quality. Had we bid up for this we should have been run to quite 30/-. Captain Meyer does not intend to go by this mail as the Boas have advertised the "Ituri" to arrive here from London about the 27th, I shall have to give him a draft upon you for a little over \$1000. I do trust that we shall not have any more vessels condemned here as it seems to me that we have been spending a good deal of money lately, and before spending any more I should like to see some return. The purchase of the "Garland" will put us right as regards hulks, and after this season we shall be able to do away with the "Vicar of Bray" and "Capricorn". Seeing that you were making enquiries about ^{old} iron ships I thought it as well to include in my telegram the words, "I have bought Garland".

13. A meeting of the Legislative Council was held on the 26th, and the Alien Ordinance referred to in my desp. 155-6 was passed. I enclosed a copy together with notes of my objections to the clause dealing with pauper immigration - the amendments which I moved were of course thrown out. The opposition is a sorry waste of time especially just now, but if the unofficial members did not oppose, the Governor would assume that we were in favour, and so report to the C.O.

14. We are likely to have trouble about the landing of cargo. The Acting Colonial Secretary asked me how we acquired the right to land cargo at our own jetties and I told him by the payment of \$2000; since then he has told me that the Governor wished him to let me know that that privilege cannot be extended to cover goods landed for outsiders, which must be landed at the Town Jetty

I explained to Mr. Appleyard that if the Government insisted upon goods being landed at any particular jetty, they should provide facilities. At present our lighters can go alongside only at high water or at any rate half tide, to be a fit place for discharging there should be 10 feet at low water. The question is to be discussed before the next outward mail.

I have fixed the landing charges as follows:- For quantities of not less than 5 tons, 6/- per ton, for quantities under 5 tons, 6/2 per ton, that is, 2d per foot; minimum rate to be 2d per package, and for a single package, 1/-. I fixed a minimum rate to meet cases like the shipment per "Orrellana" of 5 cases J.I.W. measuring in all 9 feet-at the rate of 2d per foot we should get only 2d per case, which is not enough. The small importers are reported to be very wroth at their goods being handled by the Company, and I believe that they have sent in a complaint to the Governor. The Acting Colonial Secretary told me that it was quite likely that the P.S.N.C. would have to deliver goods to the different consignees -I do not suppose however that they would ship on such conditions, and if the Government make a fuss about it, it may result in the small importers being left out in the cold altogether.

27. The "Sanson" arrived about 11 p.m. on the night of the 26th. I have had only 20 minutes conversation with Captain Rees, who tells me that the first thing to be done is to put her stern on the beach in order to attend to the packing of the propeller tube which leaks so badly that they have to keep the pump going frequently. Captain Rees also said that there is a small leak, a constant drip, drip, somewhere at the stern, but he has not been able to ascertain exactly where. It is most unfortunate that she did not arrive 2 days sooner, as we should have earned quite \$400 between the two American ships. I should like to have sent her round to the "Sanson" at once as spring tides are due on the 28th; the next steamer is, however the "Oravia", Captain Jussier, who is the Commodore, and I feel that I ought to have all appliances ready as he may not come inside. Added to that, the American Captains say that there are 2 more ships off Cape Horn in a bad way, and I should not like

to send the tin away if there is a chance of capturing them.
I will not send any of the crew away by this mail- as a matter
of fact I have not time to attend to it. This despatch is
inordinately long and I have to finish to-day (Sunday, 22nd)
as the mail closes to-morrow at noon. I regret that I have
not had time to go on board the tin and send a fuller report.
Ever since the "Ocellana" left our time has been absolutely
fully taken up. If the towing of the "Samson" is not likely
to be completed before the insurance of the "Samson" expires,
i.e. August 20th, I will cable to you the word "Truthful".

I am, Sir,

Your obedient servant,

ENCLOSURES.

Duplicates. (Originals per "Amson" via Sandy Point. June 18th,)

Copy of Stanley Cash Book, May.

" " Journal, "

Store Indents, No. 270.

Remarks on Indents.

Table showing store profits on sales.

Statement of Accounts.

Originals.

Copy of Stanley Cash Book, June.

" " Journal, "

Cash vouchers, East & West Stores.

Mrs. Dean's cheques, £ 50 ; & £ 30.

Captain Willis's cheque, £ 100.

Mr. Henry Waldron's cheque, £151.

Copy of Accounts current, June 30th; viz:-

J. H. Waldron.

Port Stephens.

Pebble Island.

Mrs. C. H. Williams.

S. A. Missionary Society.

Copy of Alien Ordinance, 1900.

Table of freights per "Orellana"

Copy of letter to P. S. N. Co. July 23rd.

" " From P. S. N. Co. Liverpool June 14th, Valparaiso May 30.

Governor's Minute, re P. S. N. Co's Steamers.

Copy of Report of Survey on Ship "P. H. Blanchard"

Copy of letters from & to Col. Secretary, June 28th, & 29th.

Extract from log of "Fair Rosamond"

Account Sales, Barque "Garland"

Stanley Wages Return; June 30th.

Camp " " "

Store Indents, No 271.

Indents, Packer Bros. & Co. "Thetis" & Steamer.

Replies to Remarks on Accounts.

Remarks on Accounts.

Coasting Insurances, June.

Shipping Report.

Enclosures.*Stanley Ledger Balances.**Store Indents No 271. (Balance.)**Store Indent. Price Bros. 56°**Remarks on Stores.**Statement on Accounts.**Specifications, as follows:-*

	<i>Wool.</i>	<i>Skins.</i>	<i>Tallow.</i>	<i>Hides.</i>
F _s		40		
N.A.	18			
F.T.C.			394	
W.I.D.	85	15		
K	46	8		
J.E.	123	24	206	
A _s	129	5		
Dr S.	89	11		
Dr S.	47	8	14	
S.		9		200
J.R.	22	1		

INDEX.

Store Incident, No 271 (Supplementary)
 Report on Store, and Replies to Remarks.
 Store Ledger Balances, June 30th.
 Various "Outline" Accounts.
 Copy of Surveyors Report, Ship "Henry Peeling"
 Statement on Accounts, (Supplementary)

Stanley.

July 10th 1900.

118

"Oravia"

July 31st, 1900.

Sir,

The "Oravia" arrived yesterday, 6 days late, the delay being due, principally to bad weather on the West Coast. Captain Massey has plenty of room, and will take all cargo, hides included. The "Oravia" went alongside the "Great Britain"

but the process of putting the produce on board is by no means as easy as on the Kosmos. We were always able to roll the bales down from the "Great Britain" on to the deck of the Kosmos Steamer, but the F.S.N.Co's Steamers are so high out of the water that they have to be hoisted a slight distance.

I had to devote a considerable time to Captain Massey, who will make a full report to the F.S.N.Co. on his arrival home. He says that we must have fenders on the "Great Britain" if they are to go alongside; they have coal-ports in their sides, and the hinges, protruding some 2 or 3 inches, are liable to be damaged. The Kosmos always used their own, but the F.S.N.Co. do not carry them. Any kind of fender would do, and I undertook to ask you to arrange to have these sent.

Captain Massey also mentioned that it might at times be convenient for them to take 50 or 60 tons of coal here if the weather happened to be too bad to permit of their coaling sufficient on the West Coast, provided the cost were not too prohibitive. What price am I at liberty to quote?

I have not received any stationery from the F.S.N.Co. and the Purser could supply me with only a dozen forms of bills of

Lading

F.E.Cochran Esq.

Managing Director.

London.

loading. I have therefore been compelled to enter all this shipment on the one Bill of lading, and must ask you to assign to the different consignees the produce ordinarily consigned to them, according to the specification enclosed. I have entered freight as payable at destination, as I have not received from you any definite table of freights agreed upon. I trust that this will not lead to any difficulty, but I have no other course open to me. Apropos of my remark in Despatch 154-18, I may point out that had we made out Bills of lading for this shipment on the old system we should have had to fill up no less than 66 forms.

I have telegraphed to you as follows:-

Henson Twentieth Federal P.M. Blanchard Rosenfeld
 Henry William Mitchell Sanfrisco Garlance Garland
 Oravia Pittman,

I am, Sir,

Your obedient servant,

P.S. I have reason to qualify what has been written by this mail; on going on board this morning at eleven o'clock Capt. Mackay told me that he would cease taking in cargo at 2.30 this afternoon, and would sail at 3 at all costs. The specification enclosed will therefore require amending: we will all three be on board about 2 o'clock to make up Bills of lading and an amended specification if possible. Had I been given longer notice I might have been able to avoid sending portions only of some of the marks.

ENCLOSURES.

Enclosure, "Ordnance and Revenue", July 31st,)

Enclosure No. 10 and 11

Enclosure No. 12 and 13

" " " " " " " "

Enclosure No. 14 and 15

Enclosure No. 16 and 17

Enclosure No. 18 and 19

Enclosure No. 20 and 21

Enclosure No. 22 and 23

Enclosure No. 24 and 25

Enclosure No. 26 and 27

Enclosure No. 28 and 29

Enclosure No. 30

Enclosure No. 31 and 32

Enclosure No. 33

Enclosure No. 34 and 35

Enclosure No. 36 and 37

Enclosure No. 38

Enclosure No. 39 and 40

Enclosure No. 41 and 42

Enclosure No. 43 and 44

Enclosure No. 45 and 46

Enclosure No. 47 and 48

Enclosure No. 49 and 50

156.

"IBERIA".

August 18th, 00.

Sir,

My despatches Nos 154 and 155 left per "Gravia" on July 31st and I received per "Liguria" on the 3th inst. your despatch No. 912 and telegram "Tell Brandon Morris Edlich".

2. 912-2. The item JG2:1:4 in the West Store stock sheets should have read "Stores for Automatic Machines", as it represents stores etc. that have been sent out since the cost of the machines themselves was debited to Plant. The stores have now been partly charged out in deliveries to the Automatic Machines account.

3. Par 3. I have gone fully into the question of the Garland in my 151-54. It seems unfortunate that we were not able to purchase the cargo through the London Salvage Association as we should no doubt have got it cheaper, unless there is any consolation in the fact that the right course was pursued in selling by public auction. I am landing part of the cargo and sending down some of the top gear.

4. Par. 7. At the time that I entertained the hope of shewing a permanent reduction in Stanley Wages I had not contemplated the change in the mail service and the addition of the "Samsch" to our Plant. These two items have altered the aspect considerably and I can only say now that the wages will be kept down as much as possible.

5. Par. 12. I am glad to learn that a settlement has been made with Fleuret. The whole case is an extremely sad one for more than one reason. When an American Captain here talked of high charges I was able to quote this case as shewing that ship repairing is not always such a profitable business for us as it may look.

6. Par 19. I regret the omission to acknowledge telegrams.

F.E. COBE ESQ

Managing Director,
London.

I

2.

I find that I did not acknowledge in full your telegram of May 14th as it reached me only at the same time as the despatch confirming it. The full text as received was :—"Escarpelo Elastico Macacato Lomatais Jambonnan Acobedul Lateline". The word "Jambonnan" was an evident mistake, the translation being July 14th, whereas June 14th was intended.

7. For 23. I received a memorandum from the Pacific & European Telegraphic Co., valparaiso informing me that our telegraphic address had been registered. In acknowledging the letter I said that in the event of my sending any message I proposed to post it to them direct asking Vorwerks to pay the cost. I at the same time wrote to Vorwerks asking if they would do this, charging it in their account with the usual 3% commission. I have often thought that the system of sending messages through Humphreys might be improved upon as they get to know a good deal of our business.

I was very surprised to hear from Mr. Horton that the firm had had to suspend payment. Mr Horton tells me that he proposes to carry on the Agency department of the business for his own account, and that he has written to you asking that the Company's agency might be placed in his hands.

8. Same port. It will be a great advantage to know beforehand the approximate amount of cargo by the outward mail. I am somewhat disappointed that the P.S.N.C. steamers do not work faster than they do in getting out cargo. The Liguria had some 140 tons, we placed two lighters alongside by 9.30 a.m., but it took them until 4.30 in the afternoon, although the men worked through the dinner hour, to finish and even then had to take on one large case, otherwise they must have remained overnight. The tallying is unsatisfactory and I shall have to ask that we may be supplied with two cargo books by each outward mail for our lighters. In the case of the Liguria the purser's clerk and an officer tallied and they assured me that the cargo was out alright. It was getting dark, the Captain was ridgetting to get away, and I accepted their statement without waiting to go through the tallies of Mc Lauchler and Gibbard, which would have meant quite an hour and a half. On leaving the cargo we found two packages short, but I am

in hopes that these will be returned from Valparaiso. If they do not I presume that the P.S.N.C. would rather bear the loss than have a steamer delayed for a night. I heard nothing from the P.S.N.C. as to tariff rates. I am asking them to have some leaflets printed like the Roscoe Company, and I trust that they will send me a supply of forms of Bills of Lading.

9. Par 21. Mr. Wirling regrets the omission of the Farm return. In justice to him I must mention that, although unfortunate, the error was not surprising as a lot of the plaster ceiling in his room had fallen down, and during my absence on the West the rest was pulled down to be match-lined. All papers had to be put into drawers to be kept clean and these were overlooked.

10. Par 22. I do not know how any rumour got about that the Lavinia was in Stanley, unless it was a telegram sent by Mr. Aspinall through Harbours as an intimation that Miss Bourne would go home in the Lavinia if she called.

11. Par 23. I had already thanked the Governor on behalf of the Company for the concession to Customs officer and will do the same to the rest of the remittance.

12. Par 24. The slip was so obvious that I did not make any reference to it.

13. Par 25. I note the new price of coal for H.M. Ships—it is a big advance on the old price and I doubt if they will take the whole amount asked for. Mr. Hayes thinks that the Commodore will not be down before December.

14. I regret to report that there has been a very horrible murder perpetrated at Mr. Packe's Fitzroy by the cook, a coloured man named Jenkins or "John R. Kelley". The unfortunate victim was Charles McLeod, who you may recollect was sent out here in 1895 by Sir S. Scott through Mr. E. Packe. Apparently without the slightest provocation, Jenkins on Sunday July 29th obtained Mr. Packe's rifle and ammunition from the house, walked to the cookhouse, and without a word or any warning, shot McLeod through the neck at a distance of about 6 yards, killing him instantaneously. Dr. Foley and Mr. G. Packe happened to be riding out from Stanley that day

and

4.

and received the news just before reaching Hillside. Jenkins himself turned up at Hillside later and told them all that he had killed Melrod. Dr Foley at once placed him under arrest, keeping watch and watch during the night with Mr. G. Facke, and the next day Parle and Mr. Facke brought him to Stanley. The Government urged me to allow the Samson to go to Fitzroy for the body, and this was done. The Coroner's jury returned a verdict of wilful murder against Jenkins, and the trial is fixed for the 30th, the day before the mail is due. The Governor has summoned me to sit as an Assessor at the trial-I have appealed to him, without success, to relieve me as the trial will probably last a day or two and Mr. Gorton is summoned as a juror. It is really too bad that I should have to give up so much time to Councils and such work as this, and if the mail does come up to time, I do not know how everything is to be properly attended to.

15. I had Noble in to overhaul the boiler of the "Great Britain" and machinery generally, and enclose a copy of his report. I am glad to find that we are not yet confronted with any necessity to provide a new boiler though I do not quite like the concluding sentence:-"I would not be afraid to work the same boiler if under my immediate supervision", which implies a certain amount of doubt. As however the working pressure is only about 40 lbs there is no occasion for any alarm. I wanted him specially to examine the "Sissie's" boiler which he fears may have rusted underneath owing to the boat herself leaking badly. She has opened out at the stern and I had intended taking out the boiler and having the hull thoroughly repaired and strengthened, but there has been no chance whatever of the carpenters taking this in hand so far, and even now the prospect is remote seeing the work we have before us. The Kona Baker must be got ready in time for the next outward mail as I am informed by Mr. Hayes that he expects 100 tons of cargo. When however we are able to tackle the Sissie I hope to get Noble in on a flying visit just to inspect the boiler.

16. I have received an offer of £200 for the hull of the Wasp as it stands from a man named G. Osborne. In your despatch 909-14

you

5.

you wrote that "they (the Board) would be only too delighted to get \$150 for her, and never hear of her again". On the strength of this I should I suppose be justified in accepting the offer at once but I fear that she might be heard of later as a competitor in the way of small freights to the West. Possibly this may be dismissed as not being serious, but I feel that I should lay the question before you. I have undertaken to ask you to telegraph if you approve; if therefore you cable the word "Wasp", I shall understand that I am at liberty to accept the offer.

17. I find that I omitted to report by last mail that the German Barque "RATHISKA", Captain Schutte, bound with a cargo of lumber from Salina Cruz, Mexico, to Falmouth for orders, put in on the 25th July. One of the crew had been washed overboard, four died from beri-beri, and the remainder with the exception of the Captain were sick from the same disease. The Doctor thinks that the ship will be able to leave in about a week as the men are recovering and the Captain has secured 4 men from here. I did not think it worth while to telegraph.

18. The repairs to the "F.M. Blanchard" were got through very smartly by the 5th inst, and as the Samson was under steam ready to start for Spring Point that evening we towed her down the Harbour for \$10, the most that could be squeezed out of the Captain. On the 11th she sailed out to Port William and got away finally on the 13th. I enclose the Master's draft upon Messrs John Schoenfeld's Sons for \$7884.54.

19. Mr. Hayes arrived in the Liguria, bringing with him a foreman of works and a clerical assistant. He thinks that he will have to import some 60 to 100 men from the River Plate and I am negotiating now for a contract to build a large shed on the plan of our cockhouses to accommodate 50 to 80. These officials are so tied hand and foot by regulations that even if buying a pail they invariably refer you to what they can get it for at home, and our estimate is certain to be pronounced enormous. I think, however, that he will come to us at first as without means of housing his men, he cannot divert labour. I want to work off some of the Samoa roofing iron if possible.

20. It just strikes me that you would like to have a copy of the accounts that I render to the P.S.N.Co. and I propose sending you press copies by the homeward mail.

21. The "Samson" left on the evening of the 6th inst. for Spring Point, and was seen at West Point the next morning. I had previously despatched the "Fortuna" to Spring Point, and instructed Howlands to take charge of the "Samoa", leaving the "Fortuna" safely anchored at Spring Point in charge of two of the crew, and taking with him the rest of his men, so that in case of any accident the "Samoa" might be able to make sail. I hoped that they would have got her off at the Spring tides of the 10th inst. and am somewhat disappointed that she is not in yet. The Spring tides here, however, were not so high as usual, and they would, perhaps, be delayed trimming the cargo. Added to this, we have for the last four days had an incessant gale from the North-West. In the event of the "Samoa" not having been got off they would fill up the "Fortuna", so as to further lighten her ready for the next tide. If the "Samson" is not in before the mail leaves I shall cable you the words:- "WELL-THANK HANNIBAL".

22. I am closing and posting this despatch, and will supplement later if the mail does not arrive until the murder trial is completed.

I am, Sir,

Your obedient servant,

187.

MILWAUKEE.

August 24th, 99.

Sir,

Some time back Mr J. Waldron asked me to quote him a through rate for 50 casks of tallow from Port Howard to London. I had to reply that I had not been informed by the P.S.N.C. of their tariff rate and must await that information. He now writes me again on the subject and says-"I think you ought to put me on the same terms as your clients as regards produce to be shipped away as I should think we do as much business with you as a good many of them". The last statement is quite true, the Port Howard store account for the last 3 years being £171, £200, and £250. As far as I understand the matter the objection to extending our terms for shipping to Port Howard lies generally in the facts that we do not collect all their produce, it is not consigned to us, and we have no security for our advances. But, on account of this absence of security we charge a higher rate of interest than usual, as well as 10% commission, and it therefore appears that the objections I have named are due down to the facts of our not collecting all their produce and receiving no commission on the sale. Also, however, the Weddell Island and Spring Point accounts—we receive no commission on the sale of their produce and the profit made on the collection of it is very small, as they are the most distant stations we collect from; and their store accounts have averaged for the last three years £290, & £40 respectively. As regards Weddell, I do not know what security you have for the advances although the store account is good,

E. Cobb Esq.

and

Managing Director.

London.

and as far as Spring Point is concerned, although the account is paid annually the store account is not equal to that of our ordinary labourers in Stanley. In 1887 it was ~~\$120~~¹⁰⁰, in 1888 \$20, and in 1889 Nil. Under these circumstances it seemed to me that we might meet Mr Weldon half-way, and I have therefore quoted a 60/-through rate for this parcel.

I have received reports from the overseers that owing to the very severe weather we have had the stock have got very low in condition, but that if the present open weather continues the prospects for lambing will be fair. All out-door navvy work had been completely stopped by the frost and snow.

The "Kathinka" has settled his account and will leave as soon as the weather is favourable. I enclose the Master's Draft upon Messrs H. Puckett & Co, Bremen, for £143:4:0. As the draft is domiciled in Germany and represents cash advanced mainly, I have charged 7% commission.

I enclose a bill for account due by the late Mr Craigie-Halkett. Messrs Ford, Ford & Chester, 4 South Square, W.C. are managing the estate. I have shipped a few cases by the "Thetis" on behalf of Mr M. Craigie-Halkett, now Government Clerk, and shall be glad if you will make the freight as reasonable as possible. Kindly send the account here for collection.

I have received a reply from the Chilean Government with reference to the collision between the "Hornet" and the "Albatross". They have been to a great amount of trouble about the matter, and have sent me the original file of minutes and reports, which are all in Spanish. The case was referred to the Governor of the Magellan Territory for report, and is minuted by several officials, presumably in the Departments corresponding to our Admiralty and Board of Trade. As the mail is now overdue and may be late at any moment I will merely quote one paragraph from the minute of the Governor of the Magellan Territory, which settles the question:—"Finally I may inform your Excellency that according to our laws the time has passed within which an action for

corresponding

corresponding damages might have been entered, which however in any case could have no effect owing to the loss of the "Albatross". I am referred, finally, to the paragraphs in the Chilean Commercial Code which deal with such cases. I will get a literal translation of all the documents before returning them, and will also send a translation of the provisions of the Commercial Code. Father O'Meara has translated some of the documents roughly, and if there is time before the mail, will assist me to get a literal translation. There is in the Office only a very small Spanish Dictionary, dated "George A Cobb 1892". A good Spanish Dictionary would be of great use here if the Directors feel disposed to furnish the Office with one.

In continuation of the last paragraph of my Despatch No 155-16 the trial of Jenkins for the murder of Charles Meland lasted two days, Mr Appleyard conducting the case for the prosecution, and Mr Rosen for the defence. The trial was of course before the Governor, Mr Kennedy and myself sitting with him as Assessors. The taking of the evidence lasted until 8.30 on the second day and after some discussion it was determined to sit that evening until 9 o'clock. The evidence for the defence and prosecution and the Judge's summing up lasted until 8 o'clock and the Jury after an absence of less than 10 minutes returned with a verdict of "guilty murder" and sentence of death was passed. The whole case has been most painful, right through, especially occurring in such a small community as this. The only bright spot in the whole affair was the really brilliant defence made by the American Consul.

I have the very great pleasure of being able to telegraph to you the word "TRUCKER" meaning that "Hanson has been safely towed into Stanley" Assuring that the Directors will feel an interest in the details of the work I give the subjoined extracts from Captain Ross' log. As previously reported I had sent the "Fortun" to Spring Point to await the "Samson", and I think that subsequent events demonstrated the utility of this precaution. The "Samson" left Stanley on August 6th at 6 p.m. passed through West Point pass at 10 a.m. next morning, and at 3.30 p.m. after a passage

passage of 22 hours arrived at Fox Island, finding the "Fortuna" there at anchor, she having arrived there the day before.

Aug 8th. Captain Rowlands unfortunately laid up with chill, Capt. Ross went on board the "Samoa" to discuss arrangements with Sedgwick. Customs Officer arrived that afternoon.

Aug 9th. Discharged three scow loads (28 tons) into the "Fortuna" working until 9 p.m. Gale from N.W. commencing.

Aug 10th-11th I quote verbatim from log:- "August 10th, comes in with a fresh gale from the N.W. 7.30 Mr Sedgwick came alongside and reported that the "Samoa" was afloat last night's tide and drove in a little more on the reef. I went on board the "Samson" with 2 of our hands and the "Fortuna's" crew to see if we could heave her off my next tide. Blowing too hard to work the "Samson" in narrow waters. 9 a.m. high water, ship did not float, wind having shifted to S.W. & blowing terrific had to remain on board "Samoa" all day all day and night. 5 p.m. about high water set the jib and sparker as we found that the tide was so much higher than the morning one, and she began to slack the cable, got about 6 fathoms in of slack cable, but she would not budge further. If there hadn't been so much wind, that we could set the topsails I verily believe she would have gone off better part strong gale from S.W. with terrific squalls.

Aug 11th 4 a.m. Gale began to moderate, 7.30 a.m. took the "Samson" inside, ahead of the "Samoa" ready by tide time. Capt Rowlands and crew on board the "Samoa" 9.35 a.m. High water and poor "Samson" failed to budge "Samoa" although we had a full head of steam. Let go our anchor in a position ahead of "Samoa" ready for the next tide to have another tide. Discharging anchor immediately we saw that it was no use trying to leave "this" tide ebbing. 4.30 p.m. Finished 2nd scow load into the "Fortuna" about 17 tons in all! 5. Went to tea, afterwards getting ready for another try, every prospect of a good tide wind having hauled to N.W. during the day. 7 p.m. tide rising fast. "Samoa" began slackening her cable. We in the "Samson" hove up anchor towrope on board & got into a position N.E. of "Samoa" and commenced towing, 8 p.m. "Samoa" off the reef and all afloat,

"We keep ahead until they have hove up anchor. 10 p.m. weighed anchor and took her right outside, and on bringing her head to wind ready to anchor, the towrope parted & the "Samoa" very near ran into the "Fortuna". 11 p.m. All finished and the "Samoa" at anchor in 5 fathoms of water. Hounded her jacks found she "was not making any more water than when she was on the reef."

Aug 12-14. All hands were employed in restoring the cargo, jamming it off & reaving her gear where necessary, picking up anchors and chains and getting coon on board.

Aug 15-16. Capt Beeching states as follows.—"Began with a light breeze from the Northward. 7 a.m. Longboat went to pick up "Anchor. 7.30 returned with it alongside. 8.30 we took the "Samoa" and towed the "Anchor" stern round to take turn out of "hooking to avoid unhooking to clear house, as soon as this was done hove up port anchor and hove short on her starboard.

11 a.m. Got under way in tow of "Samoa" with "Samoa's" towrope made fast to his steel hawser on his starboard bow and an anchor. "Long" hawser from his port bow. Noon, rounded the half patch off "Double Island", strong breeze from the Northward. 3 p.m. "Samoa" making a poor show of her towing position "hardly going 2 knots an hour. 4 p.m. Strong breeze and a choppy sea. 5 p.m. In the passage between Dundee Head and Passage Islands with a fair tide with us, decided to proceed to West Point and reach Grays Cove if possible. 6 p.m. Making but very little progress, West end of Passage Island bearing S.W. $\frac{1}{2}$ S. distant 4 miles. 10 p.m. Strong breeze from W.S.W. and a high "rough" sea making no progress, scarcely steaming, although "Engines at full speed. Got a glimpse at West end of Passage Island and found it to bear only S.W. so I decided to return into Waialeale bay and avoid being swept back through the Passage Islands. Sighted Nihoa Island ahead, midnight, abreast of "Nihoa Island."

Aug 17. Came on with a strong breeze from the Northward, at 1 a.m. came to anchor inside of the 3rd Island opposite the entrance to the Channel in 5 fathoms, paid out 45 fathoms of chain. Wind "increasing, blowing strongly in gusts and not abating a point

"in direction but the barometer falling any."

42-6 This sale continued without interruption until Monday 20th inst. This is exactly the weather we had in October 1911. H.W. gale blowing generally the whole time. On the 19th at 10:00 a.m. the "Samson" which narrowly escaped being killed because of the weather, was damaged very seriously. The gauge glass of the boiler broke and the handle of the cocks broke as well. There was a pressure of 120 pounds and the second Engineer saved the situation by going below with a sack over his head and lifting the safety valve to allow the steam to escape from the boiler. On Monday 20th towing was renewed at 7 a.m. After passing through V. Point Pass the course was steered along the North Coast right clear of everything. At 7.30 a.m. on the 21st the Samson's hammer parted, continued towing with Packer's long rope which parted after 4 hours. Samson's hammer to Packer's steel hammer and started towing, and the tug's hammer again parted. Eventually all difficulties were eliminated and they arrived in Victoria at 3 p.m. the very day on which the insurance expired.

Captain Ross offers to take the Samson home, but I have therefore telegraphed him to say I cannot now go into the question but I certainly think that would be the best solution. I am pretty sure that we could get some firm William who would be only too glad of the opportunity to get rid of some of the cargo of John R. Kelly.

Canon Aspinall leaves by this mail-I have credited him with allowance up to the end of this month.

I regret that the Thetis has not yet got away, but I am daily expecting Captain Thomas in for his papers. He wrote that he expected to finish loading about the 23rd, the vessel will sail direct from Salvador.

The Thetis arrived this morning and will sail within the six hours. She is drawing 24 ft 7 forward and 24 ft 3 aft, and as the wind is S.E. the Captain fears that it would be too risky to attempt to go alongside the Great Britain. The difficulty is increased by the fact that the American ship Henry Failing is just to the Westward of the hulk round the stern of which the

There would have to steam.

I have received your telegram of 13th and 15th :- which are "Messengers Blanchard and Pailing" - "Correspondence". I have sent you the following telegram :- "Messengers Blanchard and Pailing" - "Correspondence". I have sent you the following telegram :- "Messengers Blanchard and Pailing" - "Correspondence".

I am, Sir,

Your obedient servant,

List of Enclosures

Supplementary Store Indent N^o 292, Steamer "Hekis"

" Remarks on Stores

Two copies of P. A. M. S. Store Acct. to March 31st

Br. "Kathinka's" account & letter of advice to owners.

Bill of Exchange N^o 2092 for £ 1482. 14. 11

" " " " 2098 " 143. 4. 0

Indent for Stores, account Vere Parker

Press copy of letter from Braun & Blanchard ^{July 3rd 60.}

Verified Store account against the late G. C. Halick.

Press copy of the P. D. N. Co's account.

Supplementary Statement on accounts.

150.

"TITIST".

August 28th, 00.

Sir,

I beg to hand you herewith Manifest, Bills of Lading, and the documents detailed at the foot in connection with this vessel's homeward cargo.

2. Captain Thomas leaves for Seal Inlet to-morrow and hopes to call on the 31st. You will see from the abstract of the Coasting Log that there has been great delay in loading the wool this year, due entirely to unfavourable weather.

I am, Sir,

Your obedient servant,

ENCLOSURES.

Bills of Lading.

Manifest.

List of names and parcels.

Abstract of Coasting Log.

"TITIST" account and vouchers.

7.2.7055 231.

Managing Director.

LONDON.

List of Enclosures.

10000. (Originals per "Sberia" August 2nd 1920.)

Discharge No. 156 & 157.

Copy of Master Cash Book for 1919.

(Normal)

Store Index to 1919.

Receipts of 1919.

Reply to letter to 1919.

Financial Statement, 1919.

Copy "S. S. Standard" 1919.

Record of Receipts to 1919. 5 pages.

Receipts to 1919. 10 pages.

Statement, 1919.

Supplementary Store Index to 1919.

Receipts of 1919.

Copy "S. S. Standard" 1919.

Record of Receipts to 1919. 5 pages.

Receipts to 1919. 10 pages.

Supplementary Statement to 1919.

159.

"Lusitania".

September 17th, 00.

Sir,

My despatches Nos. 156 & 157 left per "Iberia" on the 24th ult. and I received on the 7th inst. your despatches Nos. 913 & 914 per Orissa.

2. 913-2. I note the Board's decision as to passages of families of their servants, but there is one point I should like to be quite clear about. You say "When Finlayson leaves the service 'all the members of his family residing with and dependent on him are entitled to be sent home with him at the expense of the Company'". That is to say, I take it, that sons if earning able-bodied men's wages whether residing with the father or not, or in the employ of another person, are not entitled to the passage. Regarding daughters, if married they would not be entitled to the passage, but should there be one in domestic service she would scarcely be self-supporting, and I should like to know whether the Company would pay her passage if the father left and desired to take her with him.

3. Para. 4 & 14. We shall be glad to get the bricks by the second coal ship. The brick question is rather a sore one at the Government office, the home-made article having turned out to be useless. The red corner bricks on the Manager's house continue to crumble away, in some places to a depth of about 2 inches. I do not think there is much chance of the local bricks being used for Government House now, as the Ag Colonial Secretary asked me if I would send the Munro to Sandy Point for a couple of loads of bricks from there. I could have got samples to send home, but it is a question whether they would stand the journey.

4. Par. 5. We will now pass the cost of Fleuret's passage to Head office. Dr. Hamilton has requested me to ask whether the Company

F. S. Cobb Esq,
Managing Director,
London.

party as he received nothing from F. H. West. I did not ask the amount, but should think that \$5 would cover it.

6. Par. 15. I will see that Bender does not get any further advance and will take a mortgage for \$500 which will cover the debt. As the Board wish him to pay the half-cost guaranteed by him.

7. Par. 20. We were not prepared for an order for 10 carcasses of mutton for the Orissa but gave them 7. The small butchers are now selling at 2d per pound, less 5%. I quoted 2d per pound to the Orissa and 12/6 for live sheep, the old prices.

8. Par. 22. I have sent a copy of the correspondence to the Governor as to the prohibition of imports of live sheep from the Falklands. When writing to the Board of Agriculture you were probably not aware that Mr. Buchanan imported 12 live sheep from Marion Island in August 1899. Should you think it worth while to suggest that it might be pointed out to the Board of Agriculture at the same time that the Colonial Government contemplates prohibiting imports of stock from Chile and the Argentine to prevent the Colony from becoming infested.

9. Par. 24. I have not been at all sorry that Macdonald continued the duties of overseer until something definite had been settled as to the auditor's supervision. I am sorry now that he has gone through the winter he may like to remain a few months longer, but am quite sure that he will not be averse to retiring as soon as fresh arrangements have been made. I will retain the house he is now occupying - he has one of his own in Stanley. I am glad that you have proposed the appointment of a Marine Superintendent to take charge of outside affairs, now that the alteration has been made in the mail service and we have the Samson to handle. On taking up the management of the Company's affairs my ideas were directed principally towards economy, as it seemed very unlikely that the Company's plant would be increased, and the advent of the P.S.M.S. was quite unexpected. Now however that we have a mailboat every fortnight to deal with and a tug requiring experience and skill in handling, we must undoubtedly have the proper man, and your proposal to appoint as Marine Superintendent a retired Captain, with a sub-overseer under him, meets the case.

exactly. I quite follow all that you say as to the great assistance that will be derived from his experience, and in addition to the necessity for having a man capable of handling the Samsen his presence will relieve the Manager of a great deal in the way of supervision of hulks, interviews with merchant skippers, and requirements of schooners. I fear that you will have a difficulty in finding the right man, possessing the necessary qualifications, but you know much more than I do on this point. Of course it means more expense which is inevitable, for without the proper man we should be spoiling the ship for a ha'porth of tar, and I hope that we shall reap ourselves in the long run. I should be glad to know whether the insurance of the Samsen will cover all risks, inside or outside the harbour.

9. My desp. 154-24. I heard nothing further from the Government about landing cargo at the Town Jetty and have continued to land everything at our own. Until they revert to the subject I intend to let sleeping dogs lie. So far the small importers have made no complaint as to landing charges- I do not suppose that they like the tariff, but on the whole I am inclined to think that they are as well off as under the old Kosmos system.

10. My desp. 156-19. After spending a long time making out an estimate and discussing the question of putting up a shed or a cookhouse for accommodating labourers on the Naval works, I have abandoned the idea. We could not do it under about \$1200, whereas Mr. Hayes told me confidentially that they had asked at home for estimates for a building framed at home and had offered at \$300 to which would be added freight and cost of erection which he estimates at \$300 more. Our figure is just double, so it is better to drop the matter. Unless we can make from \$200 to \$250 out of it, it is not worth while to disorganize our own work, especially as we have so much on hand. I am certain that Mr. Hayes will find that freight and cost of erection will run into more than \$300 although he will get carpenters from H.M. Ships for nothing. I hope at any rate to sell him some material, especially roofing iron ex Samsen, though we shall not get more than \$14 per ton out of him.

11. The Thetis sailed from Salvador on September 2nd, which is

terribly

4.
 terribly late. The delay has been due to the very bad luck she had in the San Carlos and Salvador trip, as she left Stanley for the former place on July 7th. At Douglas Station an accident occurred with Mr. Greenshields' wool, 13 Bales being wetted. I sent Messrs John Hoare & Co. a certified extract from the log, a copy of which is enclosed.

12. The lease of the Ship Hotel has now been transferred to Edwin Rutter, bar-keeper at the Stanley Arms for many years, who has an excellent character, and I have had no hesitation in accepting him as a tenant. He is paying Round \$300 for the furniture and stock-in-trade, and as Round is urgently in need of funds, I have at the request of L.M. Bernsten, his Agent, telegraphed to you to advance him up to \$400. Rutter has paid \$250 in cash and I have advanced him \$150, taking a mortgage on his house and piece of land in Stanley for that amount, repayable in 2 years with interest at 5% per annum, the property to be insured by him. Rutter will still owe Round \$100-I have told Bernsten that in addition to the cost of the telegram, you will probably charge Round some commission for paying by cable. If you will let me know the amount I will deduct it with the cost of the telegram from the \$50 still owed by Bernsten. I shall be glad to have the form of lease to be issued to the tenants of the Stanley Arms and Ship Hotel.

13. It is difficult to convey on paper a fair idea of the extent of extra work that this new mail service entails. It is quite true that nothing is gained by answering the outward steamer's letters by the same boat, but whether there were any advantage or not, it simply could not be done. We have now had 3 outward steamers and I have not even opened a letter until the next day as there has not been time to do it. I take either Mr. Girling or Mr. Gordon off with me when the steamer arrives and send him back in charge of the mail, remaining on board to go through the papers with the purser until the launch returns. Arrangements have to be made about lighters and cargo, passenger tickets to be issued, account to be made up for the homeward boat, Bills of Health to be attended to, and letter to be written to the Agent at Montevideo or Valparaiso. Six hours sounds enough but in reality it

5.

is nothing, for one person must remain in the office and a lot of time is taken up in journeys to and from the steamers which do not anchor so near the jetty as the Keesosid. I am glad to say that the small importers make their own entries and the Bill of Lading give full particulars of measurement and freight, except our own. When clients goods come on our B/L I have to wait until the following mail before being able to debit them with their share of the landing charges. I will not at present say any more as to the appointment of a second clerk, but will wait until more mails have come and gone in the hope that things eventually will settle down into a groove. I must say though that we find that to get through the work between mails we have to stick to it early and late and are now behind, the accounts current usually kept up to date not having been touched. The delay in the arrival of the steamers throws us back somewhat, not one so far having been up to time. I am told that the Lusitania due to-morrow, was a week late on the outward voyage, so we do not know when to expect her. We certainly have had an unusual amount of work this year with ships, the Sassa, the Samsen, and the mail service. Even the Naval Works I find have away with a lot of time as Mr. Hayes is constantly dropping in asking for quotations. I am in hopes therefore that when things have settled down we may find the pressure somewhat relaxed, though we cannot disguise the fact that we are working at present with the minimum staff that can cope with the work.

14. The refusal of the P.S.N.C. to grant any abatement on passages is unsatisfactory and I shall be interested to hear what they have to say about the reduction in freight. Mr. Stubenrauch sent me across a copy of the freight tariff and classification - I have asked him for more copies and if I receive them by the Lusitania I will enclose one. They print "Falkland Islands" on the front page and yet cannot send any here where they might be expected to be of some interest.

The old fares between Monte Video and Liverpool and the existing fares are shown in the table appended:-

6.

As regards taking wool from the bulk we are not likely to have any difficulty with the twin-screw vessels, nor I think with the Orissana and Orsana, which although single screws, are not of such great length, namely 401 feet, but I fear that we cannot rely upon the old single propeller steamers, the Iberia and Liguria whose great length, 433 and 424 feet gives them so little room in which to turn. If the wind happens to be at all Easterly, causing the Great Britain to tail to the Eastward, they cannot stem round the stern to get alongside, as the water West of the bulk is shallower and they could not get round, and it seems to me that if we wish to ensure getting produce away by either of these, we shall have to put it into lighters. Then comes the difficulty that if we do that for one we shall be expected to do it for all, as it is undoubtedly much nicer for them to anchor just inside the narrows and have the stuff brought to them than be put to the trouble of getting alongside the bulk and getting away again. Seeing that space had been reserved in the Iberia which was not filled I feel that we ought to make sure of the Lusitania, and although I do not like creating the precedent, I am having some wool put into a lighter for her. If the P.S.M.C. want us to do this again we can only say that it was not done for their benefit but to prevent further disappointment to the shippers who have had only portions of their produce shipped. It is evident that they do not at all relish remaining here more than 8 hours and I should not be at all sorry to hear that the Komos were lifting 2 or 3 lots of 1000 in the busy time, provided as you say that they do not clash with the P.S.M.C. steamers.

15. I thoroughly agree that the Agency is no catch-the-expectation attaching to it being so heavy. I had intended writing that I did not propose getting up steam in the Samson for the homeward mails, but my experience with the Orissa leads me to think that we shall have to do so as a stand-by. The Samson is too large and clumsy to run as a regular conveyance as we found with the Liguria and my idea was that for the homeward boats the Sis- sie could do all that was required. I will explain about the Orissa as I had received your telegram informing me that the

cared

cargo shipped was only 84 tons I decided to let the Engineers continue the scaling of the Samson's boiler, a very necessary work after her journey out and to Spring Point, leaving the Sissie to tow the lighters. Just as we started from the jetty about noon one of the tubes of the Sissie's boiler gave out. We managed to get the mail off and one lighter alongside, and I remained on board to attend to the papers with the Purser expecting that the Sissie would manage to bring the second lighter along. The Engineers however could not keep steam up and the wind increased to a perfect gale from the S.W. It was not until 3.30 p.m. that I was able to get ashore in one of the carpenters boats and get the Hornet which fortunately was in the harbour. The Captain was determined not to remain overnight and would have taken on half the cargo, but agreed finally to discharge into the Hornet in Port William. We got the last out by 9.30, the Grissa sailed at 10, & Mr. Darling and I got back with the schooner at 11.30. Captain Taylor expressed himself somewhat forcibly at the delay, but I think he saw eventually that it was a case of pure hard luck, the launch breaking down at a critical time and the weather being so boisterous. We have the satisfaction of knowing that it turned out to be a good thing that the work of putting the Samson in order was not interrupted. They knock the cargo about in a shocking way - we used to think the Komor bad enough but the P.S.N.C. are worse. Of course it depends mostly upon the boatswains and so far those on the Grissa are the worst.

18. The 4 masted barque "Kate Thomas", 91 days out from Cardiff for Iquique with cargo of patent fuel arrived on the 15th with loss of sails, short of water and requiring a little ironwork. She was sighted early on the 15th and although the Samson's boiler was empty, having just been scaled, we succeeded in filling it with fresh water and got under way by 3.30. Captain Rees boarded the ship with the Pilot and arranged to tow her into Port William for £70. There was a fairly big swell and we commenced at about 2 knots working gradually up to 4 until we got into sw water when we were doing quite 5. The tug did well and in 1 1/2 we towed 10 miles in the 2 1/2 hours. A survey will be held

1700
1800
1900
2000
2100
2200
2300
2400
2500
2600
2700
2800
2900
3000
3100
3200
3300
3400
3500
3600
3700
3800
3900
4000
4100
4200
4300
4400
4500
4600
4700
4800
4900
5000
5100
5200
5300
5400
5500
5600
5700
5800
5900
6000
6100
6200
6300
6400
6500
6600
6700
6800
6900
7000
7100
7200
7300
7400
7500
7600
7700
7800
7900
8000
8100
8200
8300
8400
8500
8600
8700
8800
8900
9000
9100
9200
9300
9400
9500
9600
9700
9800
9900
10000

Report is ready before the mail arrives I will send a copy.

17. I regret to report that the ship "P.W. Blanchard" has been burnt at sea, and trust that our draft will not be affected by the loss of the ship. I have received the following rough particulars; When trying to round Cape Horn the ship was found to be on fire, the Captain put back for the Falklands which were sighted on September 7th, a very squally day. The crew all abandoned the ship that morning having dropped both anchors in the Falkland Sound between Great Island and West Island. The cables are supposed to have given way as the ship burned and she was seen drifting North. Judging from smoke seen and fire seen, she must have gone down somewhere near the Lysen reefs. The crew landed at Hill Bay on the 7th, pulled across to Swan Island next day, and on the 9th got across to Cygnet Harbour. On the 11th eight of them started to walk to Stanley and are now at Darwin, the remainder intending to pull round here in the boats. So far there is no sign of them and the U.S. Consul is sending a schooner in search. The idea of pulling round in boats is most foolish on the part of the Captain, who had walked from Cygnet Harbour to North Arm and gave me all the above particulars, leaving a note to me asking for a cable to be sent to Rosenfelds.

18. The last outward mail brought a small boiler from Monte Video for the Henry Talling. I have had a telegram from the New York Underwriters instructing me to prevent discharge of any cargo unless absolutely necessary. I am replying that judging from the opinion expressed by the Surveyors, it would be running a serious risk if the ship leaves here without doing a little caulking - the amount of cargo to be discharged would be about 500 tons. The Captain wishes to go to sea without doing anything relying upon the new boiler and pumps to keep the ship dry.

19. I had not time last mail to report that all the crew of the Samsen demanded to be sent home except Atherton's brother who remains here. The other fireman would not hear of staying in this place, which he thought far too dreary and lifeless. I leave it to you entirely to fix the figure to be credited to the Samsen for time in the Samsen, but I hope it will not be quite so ambitious, to use a mild term, as that quoted in the letter from Messrs

Messrs Braun & Blanchard which I sent you by last mail, as the result of my interview with the Captain of the Lovart when at Spring Point. I hope that you do not wish us to keep a separate account in the books now for the Samson which should be merged in Company's shipping. Atherton now has charge of all machinery with Kelsey and 8 men under him, and I find it is not possible to apportion the time between the Samson and other machinery, now that she is a harbour tug. There is one thing we must have - a good rope hawser. The wire hawser is rusted through and unreliable. Atherton tells me that she had good rope hawsers before the sale, but immediately she was sold Farle's removed them. When towing the Kate Thores we used their hawser and it was a relief to find they had a good one, otherwise the tug would not have been of much value. We intend testing one on the Sabine which may turn out to be a good one.

I am, Sir,

Your obedient servant,

H. J. Harding
Manager

List of Enclosures.

Copy of Stanley Cash Book for August.
 " " Journal
 Cash Vouchers Sent & Sent Stores.
 Store Indents No 272
 Mr George Bonner's Indent per "Theater"
 Mrs J. Bonner's " "
 Dr Pollock's Debt List.
 Remarks on Stores.
 Replies to remarks on Stores.
 First of Exchange No 2100 value 135.
 Deposit Receipt for Goods.
 Insurance of Produce August No 21
 Shipping Insurance, August.
 Copy of Surveyors Report, ship "Five Thunders"
 Table of fares per P.M.S. Co.
 Translation of correspondence re "Hornet's" collision.
 Copy of contract from "Theater" creating loss.
 Inventory of "Hornet's" Stores.
 Statement re "Hornet's".
 Remarks on Accounts.
 Shipping Report
 Duplicate Receipt No 122 per "Theater"
 Specifications, as follows:-
 04 miles Fuel Y (per "Theater")
 1 " J.H.B.
 100 " 2
 27 miles of Tallow J.H.B.

130

"Lusitania"

September 28th 00.

Sir,

We have tried the "Sabino's" hawser, saving it two tests; it broke easily both times and I must therefore ask you to send out proper hawsers. Captain Rees says that we ought to have 90 fathoms of hawser laid 12 inch Manila and 130 fathoms of 3-inch flexible steel wire. These out in half would make two first class tow-ropes. A whole Manila tow-rope would be very heavy to handle especially with a few men. In towing a vessel we should, of course charge extra for using our hawser.

2. The delay in the arrival of the mail is a source of very great expense to us-- coal burning in the "Samson" all the time and the Engineers not able to do anything beyond standing by. I am writing to Wilson and to the Manager at Valparaiso asking them to give me due notice, if possible, when the Liverpool steamer is likely to be late. I have dealt with the question of the expenses of the "Samson" and "Gloria" in Remarks on Accounts.

3. The work on the Kate Thomas will be more than we thought at first, and she is not likely to get away for another 3 weeks.

4. The Lusitania arrived this morning and I received your telegram Grayin Travoltare Mabelwaier Rees Pacific. I am glad to say that this steamer is taking all profits and will sail at daybreak in the morning. I fortunately got a few forms of S/I from Messrs Stubbenaugh. I have telegraphed to you:- "Trinkfest Pound Tins Pops Bells Round Bachelunas Harfords Federal Kate Thomas Thomason Liverpool Lusitania Bostinas".

I am, Sir,

Your obedient servant.

F.B. Cobb Esq.

Managing Director,
London.



List of Enclosures.

Supplementary Store Indent No 375

Van Packer's Invoice per "Thetis"

A Pittman's " " "

Supplementary Remarks on Stores.

First of Exchange No 2107 on J Henry Schroder & Co 276:8:2

Ernest Phillips's receipt for 34

Remarks on Accounts.

Reply to remarks on Accounts.

Statement on Accounts.

Press copy of P.B.N. accounts.

Specification & Bills of lading, shipment per "Lusitania"

APPENDICES.

DUPLICATES. (Originals per "Inspection" , September 26th).

Despatch No. 158.

Stanley Journal and Cash Book, August.

Store Inventory No. 276.

Remarks on Stores.

Record of Exchange No. 2100.

Insurance on Produce Return No. 21.

Coasting Insurance, August.

Statement on Accounts.

Remarks on Accounts.

Despatch No. 140.

Supplementary Store Inventory No. 276.

" Remarks on Stores.

Remarks on Accounts.

Replies to remarks on Produce Return.

Statement on Accounts.

Specification and Bills of Lading per "Inspection".

145

* * * * *

October 15th, 1901.

10

Mr. Deschamps has 100 & 100 left per Lusitania on the 16th
ultimo, and I received per Grevia on the 2nd inst. your despatches
Nov. 21 & 22 and your telegram "Keep Callaghan Valdez, etc."

[illegible]

3. Par-4. The price of coal is very serious and I regret not having purchased the bargain lot although we should not have got

F. E. Cobb Inc,
Hingham, Boston,
London

as well as the facilities for landing in the shape of a jetty. He tells me that he will have to reply that he cannot guarantee that we shall continue to land these goods - so much the better, as if the P.M.S.C. give it to the Admiralty and allow them to do this, you will be able to go to the P.M.S.C. and explain that we have been to great expense in fitting out a large lighter which will be partially thrown out of use, and ask for some sort of compensation. If they will give us 1/6 per ton, or even 1/- for all goods landed by the Admiralty, it will pay us just as well and will relieve our heavy gang. This is a consideration as we shall soon have the season for discharging schooners, coming from India etc., and I want to get at the bottom. At present Mr. Hayes has to go, and our gang is depleted by starting off skippers for the Foundry and millmakers for the Rose Thorne. The ship brought in all about 500 tons, of which 100 were for the Admiralty. The pitch pine logs were dropped overboard, the wind being southerly, and we spent a day and a half with the barge and the heavy gang getting them together and heaving them up in safety. Mr. Hayes agreed to take them over at that, and I refused the landing charge by it. I am somewhat amused at the P.M.S.C. letter of September 21st saying that the discharges of the ship would have nothing to complain of as to delay. She arrived at 5.30 p.m., we put two lighters and the Tally Ho alongside and worked from 7 to 12 that night. I went on board at 7 the next morning and Captain Hanny in a friendly way began complaining that nothing was being done towards discharging the logs. At 1.30 the whole of the cargo was out, but the steamer had to wait a considerable time for the Captain to see an agent at Government House.

As regards weights, we have fitted a derrick into the Rose Baker capable of lifting 8 tons without any extra gear, and we have a derrick ready for putting on the Tilton for lifting 3 or 6 tons. If any package exceeding that weight is sent, it would have to be placed on a block and special arrangements made afterwards for the landing, which should be at consignee's risk. We should not like to have to handle a package weighing more than 10 tons

although

approach to Court we could manage it.

We have already expressed our conviction that the obligation of the mail service was entirely due to the Government, and further that, so far as we are concerned, we would have preferred to stick to the Home; and as for the Agency, the P.S.N. asked us to take it up and do the lightering, and being the only people here who were able to do it, we agreed.

The P.S.N. are sending me 500 forms of 5/1 by this steamer, so that in future I shall be able to prepare them as far as possible beforehand. The Captain of the *Insitania* wanted to leave at 4 P.M., but by that time they had taken but very little on the steamer. Mr. Gilling and I went on board in the evening as they talked of finishing at 10 p.m. - at 10 p.m. we were told that it would be 11, so decided to wait - at midnight Macdonald said it would be 3 a.m., and they finished eventually at 3, and were keeping at work the whole night. The steamer left at 8, and naturally carried the 500 for each week that day. The Captain of the *Insitania*, which has a left-handed propeller, caused a lot of difficulty in getting away from the dock, and I had steam in the tank for him. Had it not been for the Captain he certainly would have had a shiny job. I did not anticipate for any charge, but the services of the 100 in any future case ought to be paid for I think, and I should like like to have your views as to this.

V. Par. 15. The Captain of the *Henry Gilling* does not intend doing anything beyond the fitting of the monkey boiler, as he has been told by the Owners that the Underwriters agree to his doing as he thinks fit and reimbursing the charges via the Club.

I offered the Captain of the wrecked ship P.S. *Blanchard* funds for his own personal requirements, but in view of your despatch No. 294-par. 3, I declined to advance funds for paying off the crew he has since gone to C. Williams and got all that he wants. The 2 bonds were sold and I asked the Captain to hand me the proceeds for remittance to the New York Underwriters. After a very long discussion and a strong protest he did so, arguing that he is the Agent of the Owners and Underwriters. So far as I can see, the

Underwriters'

6.

Underwriters' Agent cannot demand the money, but merely offer his services.

8. Sun. Par. I omitted to report the arrival of the Kathinka but did so in the next despatch. The tug went out to her beyond the Fair Rock, and the Captain offered \$10 for a tow, and later \$20, whereupon ~~xxxxxxxx~~ the tug steamed away, someone on board shouting "Good you mean". The wind came out from the S.W. and there being nothing wrong with the ship, she sailed in herself.

9. Par.-11. The Captain of the Sarnia did not sell the sails and spars separately, as they were in such bad condition that they would not have fetched much. We have dismantled her and loaded part of the cargo, which will sell here alright. The London Salvage Association wrote to me pointing out the mistake in not routing the proceeds of the cargo to them direct.

10. Sat.-3. The Purser of the Canada spoke to me about a few newspapers that had been put on board at Monte Video, saying that he had agreed to take them this time, but feared some trouble as it was an infringement of the mail contract. I explained that it was only a trifling matter and at the same time such a convenience as that I hoped they would not refuse to bring an old letter. The Canada contract contained a precisely similar clause, and during all the years they carried the mails no objection was made in an isolated letter or packet being carried outside the mail bag. I asked the P.M.S.C. to let me have a copy of the contract, a request they gave over in silence, but I have not obtained one from the Governor.

11. Par.-4. Mherston thinks that the boiler fluid would be useful for the Sarnia. He has a supply of zinc plates for the Sarnia. Up to the present the Sarnia has been outside William Point 8 times. When towing the Kate Thomas we had 7 paid hands on board, namely, 4 for Engines and sickle hold, 2 deck hands and the Captain. So far as we could judge this seemed little enough when the hawser had to be hauled in, an operation however that will be performed by the ship when the Sarnia has a hawser of her own. She is scarcely likely to remain for 30 days in the Harbour

with

with. Since Mr. Allen's time has been fully occupied with the work on the Council and vice versa, he is now attending to the letter sent from White-Vidua for the Henry Pelling. As soon as this is done I must get the inventory of the Messier's spare parts.

13. PAR.6. We have been unfortunate in not having ordered more goods before the rise in prices and freights. We had no forward mail for some time, and also had a certain amount of stuff from the Salon. But I think that by now you have some fairly large orders on hand.

14. PAR.7. The Governor some time back stated that he had arranged that any French steamers would be exempt from Harbor dues which are, as you say, only 5/- on the draft of water.

15. PAR.8. I will discuss the question of pay with Captain Keen who is now going over the spare and rigging of the vessel. Her skills are in very poor condition.

16. I purchased the P.V. Thompson's lifeboat which will be required for the vessel, whose original cost will be just the thing for the vessel. It will not be necessary therefore to get another for her as Captain Thomas intended asking for.

17. The F.R.S.S. sent me the enclosed circular asking for information for the new edition of their Coast Guide. I enclosed a copy of the notice I sent to the Telegraph Manager, and would ask you to make any corrections you think fit. I explained to Mr. Budge that I was asking you to do this and to send the corrected data to the Liverpool Office. I do not know whether the Company would care to advertise in the book.

18. The question of assistance is not quite at hand yet. When I had to give the Government the last draft for £1000 in September, Mr. Appleby asked me if I would give them 5% discount, which I of course declined. The Governor seems to think that if you had occasion to purchase a draft from the Crown Agents you would ask for this, and wanted to get the same discount from me here. Since then Mr. Appleby has told me that the next time we want £1000 the Governor states that we must purchase a draft from the Crown Agents instead of selling it to them here. When I asked how they could tell 2 months beforehand what funds we should

2.

require, he replied that he was sure they could manage it !
 Owing to heavy deposits in the Savings Bank we are in want of
 more money, and must either have a draft on the Treasurer or im-
 port silver coin which is again very scarce. I discussed the mat-
 ter with the Government people and decided to ask you to send by
 the Nov. 29th mail \$2000 in crown, half-crown and florins. The
 Colonial Secretary has sent the necessary order to the mint. The
 Passengers of the steamers all ask for silver, and the Bankers of
 P.M. Ships take a lot away with them, and add to that the Naval
 Works being again in operation more silver is required for circula-
 tion.

18. We had a talk with the Farmer of the Gravia as to mutton.
 He says that compared with Monte Video, mutton for weight, here is
 cheaper, but after cutting up and becoming more expensive. He ex-
 plains that mutton is not sold in a whole of 5 sheep, which repre-
 sents to them the course whether weighing $\frac{1}{2}$ lb. or $\frac{1}{4}$ lb. He also
 told me that one man here had offered them live sheep at 4/- per
 head, whereas our price was 18/6. I said that if a ship asked
 for 2 or 3 sheep it was not worth the trouble to catch them and
 put them on board for 1 year, but if they took live sheep regular-
 ly and so had a regular supply, they would get a much better price. Mr.
 Macfarlane thinks they would take more so by each outward boat and
 might even want 20, for a number like that we could certainly
 come down to 2/- per head. The question of the quality of our
 mutton has to be decided and they seem to think that ours will
 be superior to that from Monte Video, but whatever the Gravia re-
 commends will probably be adopted, and if the quality turns out
 all right, the P.M. will no doubt communicate with you as to the
 price.

19. Captain Thomas, the Master of the Santa Thomas, knows Captain
 Pass very well and has learned from him that we are on the look-
 out for a Marine Superintendent. He is an applicant for the post
 as he does not wish to go to sea any more, and asks as to convey
 his application to you. He has shown me his testimonials which
 are apparently very satisfactory, and from what I have seen of

him

him should judge that he would suit us very well. In addition to
 his national experience he has served his time as a sailmaker -
 he has cut all his sails here and supervised the whole of the
 making of them. He is very sober, ^{is a strict} ~~is a~~ testifier, and in
 the sail loft seems to have had the faculty of getting the work
 out of the men without undue bullying. In addition to his writ-
 ten testimonials he refers for character etc. to Messrs Bethell,
 Gwyn & Co., 28 Billiter Street, Messrs Robert Owen & Co., Liverpool,
 Captain H. Evans, War Vess, Devon, North Wales, and Captain T. Williams,
 East Lyme, Teignmouth, near Basing. Captain Thomas has to take the
 ship to Lough, and if you are not yet committed to anyone, it
 would I think be worth while to wait until you have seen Capt.
 Thomas before making a definite appointment.

20. I beg to express to the Board my cordial thanks for the permission sent to me by telegram to go to Valparaiso, and hope that I shall be able to avail myself of it. I fear however from what Mr. Hayes tells me that there will be a heavy cargo for me by the outward steamer, and he thinks that his steam launch and lighter may arrive. The latter will perhaps be in 3 sections weighing 15 tons each, which he wants one Blacksmith to put together, or perhaps will be done by the mill and there will be but no more details to be sent into. If I see any opportunity of absence myself for a week I shall be only too glad to avail myself of the chance, and I interpret the Board's permission as being an open permission.

21. I have closed with E. Thompson's offer of \$200 for the vase. He asks for credit for the necessary material for fitting her out as a cutter, which with labour he anticipates will run to another \$200. He is a very steady fellow and I think we can safely give him credit for material, especially as he is paying cash for the hull.

22. The work on the Kai Thomas is proceeding very satisfactorily. There has been much more iron work than I thought and I am glad to say that the mills have turned it out rapidly. Captain Thomas has superintended the sailmaking himself, and the account for canvas alone will run to \$200.

10.

35. October 18th. With reference to my par. No. 17 I have just received a memo. from the Colonial Secretary to the effect that the Governor has withdrawn his sanction to the issue of an order on the Mint for silver, and I have now to ask you to purchase a draft for £1000 from the Crown Agents and to ship £1200 in half-crown and florine. The Government intend to issue another £1200 in notes and will issue some at 5/-. I regret being compelled to ask you to disburse so large a sum at the end of the year but cannot avoid doing so as we must have the money to carry on with. The late Home draft will help a little to-

10.

35. Since writing my par. No. 17 I have received a memo. from the Colonial Secretary to the effect that the Governor has withdrawn his sanction to the issue of an order on the Mint for so much as £1000, and have also seen Mr. Appleyard. The idea of the Government people seems to be that the notes will eventually drive silver out of circulation. They have a reserve of two-thirds of the note issue, which is invested, and the more notes they have out, the more interest they get. Mr. Appleyard talked of issuing silver in 5/- notes which will be a great nuisance, and I have asked them to limit it to £250 for the present.

The upshot is that I must ask you to purchase a draft for £1000 from the Crown Agents and to ship out £1200 in half-crown and florine, for which the necessary order on the Mint has been issued. I regret being compelled to ask you to disburse so large a sum at the end of the year, but we must have money to carry on with - our cash balance at the end of September was under £50, and we really ought to have nearly £1000. It is somewhat infra dig. at the end of the month to have to beg round the town for money before we can pay the wages. As now and the Government £200 against the £1200 due at the end of the month, the Samoa customs duties will have to be paid shortly, and the December rents and charges are always heavy, so that we shall want all that I am now asking for.

I am, Sir,

Your obedient servant,

ENCLOSURES.

~~XXXXXXXXXXXXXXXXXXXX~~

Copy of Stanley Cash Book for September.

" " Journal " "

Cash Vouchers, East and West Stores.

Store Indents No 274.

Van Packer's Indent per "Theirs".

Remarks on Stores, and Replies to Remarks.

Sale of Buckskins to Ship / 375

Insurance or Produce Return No 22.

Coasting Insurance, September.

Copy of Report for F.S.M. Co's Coast Guide.

Copy of correspondence with Mr Myles re landing cargo.

Stanley Wages Bather September 30th.

Copy of Specification re damaged bale of Wool $\frac{8}{\text{Finner}}$.

Statement of Accounts.

Remarks on Accounts.

Shipping Report.

Specifications of Produce, as follows:-

	Yellow	Wool	Skins	Hides
B	55		18	81
D & I	3	82		
GI		15	10	
HS	10		6	21
WP	28			6
F		101		12 a little tallow.
W.C.	12		5	

~~XXXXXXXXXXXXXXXXXXXX~~

168.

"OROPESA".

October 18th.

03.

Sir,

The Oropesa arrived this morning, without the usual cable from you informing me of the amount of cargo to be expected by the next outward steamer. I can only infer from this that the quantity will be under 75 tons, whereas Mr. Hayes is expecting a heavy consignment from the Admiralty.

I enclose a copy of a letter I have just received from the Government on the subject of the proposed prohibition by the Board of Agriculture of import of live sheep into England from this Colony.

2. The total cost of converting the Rose Baker into a lighter is £251:6:10, (wages-£170:10:0, and material-£130:10:6), which sum has been transferred to Head Office. This amount together with £156:10:0, which represented her purchase, makes her total cost £407:6:6, which although apparently high is not excessive, seeing the amount of work we have put into her and the excellent lighter that she makes. Besides of your remark in despatch 913-E as to the prices at which we had taken over her outfit, I may mention that 3 iron boilers taken into store at 10/- have since been sold for £10. As to barrels I think the price charged to Farn is fair, as there were a quantity of loose shooks thrown in with the made-up barrels.

3. I enclose a copy of a letter from Mrs. Turner, the Millinery Storekeeper, handed to me yesterday. I have not had time to go into the question with her, but I know that she has been ill for

F.F. Cobb Esq,

SOME

Managing Director,

London.

2.

some months past now, and apparently does not get any better. Dr. Jamison has spoken about her several times and has told me that nothing but a thorough rest will do her any good. I will tell her that I have sent a copy of her letter to you by this mail, and that until the Board's decision is communicated to me, I cannot of course give her any reply.

5. I enclose the specification and Bills of Lading for this steamer which have to be made out on board, as I cannot tell whether the Captain means to go at 3 p.m. as he said this morning or whether he will wait for some hours longer and take everything. It is really most unsatisfactory - if he leaves a lot behind I will write a note on board. Being late I have more produce than I asked space for, but it seems to me that they ought to stretch a point and take what we have. You will see that the forms of Bills of Lading they have sent me are Brazilian. I have telegraphed to you:- "dropers"

I am, Sir,

Your obedient servant,

W. M. Duff
Manager

P.S. Acknowledges the telegram

ENCLOSURES.

Supplementary Store Indents No 274.

Stanley Lager Balance September 30th.

Set of Exchange No 2110 / 20.12

Copy of Letter from Government re Importation of Stock.

Copy of Letter from Mrs Turner.

Press Copy of S.A.M.S. Account Sept 30th.

Press Copy of F.H.M. Co. Account.

Shipping Report.

Supplementary Statement on Accounts.

Specification of 5 cases Serialing A.M.

" " 57 Bales Serialing $\frac{1}{4}$ & 1.

Specification & Bill of Lading of shipment per "Compass"

188

"LONDON"

November 2nd

00.

Sir,

My despatches Nos 161 & 183 left per "Oropesa" on the 18th October.

1. Captain Hayes would not wait to take in any tallow, and left behind 183 casks, 28 bales of skins, and about 100 hides. He considered that the idea of waiting here for two days to take in 1000 bales of wool was impracticable, as the steamers have a great difficulty, as it is, in keeping their time; and *that* if the P.S.N. Co intend to ship produce from here they must arrange to send cargo boats.

2. The "Talisman" arrived on the 19th ult. We are taking the coal by Bill of lading weight, the Captain having agreed to make us an allowance on the freight of 1 1/2%. Cambridge has made an error in the freight note of 2 tons, freight being calculated on 122 tons odd instead of 124 tons odd. We commenced discharging on the 22nd and shall finish in a few days, the output averaging about 7 1/2 tons per day.

3. A large quantity of the roofing iron ex "Seneca" is damaged by salt and cannot be sold as sound. It appears to me that rather than sell it at about \$6 per ton we could put it to a very profitable use by roofing over the bulk "Charles Cooper". At present this bulk is useless for storage purposes, whereas with a roof over the upper deck we should have excellent storing accommodation. Now that we have to land all cargo from the steamers our own comes out mixed with other peoples and we have not enough labour to send ours straight up the Jetty to the Store, hence West Store cargo either remains

exposed

Y. Y. 2005 234.

Managing Director.

London.

exposed on the hulk or has to be left behind on the lighter until there is a chance of sending it up into the Store.

If the hulk is made watertight we can put cargo straight under cover, and take our own time for getting it to the Store, just as we are able to do at the East end.

Johnson estimates labour at £ 30 (ninety pounds) and materials at £180; that is valuing the iron at £18 per ton, which may be reduced to £10 if we use up the damaged and unsaleable iron. I should be glad to know whether the Board would sanction my doing this work when an opportunity occurs, provided the Government offer no objection on the ground that such a roof might be unsightly or would obstruct the view.

I find there is a fairly constant demand for Sandy Point wood, which is so much cheaper than the deal from home, and should like to have some place where this could be stored. The small lean-to shed in the West Store yard that we have put up cost only £20.

5. In view of your telegram as to the "Samoa" it has become necessary to use every endeavour to dispose of as much stuff as we can here rather than send it home, and I have therefore decided to send Mr Gorton across to Sandy Point by the steamer now due, to see what can be done in the way of barbed wire, salt, rice, buckets, rope &c. I am in treaty with Messrs Braun & Blanchard for a Schooner load of wood about half of which would be purchased at once by Mr Hayes, and I think that Mr Gorton will be able to sell to Messrs Braun & Blanchard in return, a full schooner load of stuff ex "Samoa". In a matter of this sort the small expense of sending Gorton across is well laid out, as he can better arrange in a couple of days what would require months of correspondence. I got 10,000 feet of wood from Sandy Point by the "Geopena" for Mr Hayes for which he paid £20, the total cost here being £72, so that after deducting the cost of landing it on Navy Point we made £15 out of it.

A load

A load of schooner ought to cost less, and we can ^{have the} ~~use~~ ^{use} ~~up~~ and dispose of it here, in fact the less we order from home just now the better.

6. I am glad to report that the Government people are endeavoring to repair the Lighthouse Telephone, and Mr Appleyard being somewhat of an expert in telephones is pushing the matter energetically. They have a Naval prisoner who is used to the work and are attempting to replace the old wire to the lighthouse. If this does not answer they propose using steel fencing wire, but it remains to be seen whether the posts across the sand will stand. The line could be made more stable by cutting the posts down to 5 feet above the ground and inserting a Sandy Point post between each one, as nobody will want to cross the line. At anyrate Mr Appleyard is bent upon getting it into working order and I have undertaken to give every assistance. If the silicon bronze wire will not answer I have promised to supply the necessary fencing wire, which I take it will be approved.

In addition to this we have now established telephonic communication between the Government Office and this Office, and I have now fitted up here the old instrument formerly in the Mining Room of the Manager's house which had not been used for 13 years, with which to communicate to the Government, a separate wire having been laid along the lighthouse telephone posts. Then when the lighthouse wire is repaired and a message is received from there, they will switch me on and I shall be able to have immediate news of any ship. There appears however to be some doubt as to whether our instrument will carry to the lighthouse but this will be ascertained later.

Mr Appleyard has also undertaken to put our Store telephones into working order again.

There is a yet further project to establish communication with Darwin, utilizing the top wire of the fences. The Government has tested the feasibility of using fence wires, and

for

For the telephone between Government office and Government House the paddock fence wire is used, but there are many difficulties in the way of running the telephone to Darwin similarly. The Mountain fence would be the best route from Hillside as it is isolated and runs in an unbroken line for some 30 miles. Even if the posts were wooden it is doubtful whether the current would carry without insulation, but the standards are all iron, and I do not suppose any method could be devised for insulating the wire at the standards. Could half round pieces of porcelain be manufactured to slip over the wire and through the hole in the standard? Or if the project is seriously entertained, would it be cheaper in the long run to have an insulated wire laid along the fence? I think if we did this part of it the Government might be disposed to run a wire to Hillside. I need not enlarge upon the advantages of communication with Darwin which would be incalculable, and no harm would be done if we made some enquiries as to cost.

7. The invoice to the "Kato Thomas" will be completed in the course of a week and I hope to send the Accounts home by the next mail.

8. Seeing the amount of cargo we are storing at the West Store or "Boma" I think that it might be advisable to increase the insurance by any amount on stores there, for at least six months.

9. The "Incein" is now two days late and the so-called improvement in the mail service is more dubious than ever. We have had banked fires on the "Samson" and "Sissie" all the time, burning coal and stopping the men from other work.

I am, Sir,

Your obedient servant,

W. Harding
Manager

List of enclosures.Duplicates. (Originals per "Project" October 19th 1900)

Despatches Nos 161 & 162.

Copy of Stanley Cash Book, September.

Copy of Stanley Journal September. 24th

Store Index No 274.

Remarks on Stores & supplies to do.

Stanley Budget Balance September 30th.

Insurance on Provisions Return No 22.

Consolidated Insurance, September.

Stanley Wages Return September 30th.

Remarks on Accounts.

Statement of Accounts.

Specification & Bill of Lading per "Project".

~~CONFIDENTIAL~~Originals.

Store Index No 274.

Plan of the calls for "Project"

Remarks on "Journal" entries.

164.

ORELIANA.

November 12th, 00.

Sir,

My last despatch left per "Kosmos" on the ^{3rd} instant and I received per Iberia on the 4th your despatches Nos. 917 & 918.

2. 917-2. I had instructed Johnson to cut the extra port in the Great Britain without delay, but I find that the Fortuna must have a few repairs before the wool season commences and the work will consequently be delayed.

3. Par. 8. As soon as Atherton has finished the donkey boiler on the Henry Failing we will overhaul the boilers and machinery generally. There is however any amount of work to be done, and the delay in the arrival of the steamers shortens the interval between calls so considerably that we have but little time in which to turn round. I think the John R. Kelley boiler is not worth thinking about—it is very small and has been terribly timbered by William's men. They have burst 4 or 5 tubes owing to bad firing I suppose and I think we should be doing much better when the time comes to have a vertical boiler and engine similar to the old Roly on the Egeria, which will serve the double purpose of hoisting wool and running a big fly-wheel suitable for connecting with the steam saw which could also be fitted on the deck of the Great Britain.

4. Par. 17. It has been most gratifying to all of us to receive the Board's commendation as to the Samoa. I believe myself that all hands worked well and I paid the men liberally on their return knowing that this would be approved. The Fortuna's men were paid 5/- per day in addition to their wages with a gratuity of £1 for working overtime, and the shore men received 10/- per day also with a gratuity of £1. I made Captain Rowlands a present of £10 for his advice and assistance. I do not recommend Atherton

F.R. Cobb Esq.

to

Managing Director,

London.

2.

ten for any gratuity, as it was partly due to me. I did not leave until 6 P.M. on August 6th, although I had arranged for her to start at 3. I am not at all impressed with him. The reward to the second Engineer might I think take the form of a grant of the difference between the 2nd and 3rd class fare home. Captain Rees always got on with him much better than with Atherton and gave him an excellent character. I think that Captain Rees has been sufficiently rewarded by the continuance of wages at £17 per month, in addition to which we have to pay his board since the Samson has been a harbour tug like the Sissie. He has had but little to do and has enjoyed wages all the time. I have settled with him that his wages as Captain of the Samson will be £15 per month. As regards Sedgwick, I have been placed in a difficulty. On the arrival of the Samson it was of course necessary to have MacLachlan and the navy gang to discharge her, but owing to the disagreement of about 2 years ago, MacLachlan absolutely declined to have anything to do with the Samson if Sedgwick remained on board, and told me that he would much prefer to retire at once. I could not allow old MacLachlan to end his honourable service to the Company in that way, and as I have said before I wanted him to remain on until the Marine Superintendent arrives, and therefore had to explain to Sedgwick that I had to relieve him, promising that his pay should continue until I could find him other work. I feared this might be difficult, and that after having been in charge of other men, he might have become spoiled and it was therefore satisfactory to find that he willingly worked as striker in the Smithy, whence he has been drawing pay from the Kate Thomas. When this ceases I can keep him on in the Smithy and with your permission will make up to him any deficiency in pay. On the arrival of the Marine Superintendent he will be Foreman of labourers and we can then decide if any further sum should be paid to him for his services on the Samson.

3. Same year. I am glad to find that you have insured the cargo which is all being stored at the West Store. I cannot help thinking that the value placed on the ship is too high. Judging from her build and the material she is built of I should hardly sup-

pose

3.

pose that she would realize so much as \$5000.

6. Same par. I regret to say that I have had to decide that the project of loading her with wool to reach home for the March sales is impracticable. It was necessary to come to a decision at once, and I do not see any reasonable prospect of carrying it out. Before she can sail the following has to be done:— (i) The remainder of the cargo discharged,—there is more than one-third left in the ship, the barbed wire being such a difficult article to handle is stacked in the wings until we know what to do with it. If it cannot be disposed of at this end I propose to send it back in the ship. (ii) The hatches must be left open for about a fortnight to allow the dampness caused by the salt to evaporate and the hold thoroughly cleaned. (iii) Caulking the butts and topsides generally must be done, and the carpenters are busy on the Fair Rosamond and Fortuna. In addition to the caulking some bolting will probably be necessary as the ship has been strained. (iv) We shall have to get a temporary Register as soon as a diver has examined the bottom, and this cannot be done until a gunboat arrives, probably at the beginning of next month. I intend to see the Governor himself about it and hope there will not be any trouble. They are rather jealous of the good thing we have got in the ship, and I expect that some negotiating will be required. Lastly, a crew will have to be found. I am looking out for men for the 2 schooners — possibly later on when some of the shearing is over, some men may be glad of the chance of working their passages home.

On the whole I am sure you will see that it is not feasible to get her away by the end of December, which is the latest date she should sail with the idea of catching the March sales. The labour question dominates the whole scheme; if I could put on a gang of men to attend exclusively to the Sanca, it could possibly be managed, but men are not to be had. Given time, we can gather up scrap iron, and could get John R. Kelley cargo at 27/6 per ton, and we shall also know whether it will not be wise to send home some of her original cargo if not saleable at Sandy Point or Valparaiso. I would further propose to retain our sheepskins if you can wait for them. If these are wanted at home please advise me

as soon as possible, so that I can ship them by steam. Is it not probable that some of our clients might ship wool if we quote a through rate of, say, 32/- or 30/-? Wool however must not be stowed at the sides without plenty of dunnage, for if she heels over the large water may crush up the sides and eat it.

I wish I could give the Board more information about the value of the cargo, but owing to press of work, I have not had any time to go into it. When it is all out we shall have the tally, and I quite anticipate that the value of what we can keep here will be \$5000.

7. Feb. 12. In view of the decision that it is not practicable to send the early wool by the Saxon and the uncertainty of the mail steamers clearing the Great Britain, I have determined, unless something very unforeseen happens, to go to Valparaiso by the next mail to discuss matters with Mr. Sharpe as he may have been informed that we intend to ship wool by the Saxon. The 3 ships here will have sailed before then, and although I am sorry to lose the time, our work being behind, I had better go as there are many things I should like to do. In addition to the sailing of Saxon cargo I should like to go into the purchasing of stores at Valparaiso and the River Plate, to ascertain whether men can be got for the schooners if wanted, and I should feel more satisfied if I knew that an Engineer could be picked up at short notice as I am not satisfied that Atherton will be a success.

8. Feb. 20. I advised Captain Griffiths of the Bianca to appeal to the Board of Trade about foreigners as assessors and it is a good thing that they have taken the matter up. The Governor's excuse about the absence of British shipmasters is a very paltry subterfuge. The enquiry must have been held about the last week in October, and at that time, in addition to Captains Willis and Campbell the following British shipmasters were here:-

Captain Buchanan	-	"Peachbark"	(the witness)
" Griffiths	"	"Fangwern"	(probably the "friend")
" Wolfe	"	"Jeanie Woodside"	
" Graham	"	"Pleckbraes"	

9. Par.21. I will see that a log of the Samson is kept.

10. Par.22. I regret that I had absolutely no chance of saying a word about the men sent home by the Iberia. The 3 days before the arrival of the steamer were occupied by the murder trial, during which the Samson and Sardon came in, the Iberia took no cargo and remained only 5 hours, and these men had to be sent away at once to avoid paying 4 weeks board. They were entitled to pay up to their arrival in the U.K., so their pay was made up to the date on which the steamer was due in Liverpool. If she did not arrive on that date they were entitled to wages for the extra days. Beag was not a certificated man and was rated on the articles as Assistant, not Second, Engineer. I have suggested a compromise in his case in par.4.

11. Par.23. Messrs Brand & Blanchard's terms were too high altogether, and I should not have dreamed of accepting them. The Captain of the Levant at Spring Point suggested their lightening the ship and towing her to Stanley, but I told him that had we wished to have paid for such a service as that, it would have been done long ago, our idea being to get her out ourselves and then possibly ask them to tow her. To have got the ship out and towed her to Stanley would, I take it, have constituted salvage, or no doubt that is what the Captain was aiming at, but had we got her out unaided, the work would have been towage, purely. (I am glad we did not attempt it). There was undoubtedly risk in the work of the Samson both to the tug and to the ship, and the tug should be well paid for it. Seeing however that a considerable time must always elapse before the value of the property can be determined I should think that a lump sum of \$2000 might be credited.

I hope to be able to get up the question of salvage, but I can not quite understand how these matters are dealt with. From what I have read, agreements are frequently made between ship and tug which are eventually upset by the Court, and at times the award of the Court seems ridiculously small. On other occasions it seems that the service is performed without any agreement as to

price

price, the parties agreeing to leave the amount to be settled by the Court. If we perform salvage at an agreed price, is our Agreement liable to be upset by a Court? If so, by what Court, and would the Court in awarding, make any allowances for the facts that our tug is the only vessel of her kind within 500 miles, that the cost of her maintenance at this end of the world is heavy, and that her sources of revenue are very meagre? Could you also give us an idea of what proportion is allowed to the Master and crew respectively? I should prefer to be able to agree to pay the crew a fixed sum, otherwise if our Salvage were represented by a percentage, on the value of the property salvaged, it might be months before we could settle the crew's earnings. Another advantage, we should not disclose our figures.

From what Captain Burns told us, the rescue of the Pass of Balnaha from the Tussock Island would have been Salvage, and yet in this case the elements you mention, namely, skill on the part of the salvor, danger to the salvaging vessel, and loss of time would not have existed in any great degree. The skill required would have been quite ordinary, danger to the tug would have been the usual risk, and loss of time would scarcely have come in at all. He also told us that had we had a tug with salvage pumps when the Glengowan arrived, and had saved the vessel, that would also have been salvage. We might therefore have a case at any time and the question is, what percentage should be demanded. You mentioned lately, I think, that anything above 50% was invariably disallowed, but I am told that the salvage of the cargo of the Andina at Sierra del Fuogo is a 75% contract. If so, it might go to show that at this end of the world Underwriters expect to pay much more highly for such services than in other places. The question is interesting and I wish I had more time to go into it.

12. Par. 24. I have tried sending duplicates via Sandy Point - the first caught a P.S.H. boat, two others came back by the homeward mail, the last I addressed to Morton and have not yet heard how the package fared.

13. Par. 28. William's passage money was drawn on the authority of Sarah Aspinall in the absence of Dean Brandon, as I recollect

Mr.

7.

Mr. Aspinwall speaking to Mr. Baillon about it. I have shown the correspondence to Captain Willis who tells me that he has been in communication with the S.A.M.S. about it for the past 2 years. He considers that he is entitled to the passage and they do not, so it is, as you say, a matter entirely between them.

14. Par. 26. Seeing that all the sheepfarmers have now received renewals of their leases, I do not think that we need fear, but I will not lose sight of the question of credit. I know that all are alive to the necessity for keeping their expenses down to the lowest possible figure - the worst cases are the small men, Joseph Robson for instance, and I do not see how he can go on paying such a rental. J. McKay wanted £100 to pay off a loan, but this would have put him on the wrong side of the books for years. I should like to postpone any report until after the end of the year.

15. Par. 27. Willis' letter is very entertaining, and their action will help us immensely. It is too early yet to say how their goods are turning out, but Mr. Gordon is fully alive to the importance of watching this.

16. Par. 28. I am very glad that the Cyrus Wakefield leakage has been brought home to the proper quarter, and am only surprised that something of this sort has not come to light before. There is not much doubt that it was neither the first nor the last case, but we have no interest in stirring up mud. In the course of conversation one afternoon, the Governor mentioned that the Keeson had charged a most exorbitant figure for towing the Wilhelmine, namely £200, which was possibly the amount Schlotfeldt told him, but £200 was paid and charged in the account. I suppose Keeson & Co. would gain their case if taken into Court as the Keesons are responsible for the actions of their Agent. Mr. Schlotfeldt has stated that he received no letters by the mail.

17. Par 30. As regards the indent for stores which we wished to come by the Thetis I fear that before writing the remark, no calculation of the cubic content of the timber was made, and that due regard was not paid to the fact that there is a limit to her capacity. I am free to admit that without making a calculation,

8.

I do not know her carrying capacity. Of course, as you say, her primary duty is to bring out stores for our clients, but they do seem to get them out too cheaply. For the bulk of our goods we have to pay the higher rate by steam, and I think you can understand our feelings when the Thetis arrives loaded with stores for people whom we think ought to be our customers. We have heard so much from clients - "Oh, I can get so-and-so out by the Thetis for a half of what you charge", that at times we are apt to look upon her more as a competitor than as our own property. I know that it will be said that if we want a lot of rough cargo our remedy is to ask for a small sailing ship to be chartered, but the "Albatross" shipment turned out so badly and the all-round expenses, freight and heavy insurance, were so high that we thought we might try to make more use of the Thetis. I do not defend the error made in not finding out beforehand that it would be impossible to send such an indent by her, but it does seem that we should get more benefit out of her. Mr. Backworth writes me that a rumor had reached him that she would bring out clients cargo for this season only, after which she would carry for the Company their goods coming by steam. I replied that I had heard nothing of it, but would not be surprised if it were true. Could not some sliding scale of freight be devised, such as, for not less than 50 tons the minimum rate. For 25-50, say 5/- more, for 15-25, 7/6 more, and if the order is less than 15 tons, send it by steam. I merely put this forward as a suggestion.

18. 918-2. I shall have to make a complaint as to the way the outward cargo is treated by the F.S.N.C. So far the only claim is for damage to one of Mr. Bennett's cases of private effects, but people are getting a bit exasperated, and the F.S.N. may expect some heavy claims soon if the knocking about continues.

19. Same par. The reduction in the passages is very satisfactory, and I hope they will meet us as liberally in freight. I am not surprised to hear that coaling is improbable - Captain Passey raised the question and I promised to mention it. I do not anticipate that the Governor would raise any objection to our moving the Great Britain if this should be considered essential,

but

9.

but before taking such a step we should remember that the further she is from the jetties, the higher will be the cost of discharging schooners from loss of time journeying to and fro. Another point is that she has been in her present berth for many years, and even with the short scope of chain it is now quite safe for the steamers to hang on to her cable without dropping anchor. If we shift her berth it may take a long time for the anchors to bury themselves so safely, and the steamers may have to put down their own anchors. To put the bulk into Port William is entirely out of the question from every point of view. I fear that the cost of taking down the stations and rails of the Great Britain would be more than their value. They do not impede the discharge of lumber from steamers and are useful for stacking cargo against.

I am glad to learn that the P.S.N.C. agents are pleasant people to deal with, and trust that when the Captains have become more used to the port things will go smoothly. My experience is that each and every one of them begins by grumbling, which is unpleasant; I suppose that it is a part of their business and trading, and I can quite understand that they personally dislike having to come here at all, as the visit to Stanley curtails their stay in Valparaiso or Liverpool. So far there has been no cause for complaint on the score of delay.

20. Mr. Alcock and Mr. Nicholson were on board the Iberia, and I had an interview with them. Mr Alcock reduced the fares between here and Sandy Point. I pointed out that the cost of a second class return was \$12 as against \$8:15:- for a first, and he reduced the second class from \$5 to \$4, but would not apply it to the passengers already booked for Iberia. I therefore put Gorton into the First class and altered his ticket on board from \$10 to \$8:15:-.

21. The Iberia arrived at 6 a.m. on Sunday, and they seemed surprised that we were not waiting on the jetty for them. I had got tired of keeping fires banked in the tug and launch for over 4 days and we did not get off until 7.30. According to your telegram 218 tons were shipped, but it appears that they had only 158. About 2 p.m. the Sincle broke down utterly and half an hour after

10.

the Samson going alongside crashed into the Fairy's stern and knocked a hole in her own bow. I have not had time to thresh out who is to blame, but I fear that Rees did not give himself enough time to go astern. The Engineer is just finishing the Henry Failing boiler, and when this is done, I will try and get to the bottom of it. The Iberia got away just before 7 p.m. - we had to tow her head round with the Samson, which came alongside when in Port William to take us off.

22. I am pleased to report that thanks to the energy of Mr. Appleyard, telephonic communication with the lighthouse has again been established. As reported in my last despatch I promised to supply the wire, - they applied for it on the 5th, and on the afternoon of the 5th, the work was done. They have over a dozen prisoners from the Henry Failing, who were put on to the work, but it is entirely due to Mr. Appleyard's enthusiasm that it was put through. Our instrument will not carry to the lighthouse, and for the present the Constable on duty is instructed to ring up the lighthouse every 3 hours during the night.

23. The accident to the Samson described above shows very clearly the necessity for having without delay a Marine Superintendent who will take charge of her. Twice the Sissie has broken down on mail day, and we must have the Samson, but with the present staff running her, we do not know what to expect. The more I have seen of Captain Thomas the more I like him, and I think you would have to go a long way to find a better man. He must of course take his ship to 'Iquique, but would be able to leave her there if necessary. If you are not committed to any other, would the Directors accept my recommendation without having seen Capt. Thomas? I knew that you would much prefer to see him if possible but the matter is really urgent. The testimonials he has shown me are satisfactory, and the first officers of the Lusitania and Oravia are both acquainted with him and spoke very highly of him to me. He asks \$200 a year to begin with and a house, with passage for his wife, and says he feels sure that he could save the company his salary by judicious handling of ship's Captains. If the matter were not so urgent I would not suggest his being appointed

11.

pointed without your seeing him, but the Board may rest assured that as I have to deal with him, I could not recommend him if I did not think that there is every prospect of his proving to be a good servant. Should you agree to his being appointed direct without going to London I would ask you to telegraph to me the word "TRUTHENNE" to Valparaiso or Monte Video. I could then wire to meet him at Iquique and get him back here at short notice.

12. The repairs to the Kate Thomas would have been complete by now but for an accident to the windlass a few days ago. If the mail is late I shall be able to get the accounts away.

13. I have 250 Bales of wool and skins and 200 casks of tallow ready for the Orellana, and trust that she will clear the bulk.

I am, Sir,

Your obedient servant,

List of Enclosures.

Duplicates. (Originals per "Kosmos" November 3rd)

Despatch. No 162.

Remarks on "Harriet" & "Halls".

Store Indents No 275.

Coasting Insurances, October.

Originals.

Store Indents No 275.

Plan of "Fair Rosamond's" Foremast.

First of Exchange No 2115 for Silver 10:9.

Ship "Kate Thomas" Accounts, and letter of advice to Owners.

Mr Latham's report November 10th.

Shipping Report.

Statement on Accounts.

Remarks on Accounts.

Specifications as follows:-

	Wool.	Skins.	Tallow.	Revolutions.
H.	83 Bales.	12 Bales.		4 casks.
V.	14 "	21 "	10 casks.	
	23 "	12 "		
J.H.D.		35 " (2 S F pieces)		
V.F.		7 "		

165.

ORSELLANA.

November 14th, 00.

Sir,

The Orsellana arrived this morning, and the Captain intends to take all the cargo. I received your telegram "Trasudais", and have cabled to you. "H.M. Bred Sdiridito Mathews Orsellana Riverdere"

2. I am able to enclose the accounts of the Kate Thomas which were fortunately made out yesterday, and the Master's draft on the Owners for £1325:0:5. The work is not quite completed, but will most likely be finished to-morrow.

3. Mr. Burton returned from Sandy Point, and I am glad to say has succeeded in making arrangements for disposing of the barbed wire, and getting across a cargo of wood at a more reasonable figure than we were led to expect. He opened negotiations first with Messrs Braid & Blanchard, but their terms were too unyielding. I enclose a copy of their letter to me. Mr. Burton then went to Mr. Currie, and arranged to purchase 55,000 feet of wood at £6:7:3 per 1000 feet, and posts at 1/- each, delivered in Stanley, as against Braid & Blanchard's quotation of £7 and 1/8. Mr. Currie will purchase the wire at 1/8 per ton, which will possibly have to be reduced for salt damage, taken from the same in Stanley. Mr. Currie proposes to come across in the S.S. Kosmos himself, bringing the wood. He is writing to Buenos Aires to make enquiries of his Agents there as to prices, and we shall see whether we can come to terms for any of the other cargo, such as salt, rice, buckets, etc. We are not in any way bound to him, except as regards wood and wire. Judging from Williams's experience the expenses in Buenos Aires are very high, and it is very necessary to have a trustworthy agent there if goods are sent up for sale,

F.H. Cobb Esq,

Managing Director,

London.

but I may be able to find out something myself, if I can get some introductions to business houses there.

4. Owing to the scarcity of labour here I am writing to Norton to send me down 6 men for the schooners. I want crews for the *Fortuna* and *Fair Rosamond*, but cannot get any. The Naval works have swallowed up most of the spare men, and Williams is again working the *John W. Kelley* wreck and offering \$10 per month and board. I have been informed that Williams has chartered a small vessel in Sandy Point to take away another cargo from the wreck, so I fear that there may not be much left for the *Samoa*.

5. I have to ask you to send out a new foremast for the *Fair Rosamond*, as per measurements and sketch enclosed.

I am, Sir,

Your obedient servant,

ENCLOSURES.

Supplementary Statement on accounts.

Copy letter from Messrs Brown & Shandlers.

Copy of F.S.S.C. account.

Specification and 8 Bills of lading per *Orellana*.

186

"Lunithana"

November 27th.

00.

Sir,

My last despatches left per "Orallana" on Nov. 14th.

2. I enclose a copy of a statement from Captain Rees as to the accident to the "Samson". Fortunately the damage was only slight, but it might have been very serious. Not being on board at the time, I cannot say who was in fault. The Engineer assures me that he reversed the engines immediately, and I cannot help thinking that Captain Rees did not give himself enough time.

3. Messrs Vorwerk write me as follows:—"We regularly import tallow from Monte Video and latterly also from Punta Arena. If your tallow is of a good white colour we believe we could sell it advantageously here. The price ruling for Monte Video tallow is about 23/- per 45 kilos, nett cost and freight. Perhaps it might suit you to send us a couple of barrels as a trial, and we would do our best to open you a market." I have replied that we are scarcely likely to do this, but shall I send them a couple of barrels later, as an experiment?

4. The shipment of whiskey per "Iberia" showed such evident signs of being knocked about that we examined the 100 cases and found 122 bottles broken, empty and missing. To enable you to recover our loss either from the F.S.N.Co. or the Underwriters I send two separate statements certified by myself, in the one case as Lloyd's Agent, and in the other as for the F.I.Co. I also attach the certificate of the senior

F.E.Cobb Esq.

Officer

Managing Director,

London.

officer of Customs as further proof of the loss. I am informing the P.S.E.Co. that the claim will be made through you.

5. The "Tallman" left on the 11th inst. Captain Voss was very pleased with the Charter and the dispatch. Previous to accepting the Charter for our 800 tons he was in treaty for a similar freight to Santa Arenas at 21/6 only, which he informs me is the usual figure for that place. If this is so we ought not to pay 30/- seeing that Santa Arenas is a much more difficult port to make, and is quite as expensive. Ballast there costs about the same as here. It appears that, as a rule, they import coal there by getting a part cargo, the ship afterwards going round the Horn with the remainder.

6. I enclose a draft for \$3003.00 upon W.E. Highell for the disbursements of the "Waver Pailings". The Captain has, I think, made as complete a cash of his business as any with my recollection, and by way of explanation I enclose a copy of my letter to the New York Underwriters on the subject. I also enclose a copy of a letter from Captain Matthews to myself, the tone of which was so offensive that I did not even acknowledge it. Any person with a grain of sense must know that our interest lies in, and our energies are always directed towards, getting a ship away rather than delaying her. You will see that the labour account is signed under protest, and this I have alluded to in my letter to the Underwriters. Mr Highell may write to you about the delay-- the causes are easily explained. Captain Matthews told me on his arrival, that he did not intend to act upon the opinion of any surveyors, and that he would ask the owner to await his letter and in the meantime to send him a new boiler. The boiler that arrived from Monte Video is of an entirely different pattern to the old one, and not having a supply of piping, couplings etc

couplings etc. Atherton has had to go round the town, search
 scrap-heap, and adapt old material to fit up the boiler.
 In the meantime the "Kate Thomas" arrived, started work at
 once, and any work that had to be done in the smithy for the
 "Henry Telling" I insisted should be treated as overtime.
 Captain Matthews wanted Elvin to be put on to his work, but
 this I of course declined, Atherton at first had two men
 to assist, but as Captain Matthews objected on the score of
 expense one was knocked off; now he is all alone for the day.
 Both he and his first officer consider themselves Engineers
 here, as you may imagine, friction arose between them and
 the men. Meanwhile the crew objected to go in a leaky
 ship, and 13 of them were sentenced to 3 months imprisonment
 which does not expire until December 13th. The Police
 Magistrate is not satisfied that the Final Survey Report
 (copy enclosed) is a sufficient indication of severe straits
 and until he obtains some further evidence as to the ship's
 condition declines to release the men before the expiration
 of their term of imprisonment.

7. The arrival of the "Thorin" on Sunday caused us a great
 deal of expense. The total cost of landing cargo was:-

Wages of labourers taking from Vell.	23:10:0
" " " "	1:10:0
" of "Gerson" & "Stenja".	7: 5:4
Boat for " " " (any)	7: 0:0
Wages of labourers discharging.	25: 0:0
Overseer, 4 days.	<u>1:24:0</u>
	<u>48: 4:8</u>

and the receipts were:-

Landing charges (including Store)	43:17:6
Peron.	<u>1: 0:0</u>
	<u>44:17:6</u>

It was a question whether the Governor would allow us to
 work at all on the Sunday. Mr Nicholson informed me that
 he thought it was understood that they were always to work,
 but there

but there can hardly have been any such arrangement made with the S.O., and the Governor, at this time, declines to give a general permission. He is inclined to work on, what I understood from him was the principle in Cyprus and Hong Kong, viz:-that if a steamer is permitted to work on Sunday a special fee or tonnage due has to be paid. In any case supposing the P.S.N.Co. agree to pay this fee the Governor will not bind himself to always allow it, and I did not press him for if the Government make it a rule to allow work the P.S.N.Co. will always expect it, and if our men took it into their heads not to work we should be considered the stumbling block. Do you consider it worth while to approach the P.S.N.Co. with a view to having a similar agreement as to Sunday labour and overtime to the one we had with the docks, namely, that we pay 4d an hour and they pay the balance? The steamers are not likely to come in on Sunday frequently.

8. I have interviewed the Governor as to getting a temporary Register for the "Banco" and I think he will not raise any objection. I feared that he might and took care to explain exactly what had happened. He says that the Antislavery must give us a Bill of Sale and this will be recognized as a sufficient title to the property.

We have now turned all the cargo over, and shall settle the Customs duties at once. If it is possible, Mr. Girling will send you a rough tally of what we have landed.

9. The Barque "Korona" arrived on the 18th to take away a further cargo of "John A. Kelly".

10. The "Kate Thomas" arrived on the 19th after being delayed for three days by very obnoxious weather.

11. As I am leaving for Valparaiso by the mail due tomorrow I will close this despatch. I have left Mr Girling a short authority to act during my absence.

I am, Sir,

Your obedient servant,

11. Messrs. Sra. H.M.S. Baseline arrived on the 30th ult. bringing letters from Monte Video reporting that the Lusitania was expected to leave that port no less than 6 days later. It was most fortunate that we received this information as otherwise we must have lost heavily by keeping the Sissie and Samson under banked fires. If this unpunctuality continues we ought to receive some compensation from the P.S.N.C. for the expense we are put to. I feared that this delay would prevent my going to Valparaiso and Monte Video as I might not be able to get to the latter place in time to catch the Sappho on the 28th. Should she, like all the rest, be late in arriving, I should return by her, but in any case I could get back by the Sappho which will leave Monte Video on January 6th.

12. The British Barque "Hawswing", Captain Griffith, bound from Liverpool to Iquique with a cargo of Lancashire coal put back here with cargo heeled. She arrived on Nov. 23th with a good wind blowing from the S.E. and was able to run right into Sparrows Cove and anchor. We went out to her at once - the Captain reported that the coal showed signs of heeling and asked for Surveyors at once. As the mail was already overdue they went out that afternoon, the Captain returning with them. They recommended that the ship should come in without delay, and we agreed to tow her in & out for \$120. She had previously put into Bahia with cargo heeled, remained there 5 weeks and disposed of 500 tons by private contract, arranged in London, to Wilson Sons & Co. for I believe 10/- per ton. She is now alongside the S.P. Smith discharging some 500 tons to enable the cargo to be turned over in the hold. I think this case will turn out to be very similar to that of the Elliot in 1896, and that about 400-500 tons will be sold here. The coal is turning but to be damaged by fire and water (which has been pumped into the hold previous to putting back), and it contains a large quantity of pyrites which I understand to be the dangerous element. We could dispose of the coal here without difficulty, and it would be preferable to purchase by private contract rather than by auction. I am sorry now that we did not get the Garinac's cargo in that way, and think it worth while


6.

to cable to you that an arrangement may be made for the purchase of any that is condemned at about 15/- per ton, less of course if possible. The Captain believes that the cargo is insured in Liverpool - I fancy that I omitted to inform you that I received a certificate of appointment as Agent to the Liverpool Underwriters Association. Should the Salvage Association, Liverpool or London, bargain as to price (I presume you would offer not more than 10/- to start with), it might be pointed out that although the value of coal at home is at present very high, it does not affect us here so much as this coal would have to be stocked for a long time seeing that the Garland's coal and coke are more than enough for present requirements. House coal has been going very rapidly this last winter, and I should like to get this at a reasonable figure instead of importing more house coal at present rates.

13. Since writing of 16-11 on the subject of towage and salvage I find that the question is thoroughly threshed out in the "Maritime Notes and Queries", which contain a lot of most useful information. If the series has been continued I should much like to have the later numbers; the 6 books we have in the Office here are from 1873 to 1884, published by Spottiswoode & Co.

I am, Sir,

Your obedient servant,



137

"Hesperia"

December 1901

60.

Sir,

The "Hesperia" arrived on the 8th inst, seven days late, bringing your despatches Nos 918 & 920. Mr Harding left in her for Valparaiso.

2. The Purser on more than one of the Pacific steamers said they could take live sheep as they make use of the official, which of course they do not receive with carcasses. The real point of their argument is that there are as many joints cut from a sheep weighing 60 lbs as from one weighing 100, as ours 80, 80 lbs.

3. Par. 13. I enclose, in duplicate, a statement showing the number of our own people who have travelled from here by the P.S.N. boats since the commencement of the Agency. With regard to the lightness of wool, this would assume only be done as a convenience to ourselves. The shipment by this steamer was, however, put into a lighter direct from the "Hesperia" as it was such a small lot. This obviates the necessity of the "Hesperia" going alongside the "Great Britain" and will, I hope, ensure her speedy despatch.

4. Par. 13. When we went out to the "Kate Thomas" she had all sails set, and as the wind was light and variable it seemed quite possible that at any moment it might come on westerly and afford an easy chance of her running into harbour. When we went on board, Captain Thomas said he was short of water and wanted a little ironwork repaired. It was only afterwards, when the ship was overhauled, that it was seen that so much had to be done to her. Undoubtedly Thomas made a good bargain but this shrewdness on his part

F.E. Cobb Esq.

Will

Managing Director,

London.

will, we trust, be turned to account on our behalf later on.

On Jan. 14, Captain Matthews has not been able to arrange matters about his crew yet. Owing to their good conduct the men were released from prison on the 1st inst. With the exception of one man they all refused to go on to the "Henry Failing", asserting that she was uns seaworthy. The Government people refused to put them aboard unless they were satisfied on this point, and called upon the Captain to produce the final survey report. This he did "under protest", backed up by the U.S. Consul. The document, however, was not considered satisfactory in view of the undeniable fact that the vessel was leaking badly when she came in. I believe the Governor said that if the Captain would agree to an independent survey being held the Police Magistrate would undertake to have the men put on board if the ship were pronounced seaworthy. However, Captain Matthews declined this on the ground that they had no jurisdiction in the case of an American ship. A deadlock ensued and apparently continues. Captain Matthews examined the officer entirely so we know little or nothing of his intentions. At the beginning of last week he made an attempt to sail his ship out to Port William but was unable to get through the Narrows and dropped anchor right in the fairway into the Harbour, where she remains. Meanwhile it was common report that the Captain was going to Monte Video to bring down a U.S. war-of-war to compel the authorities to put his crew on board. Whether this is so or whether he hopes to get a fresh crew the fact remains that he left in the "Italtania" for Monte Video via Sandy Point. Even here he behaved in an extraordinary manner: he did not come to us for his ticket but preferred taking it from the Purser on board. Since commencing the above I have seen Mr Bennett and he tells me that he received an official letter from the Capt. informing him that he was going to bring Admiral Schley from

Monte Video

Walter Vidor to protect his interests. I also learn that the Government intend ordering the Mail to move the ship from her present berth before the mail is due.

8. Para. 14. Mr. Hanning, every opportunity, makes a²² reports and sailings to Miami.

9. Para. 15. Atherton tells me that when the "Lusitania" was in the consumption of coal by the "Hanson" was only seven art. She was lighted up at 5 a.m. and though of course not running all the time, it was past 5 p.m. when she had finished towing the lighters. This is certainly a smaller consumption than we anticipated and shows, I think, that Atherton economizes the coal satisfactorily. When employed on Mail work the Hanson's staff is five, viz two on the bridge, two down below and one deck-hand. Mr. Harding explained in despatch 121-11 that the staff when towing is larger.

10. Para. 17. I have written to Mr. Fenner with regard to the trouble caused by his not having sent full details about the kind of his press. Where possible we should endeavor to supply with of makers and date of issue: this experience will be a valuable lesson to clients.

11. Para. 18. As far as we can judge there is no real necessity for a buoy on the fourth shoal, as there is plenty of water and room for a steamer. Mr. Felton says, however, that he recalls two instances of sailing vessels having got into the trap at low water. Presumably the P.S.N.Co supply their captains with the latest charts of Port Williams, but it is hardly likely that the Government people would object to one being laid down. I do not think the question has ever been raised by the Naval men.

12. Para. 19. For the services rendered to the steamer by the Hanson she would probably not be excessive, though as steam would be up and the operation would not last more than a few minutes it would pay us at that price. In the case of the "Lusitania", homeward bound, however, it was

somewhat

somewhat different as we had to arrange for the Samsen to be alongside by 5 a.m. and the assistance rendered was very considerable. If the P.S.N.Co agree to this charge presumably it would be made retrospective.

11. Par.23. The Orders for the Great Britain were brought out by the "Lusitania" and will no doubt be found most effectual when the next steamer goes alongside.

12. Par.24. & 250-3. It was after crediting \$1480 received from the Government that the cash balance at the end of August was \$500 odd. By the end of September this had been brought down to \$450, and a month later to \$45. By the end of November there would have been a large deficit had we not given the Col. Treasurer a further draft for \$1000. As it was we finished up the month with a balance of \$200. So far the Government people have always paid the \$1000 at the end of the month. We think that since we have charged commission so many remittances are not made through us, and that more advantage is taken of the Post Office facilities.

13. 250-4. I think there is no doubt about the coke from the "Garland" selling in Stanley. The Government had 30 tons for their brick-making, Mrs. Lane uses a good deal for her glass houses, and other people are burning it with coal.

14. Par 6. Would it not be better if the P.S.N.Co were to supply us with proper P/L forms instead of asking us to use obsolete Brazilians? Until this is done, however, we will note the fact that the goods are shipped to Liverpool, with London as the final port of delivery.

15. Par.10. We were aware that hawsers are made according to local custom, but when discussing the point with Ross he pointed out that Manila is more expensive than steel and that when a large Manila rope becomes sodden it is almost more than the small crew carried by the Samsen can handle.

16. Par.11. At the request of Mr. Raillon (and afterward
of

of Mr Harding) Hayes continued to work as mate of the Fortune on the understanding that he should be allowed to go home in the "Thetis", taking his wife with him. The delay in the departure of the "Thetis" possibly accounts for the fact of a child having been born on board.

17. Feb. 12. We received by last mail a letter from Sprackels couched in identical language to the one addressed to you. I am replying that we cannot add anything to the particulars you have given. We think that the opposing Council would be glad to get hold of the Captain of the "Henry Failing" who is not loud in his praise of Stanley.

18. Before Mr Harding left we saw the Captain of H.M.S "Basilisk" about a diver for the Samson, and he agreed to lend us one when we are ready. I hope that we shall be able to avail ourselves of his services this week, and I will get him to give me a written report as to her condition. If needful we can have his services again later on for any repairs that may be necessary below the water line. Johnson will, I hope, be able to start caulking &c in a few days. Rees has already done some painting and has fitted up the cabin &c The sails need overhauling, and this is now engaging our attention.

19. I enclose a copy of the surveyors' second report upon the cargo of the "Beeswing", recommending that some of the coal should be discharged into a lighter and sold. The Captain at once hired the "Tilton" at £1 per day, and filled her very full, Holmwood assuring me that there were at least 65 tons in her. I agreed with Captain Griffiths that in order to save the expense of tallying out it should be quoted as 60 tons and sold for a lump sum. This plan was carried out and after Williams and C. Poole of the "Allen Gardiner" had finished bidding we bought it for £50, which works out at about 16/- per ton. Apparently very little of it is seriously damaged and will probably sell readily. Captain Griffiths recognizes that when 5 days lighterage

and

and 7½ are deducted from the proceeds the result shows that it is unlikely that the lot now in the S.P. Smith, which he expects will be sold, will realize more than the 10/- for which some of his coal was sold in Bahia. He says that if there were so few would-be purchasers for 60 tons, there would be fewer still for a big lot.

20. H.M.S. "Basilisk" took 61½ tons coal ex "Talisman". The paymaster has promised me a draft before the mail, if I get it I will enclose it.

21. The "Insitania" brought the contract shearers from Buenos Aires, and I was able to get them away in the Horne on Saturday. She also brought six sailormen from Monte Video for the schooners. Rozlands has signed on four of them and the others will be put on the Peir Remond's articles when she is ready.

I am, Sir,

Your obedient servant,

ENCLOSURES.

Designated, (Orillia via Orillia November 14th.)

Respectable was 164 & 165.

Store Invoice No 276.

Remarks on Stores.

Receipt of Exchange 11/11/18.

Ship "Kate Thomas" Accounts.

Mr Matthews' letter November 18th.

Copy of letter from Fryer & Blanchard.

Supplementary statement on accounts.

Specification & R/L per "Orillia".

Orillia.

Copy of Stanley Cash Book & Journal, October.

Cash Vouchers, 1st & 2nd Stores.

Store Invoice, No. 277.

Remarks on Stores & supplies.

First of Expenses No. 2127 & 2128.

Quoting Transactions, November.

Ship "Henry Vailing" Accounts, & 1/3 to Owner.

Barque "Haller" Accounts.

Final "Cargo" Report, Ship Kate Thomas.

" " " Henry Vailing.

First " " Barque "Haller"

Second " " "

Duplicate Details of Cargo per "Haller"

" List of Co's servants travelling per P.S.N.Co.

Copy of statement by Capt Ross, as to accident to Barken.

" Letter from Capt Matthews.

" " to New York Underwriters.

Mr Matthews' Report, December 7th, and enclosures.

Statement on Accounts.

Specification of S.I. 35 Hales Wool & 1 Bale of Skins.

Memorandum.

First of Exchange No 2122, 2123, 2124

Rough tally of "Banca" cargo.

Press COPY of P.S.N.Co. Account.

Shipping Report.

Specification & S/L shipment per "Liguria"

162.

H.M.S. "Dartmouth".

December 28th. 00.

Sir,

My last despatch left per "Liguria" on 12th. inst, and I have now to acknowledge receipt of your nos. 921 & 922, which arrived per "Oropesa" yesterday.

2. I have duly received the silver coin shipped per "Oropesa".

3. I enclose copies of reports of divers upon the "Samoa", from which you will see that there is really very little wrong with her bottom, nothing at any rate which need delay her here. Johnson has been at work on her for about a week. He has done a good deal of caulking and is putting up a new mainmast. I have had a windmill fixed, and there is now a good current of air passing through the hold. Captain Bees has been over the sails to ascertain their condition and ascertains that most of them only need a few stitches to put them in order. As the sails from the "Dartmouth" are exactly the same size Bees can have some of them where necessary. When Johnson has ^astraightened up a bit I propose calling a survey in order to find out what will be considered necessary work before the temporary Register is given.

4. The Master of the "Beeswing" has retrieved the remainder of his cargo and is anxious to proceed at once to Iquique. The 400 odd tons now in the "J.P. Smith" will therefore be sold by auction tomorrow at his request, acting on the recommendation of the surveyors. No instructions have been received either from you or the Underwriters but

F.E. Cobb Esq.

I imagine

Managing Director.

London.

I imagine that we shall be quite safe in buying it.

5. Dec. 821 par. 23. I have communicated the Board's decision to Mrs. Turner, but no further steps will be taken until Mr. Harding's return. Mrs. Turner wishes me to express to you her appreciation of the Board's liberality.

6. par. 22. James Robertson the new Schoolmaster for the Camp arrived yesterday, and proceeds to Darwin today in the "Fortuna". I have explained to Mr. Mathews that I will keep the Agreement and testimonials until Mr. Harding has seen them.

7. par. 25. Your desire for triplicate copies of our despatches is noted and acted upon this time.

8. Dec. 822 par. 5. I have made enquiries at the Post office here as to certificates of delivery of mails, and it appears that they had not realized that such had to be issued from here for the homeward mail but that in future this shall be done. As to the outward ones I am assured that every time a certificate has been presented here it has been signed and sent home. I happen to know as a fact that one was given to the P.O. authorities yesterday. As a precautionary measure, however, the Postmaster is by this mail sending home a general certificate, a copy of which is enclosed.

9. At the request of Mr R.H. Buckworth I have cabled you as follows:- Send two feet for new pillars Dunno? Head Press Urgent. Mr. Buckworth writes as follows, "I could not screw two of the new Pillars into the old feet, the female screw of these two must have been wrenched when the Press broke".

I am, Sir,

Your obedient servant,

List of Enclosures.

Applications. (Originals per "Liguria" December 18th)

Despatches Nos. 166 & 167.

Copy of Stanley Gash Book & Journal for October.

Store Invents No. 277.

Remarks on Stores & replies.

Second of Exchange No. 2117, \$2443.07

" " 2123, £199:17:6

Coasting Insurance, November.

Ship "Henry Failing" Accounts.

Barque "Tallman" Accounts.

Details of Claim per Shipment of Whiskey.

Rough Tally of Cargo ex "Samoa".

Mr. Mathews Report Dec. 7th & enclosure.

Statement on Accounts.

Specification and B/L shipment per "Liguria".

Originals.

Indent per Steamer, Vere Packe.

" " Mrs. O. Hansen.

Copy of Divers Report, re "Samoa".

" Surveyors Reports, "Beeswing".

Two copies of S.A.M.S. Accounts, Sept. 30th.

Copy of Certificate from Postmaster.

Remark on Airt. (Copy to)

that he has been appointed German Consul, and asking me to pass over the Archives of the Consulate to him. I have replied that pending the return of Mr. Harding I do not see my way to doing so, and the matter is left so for the present. There is a notice in the Gazette to the effect that the Governor has been pleased, provisionally, to recognize Mr. H. F. Schlotz as German Consul.

5. By last mail a letter was received from Rosenfeld's firm of San Francisco asking for particulars about the "Kosmos" freightage. In the course of a very friendly letter they say that their London Agents made a claim on the Kosmos people for the difference between what their Agent received from us and what the Company received. The Kosmos people admitted that the matter was irregular on the part of their Agent but declined to refund. I enclose a press copy of the letter from which you will see that Rosenfeld's do not intend to drop the matter where it at present stands, and one cannot help wondering how Mr. Schlotz, as German Consul, will like the ultimate outcome.

6. Mr. Hayes went up to Buenos Aires to engage labourers for the Naval Works, and has about 30 Italians coming down by the next steamer. This will probably make him less anxious to get rid of local men, and should relieve the pressure of the labour problem.

7. At the request of the Comodore the Chief Engineer from the "Finn" came down yesterday to see me about coal. He said that the ship would probably take 1200 tons this season, viz:

Finch.	300
Seymour.	600
Basilisk.	180
Argyle.	<u>120</u>
	<u>1200</u>

As the Seymour will coal twice and the Basilisk three times I hope we shall be able to hold out until the arrival of the Atlanta. I told Mr. Wentaway that this vessel was now on

her way

her way out with the second society.

2. The ship is expected to arrive here in two or three days, and in all probability Mr. Farling will return in her.

3. Mr. Mackworth now writes that he finds the new feet of his paper were sent out but overlooked, and he now requests me to cancel the cable sent last mail. I have therefore telegraphed as follows:- CANCEL MACKWORTH'S NEWS CHISEA

I am, Sir,

Your obedient servant,

P.S. I have to report that wool bales Nos. 78 & 79 L.H. have been damaged by salt water and retained for the present pending re-drying. Their weights are noted on the specification herewith.

ENCLOSURES.

Applications. (Originals per H.R.S. "Said" Dec. 29th.)

Dispatch No. 186.

Copy of Letter Report, per "Said".

Reply to letter of "Said".

ORIGINALS.

Copy of "Said" Book 1001, for November.

" " Journal "

Stock Statement, No. 378.

Remarks on Stores & Replies to Remarks.

First of Exchange No. 2123 for \$100.00: 5

" " 2124 " \$ 100.74

" " 2125 " \$100.13.10

" " 2126 " \$ 200.15

" " 2127 " \$100.17

New "Said" Book's "Said", value \$100.00

Insurance on Produce Return, No. 38.

Inventory Insurance, "Said".

Letter "Said" "Said", and 1/2 to "Said".

Letter "Said" "Said" January 1811, & enclosure.

Reply to Remarks on Accounts.

Statement to "Said".

Specifications.

20 "Said" Book, 1001.

10 "Said" Book, 1001.

10 "Said" Book, 1001.

10 "Said" Book, 1001.

170

H.M.S. "Sappho"

January 28th.

CL.

Sir,

Mr. Gliding wrote you last on January 5th per S.S. "Orissa", and I received per "Orissa" on the 25th that your despatches nos. 223 and 224.

2. I returned here on the 5th inst per H.M.S. "Sappho" which leaves for Santa Vitoria early tomorrow.

3. On my arrival at Valparaiso I called upon the Manager and discussed various points with him, which I subsequently detailed in a letter, a copy of which is enclosed, with other correspondence. Mr. Gliding assures me that there would be no difficulty in sending a cargo boat, but explained that it could only be done upon an application from here, as cargo from the Coast is engaged as far as allowed. You will see from the copy of the correspondence that the "Orissa" took 770 bales in 9 hours, which is much faster than any others have loaded it, and so, as I have said, all stevedores worked as quickly the probability as that a cargo boat would not be needed. Whichever way the question is looked at there is a difficulty, and I fear the only method to work upon is to make as accurate a forecast as possible of the number of bales to be brought on, and leave it to Valparaiso to arrange for their removal. This season, too, the shipping is complicated by the possibility of our sending wool in the "Punta".

The buoy for Stanley Harbour referred to was a suggestion of Captain Kinnaird of the "Invicta" who thought that the departure of the single propeller steamers would be greatly facilitated, as they could swing to the buoy by a

J.A. Cobb Esq.

Yours

Managing Director.

London.

rope from the stern of the steamer. Messrs. Alexek and Nicholas who were at Valparaiso appear to have misunderstood the suggestion and confused it with Captain Knesey's idea that a buoy should be placed to mark the Forto Blasi. It would be an excellent thing if the P.S.N.Co. could lay down a buoy; we should then know exactly where the outward steamers would lie and could have the lighters anchored in proximity. If by any mischance our tug were not available, or if we did not happen to have steam up it would frequently be possible to run a line to the lighter or lighters and haul them alongside. Another advantage would be that a certain berth would be reserved for the steamers. As regards passages I had an interview with Mr Harley, the Manager for Messrs Wilson Sons & Co at Puerto Ayes and Monte Video. I fear there will be a difficulty in finding cabins for passengers by the scheduled steamer in April, but they have undertaken to assist us as much as possible. One side of every steamer is reserved for Valparaiso passenger and the other side divided up between Monte Video and Rio Janeiro. After leaving Valparaiso the number of freight berths is cabled to the Monte Video Agents who then dispose of them. Unless, therefore, intending passengers from here give due notice they may be compelled to leave the ship at Monte Video if their berths have been disposed of. I think the P.S.N.Co. came to quote us a 50/- rate for freight from Valparaiso to the Falklands. We fill up the space occupied with our produce and they can well afford to make a considerable reduction!

4. 519-3. I fear the Government people had not estimated the "Samoa's" carrying capacity when they suggested the two loads of bricks. The Governor has built a huge stable at the back of Government House, using local bricks. There is already a corrugated iron stable for cart horses and we cannot imagine what he wants with a place large enough

enough to accommodate half a dozen hunters. I believe that out of the \$5000. sanctioned for Government House, nearly \$1000 has been spent, and with the exception of this stable there is literally nothing to show for it. I have come to the conclusion that Messervy is not to blame for this but the Governor himself, who as a Jack-of-all-trades. He professes to know architecture, engineering, and mechanics generally. Messervy has drawn up no less than three plans for Government House and yet this is not decided upon. I fear that most of the ^{money is} ~~money~~ spent on materials and stores from home, a good deal of which is of no use here, and if the C.O. really wish to curb expenditure they should scrutinise most carefully his accounts for material. From my own experience there I know that in these lies the danger of exceeding votes. An indent goes home, is looked upon as a purely technical matter by the C.O. Clerk who is not expected to understand it, and is simply sent to the Crown Agents with a printed form implying if not expressing approval. I think that if the C.O. before sanctioning the execution of the indent would ask the Crown Agents the probable cost they would sometimes receive a bit of a shock. I think it worth while to mention this in case you had an opportunity of speaking to Mr Anderson on the subject.

7. Par. 7. I have communicated this decision to Mrs. Dean who will pay the half cost.

8. Par. 12. I note the deduction on our own passages. The P. & O. Co. have sent me a letter instructing me to take credit in my next account for commission on the homeward freight per "Orania", viz: - $\frac{1}{2}$ 5 % on \$240:00, which figure agrees with yours. Would it not simplify matters if they were to send you a cheque for the commission, otherwise it seems months before we are able to credit our Mail Agency account with this item. The list of passengers upon

whose

Where account we were entitled to the reduction did not include the shippers per "Lombardia" for whom we have since heard Messrs Tomlinson & Hayward paid in full. In making out their return tickets I will deduct the double reduction and settle the matter.

Coal has been lightered to the steamer in only one case-- the Speedwell Island lot per "Liguria" which did not entail any expense.

The Siesta has become so indispensable that we have not had an opportunity, as far, for the overhauling that must be done before long. The hull of the boat is much shaken and strained, the ^{stern} ~~stern~~ even threatening to open out; the tail shaft is slightly out of place, the engines are very much injured and we are not sure of the boiler. When the Marine Superintendent has arrived and has got used to the workings of the "Hansen" I hope to get the "Siesta" thoroughly overhauled in every way.

I fear, too, that I shall also have to send a report on the "Hansen".

7. Feb. 15. I note your remarks as to the cost of running the "Hansen" and later hope to be able to give some information.

8. Feb. 17. I have just received a letter from Mr. G. Bonner reporting that his press is now making satisfactory work. For all the trouble this has entailed the F. 15. receive thanks and a commission amounting to 15/3. This is one of those matters overlooked by Clients who are under the impression that we are making a lot out of them, and it might I think be brought to the notice of Mrs Bonner who, Mr Mathews informed me, considered that she had not been particularly well treated by the Company, though I am bound to say that during a somewhat lengthy inter-

view I

5.

What I had with her this was not mentioned.

9. Feb. 18. Personally I should not think that a buoy on the North Shoal is at all necessary. The help is an infallible guide and as stated in my letter to Mr Sharpe the directions on the latest chart for entering the Harbour are most explicit. On the South shore of the Harbour a rock has been painted white and directions are given on the chart to open this out in the centre of the Narrows and steer straight for it. Captain Massey is the only Captain who has mentioned it, Messrs Nicholson & Alcock think the Government should put one down if necessary--the Governor however would certainly refer the question to the Commodore and I do not think the latter would consider it necessary.

10. Feb. 18. I thought it better to ask Messrs Wilson Sons & Co what they would consider a fair charge for towing round the head of the steamers. Mr Lewis, the Sub-Manager at Buenos Aires told me that they get 50 for this work in the River Plate, but their launches are always under steam and doing work all the time. He thought that under the very different circumstances of the Falklands 300 would be a most reasonable charge.

11. Feb. 20. Mr Bonmar's Bonmar press broke down after processing 80 bales. I sent the Fortune round with the top of the hydraulic and she brought back these 80, 125 from Corrientes and then went to clear the Walker Creek shed. Nobody seems to care much when their wool goes home this year.

12. Feb. 21. The works on the Merchant Shipping Act and Salvage will be most useful.

13. Some days ago Melanchien informed me that his labourers had told him they had come to the conclusion that they would not work on the mail steamers for less than 1/- per hour and 1/6 overtime, on the ground that they were

driven

Driven the whole time, the P.S.N. Co. doing in a few hours what took the horses two days, and that the risk of accident from the slings coming so quickly was much greater.

This appeared to me to be somewhat defiant and I consequently took no notice of it, but set to work to make other arrangements in case the demand were persisted in. I secured from the Government a promise to allow 5 local natives to work, but at the last moment I received a note from the Colonial Secretary to the effect that this was sanctioned only on the condition that we agreed to import labour if our men refused to work at the ordinary wage. This condition appeared to me to be one there would be some danger in accepting for although we should undoubtedly import labour if we wanted to, we don't want to do it at the Government's dictation. I therefore got in readiness 5 men from the "Sanger" and two others, and if necessary by fishing and Mr. Curzon were willing to go off and assist. I told Mr. Leachman that when the steamer was sighted he was to ask each individually if he was willing to work at the ordinary rate but on the way to the Jetty I came to me and asked for a decision. I referred them to Mr. Leachman and told them to decide at once. After a certain amount of parleying they all turned in at the ordinary wage. Now that they have given in I may see 2 or 3 of them and point out their position to them.

14. I enclose a copy of correspondence with Messrs John Rosenfeld's Sons as to the towage of the Cyren Wakefield.

15. I enclose a statement from Captain Rowlands detailing the accident by which two bales of wool were damaged at Bar Hill. The accident was not the fault of the schooner's men, but as Rowlands and the mate witnessed it, they have signed the declaration.

16. The Cyren arrived on the 25th at 8 p.m. with 115 tons of cargo, 45 having been shipped at Monte Video. Capt. Archer being 2 days late was in a great hurry to go and wanted me to undertake to dispatch him at 3 a.m. I said I was

unable to give any such undertaking, and he wanted someone to
 undertake. I had to point out that under the contract the steamer
 was supposed to remain for 4 hours daylight, and Mr Hayes
 said he could not possibly take delivery of 60 Italian labourers
 in the dead of night. Captain Archer and Mr Hayes thereupon in-
 terviewed the Governor, who gave permission for the steamer to
 leave as soon as the cargo was finished, the labourers being put
 on board a lighter until Mr Hayes could remove them. Seeing that
 there were only 115 tons of cargo, I thought the steamer would
 get away quickly, and decided to remain on board to facilitate
 matters. To our disgust however they worked so slowly that the
 cargo was not finished until 6 a.m., Mr Gilling being occupied un-
 til 8 a.m. getting the mail. We therefore had the pleasure of
 walking the deck of the steamer the whole night simply because
 the officers are unable to gauge the time it takes to discharge
 cargo. This is the second time we have done this, but will not do
 so again for any steamer, P.M.S. or otherwise, and if they do have
 to wait an hour for despatch, they can put the blame on us for I
 am not certain that I will not be made a pawn of again. After
 keeping us all this time without even a soft bunk to lie down on
 the Captain had not the civility to give us time to get on to
 the shore, which led to follow the steamer nearly to the narrows
 and then went up to the accommodation ladder to enable us
 to jump on board at the risk of a ducking. We got on shore at
 8.30 a.m. and had to open mails and write West Falkland letters,
 that mail arriving at 4 p.m. the same afternoon. Yesterday (Sunday)
 we had to be at the office getting letters etc. ready for Darwin.

17. A Mr Lewis J. Ingham, passenger on the Orellana, interviewed
 me as to the prospect of purchasing live sheep here for shipment
 to the Cape. He is connected with a rubber firm trading at the
 London Rubber Company of South America Ltd, and according to
 their letter bearing they represent Messrs G.F. Horne & Co. of Lon-
 don whom you refer to in your despatch No. 531-32. The enquiries
 about wool from Foul Bay came from the Governor. Mr Ingham
 ridiculed the idea of such a small quantity. He informed me that
 live sheep from the Argentine and Chile are now prohibited, and
 thought they might be able to draw a supply from here. The terms

upon which they offer to do business are cash down on delivery of the sheep on board of London & Brazilian Bank drafts. The sheep would be clipped by Messrs Houlder Bros & Co from any suitable part in the Islands in lots of from 1500 to 2000.

I have written to Mr Houlder and also to the V. Falkland to obtain as much information as possible for Mr Lingham who will return from Sandy Point in the Oceanic on February 28th.

18. I enclose a copy of letter from the Consuls re coal and my reply. I trust that the Albatross will have a good passage.

19. I am glad to be able to send a copy of the Report of the Survey on the Albatross, which was carried out by two lieutenants and a carpenter of H.M.S. Albatross. I asked the Governor first to appoint the survey, but he thought it better that I should ask Captain Barker to do so. We were very fortunate indeed to get Surveyors to survey a ship with 3000 coils of wire and about 1200 bags of salt in the hold. They surveyed the deck and upper part one day, but until some cargo was removed from the hold, could not complete it. I got the 2 lieutenants to come on board and point out the space they wanted cleared, and we got the matter through next day. The work recommended is not arduous, but the new Martin scale is rather funny. They forgot to sound the gong until Captain Barker reminded them, and they said nothing at all about anchors and chains, of which we took care not to remind them, seeing that there is only 75 fathoms on one anchor and about 40 on the other, so much having been lost when the anchors were slipped previous to going ashore at Spring Point. I received the Report on Saturday only, and will now apply for the temporary certificate. As to cargo home I am in a difficulty. In my despatch 104-B I asked if I could ship our sheepskins in the Fernon, and offer freight to clients for wool @ 30/-, but you say in your despatch 104-C that you conclude that these have been sent in the Liguria, and do not reply to the suggestion about wool. Williams has now shipped away all the wrecked cargo that he had available.

20. Mr Currie came over in the S.S. Komoros with the wool as arranged, and on all this we shall get a profit of 50% very quickly. He took 1000 coils of barbed wire with him to Gallagos with a few other samples, and the remaining 3000 coils are being shipped in

the *Kormac* Kormac for Buenos Aires. The *Kormac* was chartered by Williams to take away a cargo of wrecked goods ex John N. Keller, but in an Easterly blow about 10 days ago she got so badly shaken up that work was unsafe, and I think he has now finally abandoned her. He had guaranteed 800 tons but has been unable to load more than about 600, so Gurtze's wire will help to make up a full cargo. As regards the price I think that if you saw the condition of the wire owing to being knocked about for one thing and the damage done to it by the salt, you would say that it was a good get-out. One thing I do know, that if Gurtze had seen it before purchasing he would not have offered \$8 for it. Even if we had been offered only \$7 I should have accepted, for it must be remembered that we had to get rid of it, we had no place in which to store it except the lower hold of the *Great Britain*, and the handling of such wire is a most tedious and expensive job. I did not anticipate that the surveyors would have agreed to remove a ship with the *Kormac* and therefore welcomed the chance of getting it away. As it happened the *Kormac* took 1000 coils, and as I have said, we were fortunate enough to get the survey through without being ordered to clear the hold. The galvanized iron is quite a different matter, being all salvaged here, though we cannot get so good a price for it as I had anticipated owing to the damage by salt.

21. I am sending a list of the goods taken over into stores amounting to \$505.49. We have gone most carefully into this question, and I am absolutely certain that this is the best course to take. I am aware that the Directors would prefer to have replaced such stores, but my visit to Valparaiso and Buenos Aires convinced me that it could not be done. At Valparaiso both Verónica and Mr. Harpo strongly advised me not to send the cargo round there - everybody seems stocked up and I was told that the goods would only realize very low prices, which would be reduced by freight, commission, etc.

They said further that it would be impossible to conceal the fact that these goods had been salvaged, and that brokers there would make a ring, as they generally do in

such

such case, agreeing not to bid against one another, and dividing up after the auction. At Buenos Aires I was in a difficulty. I arrived on a Sunday at 7 a.m., Monday and Tuesday were feast days and I had to leave for Monte Video on the Thursday afternoon. Hence I had only 1½ days and did not know anybody, Murphy's office having been closed up. I was introduced to Western Salsstein & Co., but on making enquiries of the London & River Plate Bank at Monte Video, was told that they did not know much of the firm, which had been established for only about 5 years. I found out that the high protective duties in the Argentine would sweep all such goods as candles, soap, and salt, which are manufactured in the country. The duty on rice is so high that not more than 15/- per bag could be expected. I have appended a few notes to the statement, and hope to revert to the subject next mail, and to show that owing to our having received this cargo, our store supplies have been much curtailed.

29. We have now had a six months' trial to get through the work without further assistance but I find that I am compelled to ask the Directors to send out a junior clerk. The additional work in connection with the U.S.N. Co Agency is inclined to increase rather than diminish, as we are continually receiving claims for damaged and missing goods, and we are beginning to receive letters from other firms asking if their cargo has been landed here. All this means extra letter writing and I find the whole day from early to late is occupied by office work, whereas time would frequently be better spent outside. Another point is as I have mentioned before, that 2 is undoubtedly the minimum staff that could do the work during a normal time. In case of illness or absence one is hardly sufficient to do the absolutely necessary routine of cashing cheques and directing the work, and since I have been away Mr. Gilling has found that this occupied his whole time, and arrears of correspondence have now to be made up. I regret much that this has been so hurriedly written, since by return here all time has been taken up with just current work going over "Samao" cargo, interviews as to surveys and getting a

Register

11

Register, and I hardly know how the time has gone. I have not yet been able to touch the annual accounts and four clients have already asked for their accounts current. I find that I have no less than 30 pages of despatches from you to reply to and I am really sorry that I absented myself from the Colony at all.

I am sure that the Board will realize that it is now fairly demonstrated that an extra clerk is indispensable.

I am, Sir,

Your obedient servant,

1871.

"ORAVIA".

February 4th, 1901 ==

Sir,

My last despatch left per H.M.S. "Sappho" on the 27th ult.

2. The Fleet Paymaster of H.M.S. "Flora" offered to give a draft for the coal supplied to the Sappho and Hyacinth without waiting as usual until the end of the quarter. This offer I accepted with thanks and I enclose a draft for £747.10.-. Mr. Prescott informed me that the declaration as to exchange being at par should be signed by two merchants in the place. This has not been done before and I should like to know if it is really necessary.

3. The Commodore has renewed our contract for the supply of fresh provisions for one year from March 31st next.

4. I am in some difficulty as to the alteration of the Great Britain's ports for the benefit of the twin-propeller steamers. Captain Halsey wanted an extra port cut aft to be opposite a derrick on the steamers, and preparations had been made for doing this. Now, however, Captain Couper of the Grissa thinks that it would be far better to enlarge the present ports so as to enable two bales to be stowed at a time. The cutting of a port as far aft would be an expensive piece of work costing from £1500 to £2000 and it seems to me that we had better wait for a consensus of opinion amongst the Captains as to what they really do want (if anything), otherwise we shall be continually making alterations.

5. Dr. Jamieson has asked me to appeal to the Directors to continue their subscription of £25 towards his guarantee fund. A population of under 1000 is scarcely sufficient to support two doctors except there is an unusual amount of sickness, and if the place were left with one doctor who is getting on in years and

F.E. Cobb Esq,

he

Managing Director,

London.

2.

he himself fell ill, the consequences might be serious. The working people continue to contribute to his fund, as they appreciate the presence of a second doctor, and seeing that the Board contribute £100 towards the stipend of the Assistant Minister, they may be disposed to extend their generosity in favour of Dr. Jameson.

6. I enclose a copy of correspondence with the Colonial Secretary as to the sale of the Peeswing coal, and a copy of my letter to Lloyd's, to whom I decided to send the correspondence without delay. The Governor practically says that the Falkland Islands Company got the coal cheap by imposing conditions in the sale that prohibited others from bidding, and threatens ^{to report me to Lloyd's} ~~that~~ unless I give an undertaking that in future sales on account of underwriters, at least a days notice will be given, and that if coal is sold it will be put up in lots of not more than 100 tons. If the Captain insists upon putting it up in one lot he directs me to protest and to report this protest to Lloyd's. This I regard as an unreasonable piece of interference, and I would have made my reply stronger, except that it is not politic to put their backs up, more especially just now that the issue of a certificate for the Bance is under consideration. I have given Lloyd's a full history of the matter and placed myself in their hands. In this case, had the Agent for Lloyd's not been the Manager of the P.I.C. the coal would have been knocked down to the latter for £50 instead of £100, as Mr. Sisking ran the price up to double Mr. Gordon's original bid. As I have said to Lloyd's there is a plenty of fuel just now, the Garland's coal and coke having been sold only 3 months ago - we have a good stock of house coal and are expecting another 100 tons shortly. Under these circumstances there was no demand for coal and consequently no opposition, especially for stuff that had been twice damaged by fire & water. A Captain really knows better than myself if there are likely to be many bidders. If I went round the place asking people if they intended to bid, there would be some justification for thinking that I wanted to form a ring. The coal is more damaged than was at first supposed.

7. I enclose a copy of a letter which I have written to the

3.

Messrs J.D. Sprackels & Bros. Co. I deemed it better to go fully into the case of the Henry Failing, as the evidence of Captain Sullivan would be very convincing indeed, unless they were in possession of some of the facts and were able to rebut it. I wrote a letter to each of the Captains named.

8. I regret to find that I have not before sent you a copy of the contract with Messrs Tomlinson & Haycraft. This year the contract is at the rate of 80/- per 100, and the money is payable by draft on England, or by a Bank or Commercial house in Buenos Aires. Hence it appeared to me that we might save the London & River Plate Bank's commission, and I therefore wrote informing them that we should probably not avail ourselves of the draft. A copy of the letter is enclosed.

9. 1880-3 & 1881-2. Our cash book is of course the index to the question of remittances, and as you say, we had been sailing very close to the wind. To be so short of cash has meant great inconvenience and loss of time, and it was impossible to go on. The passenger fares made no difference whatever - formerly the cash was paid to Mr. Schlotfeldt who brought it here and got a draft in exchange, now it is paid here direct and you pay the F.S.V.C. in London. Again in your comparison in 1881-1882 between 1880 & 1881, you overlooked the shipment of £1500 in silver by the Itarsi in July 1880. When a ship is repairing here the outgoings of cash are heavy, and we have to pay in the course of the year quite £1500 for export duties. As a proof that we really wanted money, I may mention that from Dec. 27th to 31st we received from you £1500, remittance £1000, draft on Treasurer £1000, and cash £1500; yet on December 31st our cash balance was under £100 which will disappear this month when the land rent is paid to £1500. I hope that I shall not have to draw on favour of the Government again until September, although they are asking for a draft now on the ground that they have a cash balance of £3700, the bulk of which, however, is their own note issue. I do very much dislike the Governor having the control over our supplies of silver, but as you say, it cannot be helped unless we are prepared to throw away the freight paid by the Mint.

10. Sep. 1. I only know that Mr. Mathews wrote me as follows:-
 "Please wire Monte died September 19th", and charge cost of doing
 so to me. As I told you, my wire from Monte said "died" not "dead".
 "dead; not dead". Biviera was our mistake - the word was filled
 in on board the Drelland at the last moment.

11. Sep. 3. I note your remarks as to claims for damage wood,
 though there have been more than one complaint of the lapse of
 time before the claim is settled.

12. Sep. 5. We land goods on the Town side at the end of our
 jetties, allowing the owner of the goods the use of our tramway
 and track, and have made the charge 6/8 per ton, which works out
 at 2d per foot or 4d per cwt. As C. Williams has large quanti-
 ties I have kept the charge at 6/- per ton for him. On every per-
 sonable they have a small boat jettied alongside which we are able
 to put the cargo purchased from Williams, and Mr. Harvey's men have
 as a rule received the goods on the end of this jetty. At times
 when it has been necessary to cart them away quickly, our men
 have lent a hand to put the cases into the cart. The wood and
 sleepers had to be stacked a slight distance from the head of
 the jetty, and in order to facilitate matters, they were shoulder-
 ed straight out of the dock. I allowed our men to assist in
 as Mr. Harvey had frequently taken delivery from our jetties of
 roofing iron etc. for which we had quoted a price delivered on
 Harvey peninsula. Of course their boat jettied is inconvenient at
 present, not having enough water alongside for a lighter, but, gen-
 erally speaking, we have worked on the give and take principle as
 far as possible. As regards the logs it would most undoubtedly
 have been better to have lashed them together in the form of a
 raft, but where were the men to come from? There were two light-
 ers alongside with all our heavy gear, into which they piled
 cases as fast as they could be stowed, and had I taken the men
 from that for the logs, there would have been delay. By that
 same steamer too you sent me a letter from the P.S.M.C. hoping
 that we should give quick despatch. Hence we decided to drop
 the logs overboard and let them take their chance. Naturally
 they took different directions, and instead of collecting them
 altogether

H.

altogether near the jolly, I suggested that we should get them in four heaps at places where the hauling up was not difficult, drawing them sufficiently high to ensure their not floating off, not totally above high water mark. To have collected them in one place above high water mark would have meant another journey across and time which we could ill afford, hence my offer to Mr. Hayes to take them over at the reduction of £5. In saying that it took the *Sisala* and gang a day and a half I was a little over the mark. The steamer left in the afternoon, and we spent the balance of that day and the whole of the next on this work.

13. Same day. I do think that we should always receive £10 for towing the head of the steamer - if we happen to have drawn up it is probably over the mark, but if we have to get up steam specially, as in the case of the *Lucitania*, we ought to be paid more; and an all-round charge of £10 would be fair. Whatever is decided upon, the P.M.S.C. owe us for 2 tows, namely the *Lucitania* on September 26th, and the *Iberia* on November 4th.

14. Par. 6. I fear that my refusal to advance money to the Captain of the P.M. *Blanchard* was considered harsh, but in the face of your positive instructions referred to, I was compelled to refuse. The case was somewhat exceptional seeing that we had repaired the ship and had had several dealings with the crew. I referred the question of the use of salvage proceeds to the Underwriters and have been informed that the Captain should have had the use of these moneys towards paying off the crew.

15. Par. 7. I have returned the circular about boiler fluid.

16. Par. 12. I am entirely in Mr. Mathews' hands as to the quality of mutton supplied to Stanley, which certainly of late years has not been the best. The mail steamers are so erratic in their dates and in their requisitions that it would not be practicable to keep special sheep for them.

17. Par. 13. The S.S. *Kosmos* went from Sandy Point to the *Andriana* wreck in *Tierra del Fuego* with the object of bringing 600 barrels of cement to Stanley for C. Williams, and loading with a cargo of wrecked goods ex John R. Kelley for Buenos Aires. Owing to

bad

6.

bad weather and could get only 100, and I am informed that the launch will be brought over by her later. Williams says that he is paying 15/- per barrel for it. I have heard all sorts of rumours about small steamers running up the coast and across to the Falklands collecting wool, and I believe that the Hamburg Pacific Line have now finally decided to run a coaster. Possibly the Kosmos may have had an idea of doing it, and on that account kept Mr. Schlottfeldt here so long. On the 1st instant however, he called on me to say that he is leaving the Colony by the mail of April 17th for Hamburg, the Kosmos Company having offered him an appointment in their office there. He is resigning the Consulate and will hand the seals back to me and leave the affairs in my hands again.

18. Feb. 19. I am at a loss to understand the question of transshipment from Hill Cove to Shallow Bay, seeing how confidently Mr Blake wrote about this in 1898. I have dealt with this in remarks on proposals, and presume that you will decide the matter with Mr. Blake and advise me later.

19. Feb. 1. I quite agree that the P.M.S.C. should pay the bare expense of steam in the launch and tug when their steamers are late. They must have been very hard up for something to say when they wrote about our impressing upon the authorities the necessity for cable communication. It was their business to have broached such a subject when they accepted the contract. There is no disguising the fact that their work here is done very cheaply - even the Kosmos, with only half the subsidy and three times the delay, had to maintain an Agent at £200 per annum (so Mr. Schlottfeldt says). The P.M.S.C. do not even supply their own stationery.

20. Feb. 2. Messrs Focke Bros. & Co. wrote me some time back saying that Messrs Spearman and Waldron had offered to take their Port Howard wool home in the Annie again this year, but before accepting wished to know whether we were prepared to do it. I replied that we were quite prepared to collect it as usual, in fact we had always regarded this as an integral part of the business we do for them.

We do for th

21. I am shipping 125 casks of Mr. Cameron's wool by this steamer, and have made out the B/L at 30/- in full, although being a distant port, I suppose 25/- would be the correct rate. You said in your despatch No. 910-20 that Mr. Cameron should pay an extra 5/- which might be divided with the P.S.N., that is to say the through rate will be 25/- & 5%. I presume that you will collect the schooner freight at your end, and it struck me that if we enter 25/- on the B/L, Mr. Cameron may think the extra 15/- excessive, and if we put 40/- the P.S.N. will think the demand for the return of 15/- excessive. It has therefore been entered at 30/-.

22. I enclose a copy of the final account with Messrs Tomlinson & Hayward under the clearing contract, and have drawn on you 40 days for £121,14-10, the balance due to them. I draw 40 days as they debited us with discount on the first draft for £100. The clearance leaves by this steamer.

23. I enclose the following statements re cargo:-

Goods not yet disposed of, with valuation.

Comparative statement, showing totals as per Manifest & Tally; with valuation of the shavings.

Goods taken over by Store, showing prices credited to the ship and expected profit to the Store.

I must say at the outset that the valuation of goods not yet disposed of is a rough one - we consulted all available price lists to get as accurate a value as possible, but there are many things we could only make a shot at. The total valuation of the cargo will be roughly as follows:-

	£
Goods taken into Store	5,800.
Goods not yet disposed of.	<u>900.</u>
	6,700.
Less 25%, say-	<u>1,700.</u>
	5,000.
Add - bare wire, £500, and value of ship - £3500	<u>4,000.</u>
	<u>9,000.</u>

Deducting the disbursements and towage for the Samson, we shall show a profit for the year of about £1000. I have not been quite certain as to whether you would wish 25% to be deducted

from

From goods taken into Store, our loss will be small in any case.

According to my valuation the cargo stands as follows:-

Taken into Store	5,800.
On hand.	950.
Part Wipe	830. £7,680.

giving a total of £7,680 which the Directors will no doubt consider small, seeing that the cargo was reported to be insured for £12,500. If this was really a fact I can only conclude that it was over-insured; whether purposely or not, I am not in a position to say, but I have thought all along that there has been something very strange about the case and have wondered if the ship was ever intended to reach her destination. The shortage of cargo as per enclosure is very high, and is valued at nearly £270, and I am perfectly convinced that nothing has been stolen since she was wrecked, and I believe that most of these goods were never put on board. There is no doubt that the cargo was badly ransacked on the voyage, and at Piring Point before she was sold, for in discharging in Stanley, Northampton Town is where the place that they had pilloped cargo right down to the bottom of the hold. Of course I do not say that the value of the goods should reach £12,500 as this sum would no doubt include freight, war risks and possibly 20% for expected profit. Working on this basis the original value of the cargo would be about £9,500, whereas our valuation, including the shortage, is £8,800, or just about £1,000 short. I said in my last despatch that I hoped to show that our interests had been smaller. I have compared our store imports for 1899 & 1900, and find ^{that} the value of stock at the beginning of 1899 with the imports for that year about equal the stock and imports for 1900, so that it would appear that our interests have been about the same. But prices in 1900 were higher and during that year we have imported articles not stocked in 1899, that is to say, we have gone in for a greater variety. Had we not taken over into Store a fairly large amount of goods we should have been compelled to indent per Thetis for Bottled beer, Candles, Cement, Roofing Iron, Nails, Paint, Glass, etc. Therefore although the large transfer from Store may be characterized as a book entry, and the
Directors

9.

Directors would have preferred to turn over into ready cash, the
 income for stores from home have been and will continue to be
 curtailed, thus having disbursements in hand. To have turned
 the bulk of this cash into ready cash would have entailed a
 heavy sacrifice, and I think that our having retained a large pro-
 portion in the store will prove eventually to be profitable.
 Up to the end of last year we had sold quite \$1500 worth, and it
 will be seen from my third return that we anticipate clearing
 \$50 on the goods taken over. I think it only right that Store
 should get a good profit as Store labour has to be ^{util} realised, and
 most of the goods are of the same class as the Store sells.
 I do not doubt that much will be found in our figures to criti-
 cise; we have given as much time as possible to this matter, at
 the expense of others probably, but I regret that we had not more
 even.

24. There are three questions raised in your dispatch No. 52
 namely the Thesis, Clients advances, and the labour supply that
 involve so much answering that I am compelled to defer until the
 accounts for 1900 are finished. Although this dispatch is dated
 the 5th, the bulk had to be written on Sunday 3rd.

I am, Sir,

Your obedient servant.

Mr. Ward
14th percent the
amount sold in 1900

172.

H.M.S. "Nympho".

February 19th.

01.

Sir,

My last despatch left per Gravia on the 5th, and H.M.S. "Nympho" leaves to-morrow morning at 9 a.m. without waiting for the Iberia, due to-morrow.

1. The Gravia got through very expeditiously, having loaded 1050 bales in 9 hours. If all mail steamers could work as quickly there need not have been any question of a cargo boat at all. Circumstances were unusually favourable, the Fortuna putting her load alongside direct, and the crews of the other two schooners being available to assist in the stowing.

2. I had hoped that the Nympho would not have left until nearer the end of the month, in which case we could have got the accourts away by her. I regret that we have not found it possible to finish them earlier, and that there will be no opportunity of sending them before the mail of March 5th.

3. I have not yet received the certificate for the Samoa, but am informed that it will be given without any further question. We have now got in 75 of the 100 tons ballast required, and a little of the original cargo which is to go home. The Fortuna will fetch our 100000 sheepskins about the end of this month and I propose to ship them, a few from Mr. Packe, our Stanley skins and 30 bales of Mr. Felton's wool for certain. Messrs Packe Bros and Mr. Vero Packe have offered their wool, but I fear that we can not wait for it. I am in some doubt about Mr. Blake's wool, but gather from a letter just received from Mr. Miller that he expected it to be shipped by the Samoa. Unfortunately I had counted

P.E. Cobb Esq,

upon

Managing Director,

London.

2.

upon Hill's offer of wool towards 750 bales promised for the Yorkshire however I will write to Stobbenrath by the Iberia explaining that I should prefer to ship only 550, if he can secure 200 there. If he does this I will send Mr. Blake's in the Samoa. I am in a dilemma about the cargo, as it is a question which would pay best - to send her quickly with little cargo on the chance of getting a good price for the ship; or, to earn a fair amount of freight on the homeward voyage.

In my calculations in my last despatch I over-estimated the value of the bare wire by about £65.

5. I am glad to be able to report that Johnson has succeeded in getting the windlass of the Clengowen to move yesterday, after a great amount of difficulty. A fire had to be kept going under the windlass continuously to make it budge. He is now working at the steering gear, which requires the same treatment.

6. The Thetis is making a long passage out, 75 days to-day, and I fear that there will not be time to do more than the coasting trip and load for home. If I felt that I had an entirely free hand as regards the Samoa and Thetis I cannot help thinking that it would have been a good arrangement for the Samoa to have taken all the wool and let the Thetis load at Goose Green with cargo tallow. This would save a lot of handling, an advantage this year seeing that the weight of the barrels ex Ross Baker will be above the average; but on the other hand, you have now secured a favourable rate for tallow to Liverpool from the P.S.N.C.

7. A.M.S. Stephen, instead of returning here and taking her share of steam coal, was suddenly ordered to the Cape. I fear we may not dispose of much @ 72/8 unless the Flora takes a large quantity. Owing to the late arrival of the Athena they are economising, and I hope she will be here before the end of the month, otherwise the Flora will take only enough to last her to Monte Video.

I am, Sir,

Your obedient servant,

ENCLOSURES.Relatives. (Originals per "Oravia" Feb 5th)

Despatch No 171.

Store Indents No 272.

Remarks on Stores.

Second of Exchange to No 1 2747:10:0

Coasting Insurance January.

Mr Mathews Report Feb. 2nd & enclosure.

Copy of Account with Messrs Tomlinson & Hayward.

Returns re "Siam" Cargo.

Remarks on ditto.

Statement on Accounts.

Specifications:- Wool D.H. Nos 311 to 484

M.A. " 313 " 752

W.C. " 239 " 326

Specification & Bills of Lading, Shipment per "Oravia".

Originals.

Store Indents No 280.

Messrs Packer Bros & Co's Indent for Stores.

Copy of Letter to Col Secretary, Feb 7th.

Press copy of S.A.H.S. to 31st December.

Statement on Accounts.

Notes re Specification.

Specification:- W.C. Wool Nos 327 to 351.

173.

"YORKSHIRE".

March 4th, 1901.//

Sir,

I enclose herewith the Profit and Loss statement, Balance Sheet and other financial returns for the year 1900, showing that the Company's transactions for that year in the Colony have resulted in a nett profit of £37,547:17:3, as compared with £29,165:13:11 for 1898; an increase of £8182:3:4.

2. Generally speaking the increased profit is due to an increase of £4200 from the Farm and the profit from the Samoa. The Store shows a decrease of £1400, and Shipping and schooners £700.

3. Paym. - £25,000:17:5, an increase of £206:12:5 as compared with last year. I am glad to be able to enclose an abstract of this account as a comparison with last year's is very instructive. The satisfactory feature of the account is the general reduction of expenses. Produce realised only £570 more and we had an annual credit of £700 for boiling down for Mrs. Jenner. The expenses show an all-round decrease of £2800:- Camp wages and wages paid in Stanley show decrease of £400 each; purchase of live stock is £1000 less, schooner freights £440 less, and consumption stores are £1040 less. The cost of renewals for the North Arm machinery this year has been charged to Plant. Under two headings the expenses have been heavier - Export tax £300, and expenses on account of M. Aires shearer's £300, but this latter should be set against the diminution of Camp wages.

4. Store. - £7007:14:8. At first sight this figure may appear disappointing as compared with £8474:17:3 last year, a decrease of £1417:3:1. You will however recollect that after making up the accounts last year we discovered that C. Williams's account

P. E. Cobb Esq.,

accounting

Managing Director,

London.

amounting to £318:14:8 had been omitted, and that we had credited our Stock in error with bricks to the value of about £70. Adjusting these items we find that the two years compare as follows:- 1899 about £8065; 1900 about £7645, and during the latter year Store account has borne the grainity and passage of Fleetst £212, so that the actual decrease of profit is about £430, which I think is not unsatisfactory. In view of the competition in storekeeping now we cannot expect to maintain the high rate of profit we have hitherto enjoyed, and during this winter I hope to have time to go into the question of reducing prices on necessaries in order to meet this competition. The stock of stores is unusually high owing to the cargo taken over from the *Sandra*, £5200, and the heavy shipments in transit. The values of the goods actually in the Stores in 1899 and 1900 are roughly £24000 and £22000, and if you deduct the *Sandra* goods from the latter figure, the amount was a few hundreds less. The shipment per *Annie* is a heavy one, but necessary, as we have been quite out of most sizes of ordinary timber since June last, and have lost the sale of a fair amount besides being unable to supply Mr. Mathews's requirements. The Millinery stock is high owing to the fact that shipments could not be got ready in London and 3 mails' indents arrived together at the beginning of last December. During this year we shall be able easily to reduce our stock to its normal figure.

5. Company's Shipping. - £761:17:4. A fair profit which is due to receipts from ships, about £300, and also to the fact that during last year we spent much less than the average on wages and stores for the maintenance of the hulks and lighters. Last year I carried forward £200 towards repairing the *Sissie* etc., but I regret to say that this work could not be done in the year and has to be done now. I have therefore again carried forward £200 to 1901.

6. Schooners. Taken together show a loss of about £10, which is unsatisfactory. I have gone carefully into the accounts and find that stores consumed have not been above the average, and the reasons for the decrease this year are that *Farm* has contributed

3.

\$460 loss, and that the Thetis had a very large share of coasting freight on wool and tallow. The Fortuna spent some time fixing new layberds, and was not laid up at all. The Fair Rosamond was hove down for repairs to keel and copper and her rigging was badly in need of renewing. All the dead-eyes were re-strapped and ironwork overhauled generally. She is now in first class condition, and I am glad to take this opportunity of saying that Captain Willis has done very well with her this year so far. Both the Fortuna and Fair Rosamond were put to some extra expense for passages of sailors from Monte Video - they are not as good as they might be, but we must have men and do the best we can. The Hornet will require to be hove down this year, and I hope we may lay up the Fortuna as well for a time. last year the Samsen occupied some time for some time and it was not possible to lay even one up.

7. Surplus. - \$719:-:1. I have not credited her with un-expired insurance premium nor with the stock of coal she had on board at the end of the year.

8. Interest and Commission. - \$140:3:3. A slight increase as compared with last year.

9. Consumption and General Charges. Shows an increase of \$80 over last year. Supplies to the Smithy were fairly heavy, and the cost of the type-caster and law books had to be borne from these accounts.

10. Stanley Wages. \$4550. Shows an increase of nearly \$100 as compared with 1888, and with the addition of mail work, the Samsen and later the salary of the Marine Superintendent, must be expected to be much higher during the current year.

11. The amount written off for bad and doubtful debts is very small. I have been in some doubt as to whether you consider the balance of the Enola's a bad debt. If you intend to write this

off

4.

off, the Profit and Loss Statement will of course be rectified in London.

12. I have dealt with the question of the Samsa in previous despatches, and at present have nothing to add.

I am, Sir,

Your obedient servant,

J. Harding

ENCLOSURES.

Balance Sheet.

Profit and Loss Statement.

London Office Cash account balance.

Statement of items in Deposit account.

Inventory of stores at Darwin Harbour.

Inventory of stores at North Arm.

Summary of Stock - East Store.

Summary of Stock - West Store.

General summary of stock of stores.

Balances due to and from camp men.

Consumption stores on hand in camp.

Building materials on hand in camp.

Fencing materials on hand in camp.

Statement of schoolers' earnings not audited.

Copy of Stanley cash book for December.

Cash vouchers for December East and West Stores.

Copy of Stanley Journal for December.

List of Store Debtors.

List of Butchery Debtors.

Remarks on Store Debtors.

Abstract of Farm account.

174.

"YORKSHIRE".

March 5th, 1901.

Sir,

1. I wrote to you last on the 20th instant per H.M.S. "Nympho" and have received on the 21st per Iberia your despatches Nos. 925 and 926.

2. We have heard with deep regret the news of the death of Mr. Foster Mortimore, and the Stanley Office offers its respectful sympathy to the Board in the loss sustained by the Company.

3. The Iberia arrived with 230 tons of cargo at 2.15 on the 21st and left next morning at 8.30. She brought a considerable amount of cargo from Monte Video, including 260 pieces of wood for the Government; and of the English cargo 100 tons was for the Naval Works consisting of steel rails, contractors tipping trucks, 8 carts, and a quantity of spikes, bolts, etc. A fire broke out on the Iberia in the steerage hold just before leaving Monte Video, but was fortunately not worse in about 10 hours. A lot of cargo for Sandy Point, and the West Coast was damaged, and I have taken the precaution of having all Bills of Lading endorsed to the effect that the Consignee accepts the goods under average bond. So far only 2 cases for this port have been reported as damaged by the fire. I think it will be as well to compile a short statement for every steamer giving the time of arrival, number of lighters alongside and number of men in each, as there seems to be always some discrepancy between the Captain's version and the actual facts. Captain Kite told me that he had heard that for one steamer we placed alongside only a schooner with a very small hatch and a lighter with 2 men in it.

4. Mr. G. W. Benney has written saying that his aunt, Mrs W. D. Benney, contemplates returning to the Colony, and asks whether her furniture could go off next year in the Thetis direct to Saunders Island. I understand that the anchorage there is good - I have

J. E. Cobb Esq,

informed

Managing Di

2.

informed Mr. Benney that Mrs Benney had better communicate direct with you on the matter.

5. I enclose a copy of the reply received from the Government as to the proposed buoy on the Forth Shoal, the moving of the ot Britain, and the placing of a mooring buoy in the Harbour. The Commodore told me that it would never do to put the Great Britain at the spot suggested, and in fact I did not suppose for one moment that it would be sanctioned. To move the bulk S.S.H.34 cables from Navy Point would not suit us. The cost of discharging schooners would be greatly increased from the loss of time involved, a point to which I alluded in my despatch No. 184-19, but fear from your reply in 925-13 that I did not express myself quite clearly. The loss of time would occur in the journey from the jetty to the Great Britain - a man has to go off to get up steam and the heavy gun would have a very long pull off to the bulk and back again. On most days the engineer would never be able to pull back alone in the dingy as he can now, and the whole of the heavy gun would lose a full hour.

6. Messrs Focke Bros. & Co. wrote me that they were quite prepared to consign their Port Howard produce to us, but suggest that as you said that it was only the 1% commission that paid the Company, we might send their stores out to Port Howard in the Annie and they would send the wool home in her.

7. The Warp is now finished and should be insured for £500. The sails are too large, the measurements sent from here being the full size. I fear that we shall have to take a cloth out of the Hornet's sails, as they have stretched so much and hang like bags.

8. The Thetis arrived on the 25th ultimo, after a long voyage. She had bad weather in the Channel and from the River Plate to here. The pigs have been landed alive, but I fear that we shall lose one of them, which has lost all strength in its hind quarters. The other two are bad on their feet but are doing well - Mr. Ma-

thons

3.

there will be in Stanley to-day and will examine the ram and report to you. We shall do our utmost to get her away as soon as possible, but as all the cargo has to be lightered, it must be remembered that she arrives here immediately after an outward steamer which discharged 240 tons into 3 of the lighters. We have many kinds of work to attend to, each kind more or less pressing, and all cannot be first. Mail cargo must be landed, coal must be put alongside H.M. Ships, our own goods must be got up to the Stores, and schooners cannot be kept waiting to be discharged.

9. I have heard from Mr. Bingham that as all the Railways in S. Africa are in the hands of the Government and it is impossible to move stock into the interior, his firm will not make any shipments until matters are more settled. I am however collecting information from the West in case there should be any prospect of business in the future.

10. I will certainly refrain from drawing upon you for more than I can help, though we must be in funds here for the ordinary banking business. I feared that I might have to give the Government a draft, but we are now able to stave it off. When settling with the Treasurer at the end of February we found that we owed £2830:- Rents and clients' cheques £2000, and customs duties per India £830. Against this we placed:-

Remittances.	£ 1000.
Savings Bank Withdrawals.	270.
Salaries which we collect.	100.
Dividend from R.H. Aldridge's estate.	200.
Cash of Mr. Hayes.	490.
Cash for balance.	<u>110.</u>
	<u>2830.</u>

I hinted to Mr. Hayes that he might make a payment, and got him to give the Government a draft on the Admiralty for £500 taking our paper in exchange, with which he paid his accounts for stores etc. The draft arrived before the end of February and the Customs duties amount to £850. Fortunately Mr. Packe came to the rescue and agreed that the payment of these should stand over until the settlement at the end of March. I also suggested to the Fleet

Paymaster

4.

Paymaster of H.M.S. Flora that if it made no difference to them a draft for the 150 tons of coal supplied to H.M.S. Basilisk would be acceptable. I am therefore able to remit to you of this mail drafts on S.B. Waloron £819:11:8, on Asst General of the Navy £432:10:—, Mrs Dean's cheque £93, and I hope to receive in time for the mail a further cheque from Mrs Dean in settlement of her store accounts and the half cost of Bender's fence, about £450 in all.

11. As the mail is now due I have to close this. Should the Yorkshire be more than two days late I will endeavour to answer your last three despatches, but in any case I shall have a further opportunity of writing by H.M.S. Basilisk which is supposed to leave for Monte Video on the 10th instant.

I am, Sir,

Your obedient servant,

Hardy
Dean

Enclosures.

Duplicates. (Originals per H.M.S. "Kymene" February 20th)

Despatch No 172.

Store Indents, No.280.

Remarks on Stores.

Copy of Letter to Colonial Secretary. Feb.7th.

Statement on Accounts.

Specification of Wool, W.C. Nos 327-351.

Notes re Specification.

Originals.

Store Indents No.281.

Indents from Mr Mathews.

First of Exchange No 2133, value £215:11:8

" " 2136 " 422:10:0

" " 2137 " 435: 0:0

Mrs Dean's Cheque on London Joint Stock Bk Ltd. £23:0:0

Mr Mathews' Report, March 2nd. and enclosures.

Copy of Correspondence between Mr Harding & Colonial Secretary.

Insurance of Produce Return No 25.

Coasting Insurances, February.

Letter to F.R. Cobb Esq.

Shipping Report.

Statement on Accounts.

Specifications of Wool:-

H.A. Nos. 753-822.

W.C. " 352-526

H.G.J. " 1-45

H.T. " 1-75

175
J.M.S. Basilisk.

March

01.

Sir,

My last despatch left per Yorkshire on the 4th instant.

I have not hitherto been able to reply to your 921-3 on the subject of the Thetis, but will endeavour to do so now. If we look at this question and form a judgment simply from the balance of sheet, she is undoubtedly somewhat of a failure, but is she to be regarded merely and solely as a money-making venture? In your despatch No. 917-30 you said that her primary duty was to carry out once a year all the goods our clients indent for, and subsequently in 924-15 you went more fully into the reasons for our running the vessel. Is she not therefore somewhat in the same position as the Schooners, which on paper just pay their way, but do not as a fact bring much revenue to the Company? The Schooners are required to do a lot of indispensable work for the Firm, for which Firm pays higher in proportion than the clients - the Thetis is required to do indispensable work for the clients in order to secure the retention of the more remunerative. It appears to me that these vessels are, so to speak, flints, which does not of itself bring in revenue, but is necessary for the production of revenue. I do not argue that they should not be expected to pay - far from it - but in dealing with the results of their working I think that they should not be looked upon as separate concerns but should be viewed and judged as a part of the whole.

As regards her sailing qualities, I have a very unpleasant task, but the sooner the Directors realize the truth, the better. We have been informed at various times during the past 7 years that she was specially designed for going to windward - so long as the objection did not go beyond this, I suppose that neither Mr. Basilisk nor the Captain thought it worth while to shatter the

J.F. Cobb Esq.

illusion.

Managing Director,

London.

(2)

illusion. Now however that it is stated that she has proved her self good at going to Windward, I really must speak out and say that it is a fallacy, for she will not go to Windward, in fact she will not do more than any other square-rigged vessel. Judged with other square-rigged vessels she is undoubtedly as good as any, but no better. You say "The principal loss of time is in harbour." With few exceptions the passages from port to port have "been good, proving the sailing qualities of the vessels for once "ting". With all deference, it proves the exact opposite. Experience has shown that she will not beat, and it has paid infinitely better to wait in harbour for a fair wind rather than lose time thrashing about at sea, making no headway, but wearing out sails and gear.

To take in order the causes of her lack of success

(1) Insufficient Freight. In Dec-17 I put forward a suggestion that a sliding scale might possibly be devised. The reduction from 40/- a ton, made in 1895 was repeated in 918-10 in the following words:- "We are going to reduce the Thetis's freight to 30/- a ton, hoping with diligence and economy to be able to make both "ends meet". This reduction seems to have been heavier than necessary, but if you put the freight all round now to 35/- a ton, it may have the effect of bringing in competitors. Why not make the rates net - say minimum for 50 tons - 34/6 in full.

For 25 to 50 tons - 34/6 " "

For 15 to 25 tons - 40/- " "

If less than 15 tons the goods to be sent by steam, whenever freight to be charged at the usual rate in addition. I do not think that the larger clients could object to 35/6, and that figure is I should say low enough to prevent competition; at the same time it should pay us fairly, as the larger clients always give better despatch and more help than the small ones.

(2) Retention. I have dealt with the time spent in harbour on the coasting trip. As regards Stanley, is it altogether ingenious to say that it took a month to put out 200 tons of cargo? More than once we have ^{said} asked from here that if it were possible to stow the cargo in London according to the marks, the discharge of

(3)

Stanley cargo would take only one-half of the time, but it has not been found possible to stay in London according to any plan on account of the lightage. If you have had time of cargo for Stanley and could get it stored on top, we will very soon get it out; but when the SOC is distributed all over the ship I cannot think it fair to say that it took a month to discharge this, and characterize it as "extraordinary". Then again we are not given any credit for having had the ship managed here and saving about £50 for Customs Officer. Cargo cannot be turned over for re-storing and be re-stored without losing time. As to the men having been taken away for other work, the Navy gang had to be sent, the Thetis men could not go on with anything without help, and by assisting the Navy gang, her work was finished more quickly, thus saving delay. You say "there was no doubt correct", thus disclaiming in 3 words the bulk of the whole thing, and I would ask you to refer to my 14-11 in which I endeavoured to explain that we had great difficulty in keeping ahead of the ordinary work.

(4) Earnings. It is admitted that she did better last year than usual, but you cannot expect to increase earnings without sacrificing something. Last year time had to be sacrificed. You remark that the gross earnings were £2000, and had other conditions been favourable, she ought to show a handsome profit. In 1895 I wrote as to saving Pilotage and Customs fees, to which you replied that Pilotage and ware had then should be set against the profits that the vessel ought to make, if they were not necessary what a profitable business shipping would be! As I am entitled to adopt the in quere and say, "if all conditions, such as supply of labour, wind and weather, are favourable, what a profitable thing the Thetis will be!"

We have always endeavoured to let the Thetis bring wool from the distant ports, but as to making arrangements beforehand, it is well-nigh impossible. I hardly know of a single client who works from year to year on the same plan - take Roy Cove for instance. One year our wool is not ready until September, another year it is March - this year it is April. Post Stephens. The last year or two Mr. Hannah has written in the effect that Mr. Dean wanted

the

(1)

the wool home early and he had consequently contracted with Fairbank or someone else to do it - This year, writing in February Mr Hannah says that he has no wool pressed at either depot. Hodgell Mr. W. S. Williams told me that all he cared about was to get one load away early as Mrs. C. H. Williams wanted money, and the Company wished the account reduced. Money is wanted all round and the only way to get it is to send wool home; if the wool is to go early, it cannot wait for the Thetis, and if it waits for the Thetis, the Station balance becomes too high. As regards Spring Point I will write to Mr. L. Stinson that the wool must come in by the Thetis.

I note your direction that she should not go alongside, but there appears to me to be an inconsistency in your remarks. She should not go alongside a jolly as it is little short of madness to put a steel ship like the Thetis in a position where she ^{may} ~~can~~ run any bump every tide. She never grounded or bumped last year at all as we were careful to lighten her before putting her alongside and laid out an anchor to which to haul her off. May I ask what was the result of the docking last year? If she had come to any harm the damage must have been seen then. Your direction therefore leaves me in some doubt as to whether she is prohibited from going alongside, or from being put in a position where she grounds. As to going alongside, there is to my mind more risk in being alongside the Great Britain than the Fast Jolly, provided that an anchor is put out to which she can be hauled as last year. This prohibition must be taken into account when criticising the time taken to discharge cargo, as it entails lightering and double handling.

As to doubling the earnings we must, I think, take an all-round view. As things are now, there is a certain amount of coasting freight to be earned in the country - this amount has practically reached its limit and is fixed. With the Thetis and the schooners we earn all but a very small proportion, and if the Thetis gets a big share, the schooners cannot have it. Look at the 1900 acc'ts the Thetis earnings are increased but the schooners have been run almost at a loss. We could not lay up a schooner for long

(5)

Barren, and other work, and the fact that there would have been a difficulty in getting cargo. This year, by the way, I hope we may be able to lay up two for a spell.

Seeing that we have practically all there is to be got here, it follows that if we are to have more we must look elsewhere for it. I suppose that I shall be meeting a subject touched upon ago out if asked for a remedy for the present state of affairs I can only say that I see no other remedy but to take freight from someone else, by letting the Thetis do two ocean trips and run the P. & O. of homeward freight on a load of wool home and outward freight on a load of general cargo. In 1895 I suggested this in despatch No. 24-8. Since the Thetis has been built the same questions have arisen as to her small cargoes, small coasting freights, and delays. In 1895 I wrote: "If the vessel is to be expected to pay, some alteration in the present system must be made", and I suggested the second ocean trip. This however was not with a firm refusal, the Board's reply being, shortly, - The vessel was designed and built for a special purpose, she was designed to go to windward, and to windward she must go. She was built to take clients goods to the East, and take them she must. Very well - this has been done. Each year all possible forethought and attention has been given to the Thetis to secure more desirable results, each year there has been failure. Last year the failure was not so bad as usual, but this year she will suffer as she is 3 weeks behind.

To sum up - she was designed and built with a certain object; she has not fulfilled the aim of the designer, but has carried out the work for which she was intended. The profits to be expected from this work were reduced to a minimum in order to keep out competition, and it was recognized that with the reduced rates we might possibly make both ends meet. That has been done, but we now desire to make a profit - if we are to make a profit I repeat that I think it can only be done by giving her work that she is fitted to do, namely ocean voyages, and relieve her of so much coasting work for which she is unsuitable. I am sorry to write like this, but after 5 years experience of her work under 3 dif-

(3)

parent business, I cannot see that anything else can be said. It is a question of either 2 ocean trips or increasing freight at the risk of competition.

3. I have to ask you to send out a Blacksmith to replace Ogilvie, as to whom I still to have felt great hesitation. Ogilvie is undoubtedly an excellent workman especially at heavy forging, but is addicted to a periodical "bore". He worked splendidly at the 3rd Thomas repairs and did the bulk of the work. Slyth is not physically strong enough to do heavy forging, but is very good at small jobs, and is trustworthy and civil. Lately Ogilvie has been ill, whether the result of drink altogether I cannot make out, and since he has been back at the shop has been abusive at times to Slyth and upsetting the whole gangway. My dilemma was that if I sent him away at once we should be left with only Slyth, and if a ship came in I knew that the latter would not be equal to the work and we should be cornered. I decided therefore to tell Ogilvie that he must be prepared to leave in 3 months - that if he behaved well during that time he would be granted 3rd class passages for himself and the children he has here now. That will I hope give him a select another man, and I should like to get Ogilvie away the sooner before the successor arrives. If possible I should like the new man to be here by mail due July 10th. Had Ogilvie been treated according to the strict letter of the law he would I suppose have been dismissed before this; I feel however that we have to face the fact that when a ship is here he has been really the only man capable of doing the work, and as we are trying to improve the reputation of the place, we ought not to run the risk of towing a ship in and being unable to effect the repairs. Ogilvie's store account has been cleared off.

4. The non-arrival of the *Athena* may be a very serious matter. I see from the Shipping Gazette that she did not leave Newport until January 5th. On the 21st inst. I was told that the *Commodore* would most likely leave for Monte Video on the 11th, as he had enough coal left to take him up, but not enough for harbour consumption

(7)

supplied (5 or 6 tons per day) as well, and he was obliged to reserve our stock for the two small ships. I called on him next day to explain exactly what coal we had on hand, and asked whether he would try the 70 tons of Lancashire coal ex Boris Brodgreen to mix with Welsh. We have enough Welsh for the two small ships and about 40 tons for the Flora. He said that everything depended upon the news brought by the Rhonda as to the Cumberland, which will relieve the Flora, and he ordered provisions for the journey up. However the Rhonda brought news yesterday afternoon (I am writing this on the 10th) that there is no hurry and the idea is now that the Flora will go about the 23rd or 25th. If the Lancashire coal is alright for machine work, he will have enough Welsh with our 40 tons to take him to Monte Video; if not, he will coal at Sandy Point I expect. The Athens is now 64 days out - if she makes the passage in 78 days she will be here before the Flora leaves and the Commodore would take 300 and perhaps 400 tons; if the Athens does not arrive, we lose the sale of this altogether and shall have a lot of 70/6 coal on hand, which next season will most likely have to be sold at about 50/-, as I understand that the price of coal is going down to normal. This will mean the loss of hundreds of pounds to us. The Commodore would not hear of burning coal at any price.

2. The above has been written on the assumption that the Basilisk would be leaving for Monte Video at once. It has since been decided not to despatch her for some days, and I have therefore an opportunity of answering your despatches.

3. 222-10. I had hoped that with the finishing of the work on the John R. Kelley and the importation of Italians for the Naval Works, I should have been able to get together another 6 men, but find that the Government and Mr. Hayes seem to have absorbed most of the available hands. Another reason for the shortness of labour supply is that there are now three outside schooners running - the Estrella, Allen Gardiner and Chance; and 5 small cutters besides. There seems to be an idea that a lot of sand and shingle will be wanted for the Naval Works, and stone for the new Government House. How they will all make a living is more than I

can

(18)

can say - they are mostly manned by the younger men, most of whom now-a-days go to Sandy Point. Whilst at Valparaiso I went into the question of labourers and found that the P.M.S.C. derive their supply from Chile Island. They get men from an Agent in Aconcagua on a six monthly agreement, which is generally renewed; passages to and fro paid, boarded and lodged on a hulk, wages at $\frac{1}{2}$ £. 30, or about 2/6 per day. One-third of the wages is paid to family in Aconcagua, one-third in Valparaiso, and the remaining third is retained as a guarantee for good behaviour until expiration of agreement. The men are used to a damp climate and work well, giving out little trouble, but of course understand only Spanish. When our men wanted more pay for working on the mail I wrote to the P.M.S. Agent at Aconcagua asking if men could be obtained and for particulars generally. I hope to receive a reply shortly. I fancy that it would be preferable to get men from Chile or the River Plate if possible, rather than import from home, as in the latter case we have to give an agreement for 5 years and do not know how the men are likely to turn out. The housing too would be a difficulty as decent men from home would not care for the ordinary stateroom boarding houses, or if they did, they would soon become contaminated. From Chile or Monte Video however, a six month agreement is sufficient, the passage is not so much and they could be content with accommodation on a hulk. I think your fears as to pilfering are groundless as we have lost scarcely anything. An occasional plank, the fore-sides of one of the carpenters' boat is about all. The transit cargo is stored in lighters and in the hulks at the ends of the jetties which are kept locked, and is of course got rid of as expeditiously as possible. I am proceeding with the roofing of the Charles Cooper so as to increase the storage accommodation. I do not like storing more cargo on the Great Britain than absolutely necessary - it is very unhandy for working, the hulk being so high out of the water, and cargo blocks up the space required for coal. Certainly we have a better chance of storing cargo in the 'tween decks now that there is a homeward steamer every 4 weeks instead of 8. Then as to pilfering, we find that the steamer men will thieve more in a single night than

shore

(8)

shore people in a whole year - at least that was the way with the Komoro, the P.S.N. do not remain alongside long enough. The chain of the Great Britain has not been dismantled and could be converted into accommodation for labourers at very short notice.

7. 22-12-7. I have read carefully your remarks as to clients dealings with us, and have received a letter from Mr. W.S. Williams about the limitation of advances to Mrs. C.H. Williams. Taken gone fully, I interpret your remarks as indicating that the accounts should be watched, and not requiring any special answer from me.

8. 22-12. I have to thank you for the details about salvage, and for quoting the special cases to me. All these remarks will be a guide in the event of anything cropping up, and notes have been made of them. I take the opportunity of thanking you for sending the Burtons Notes and Stories - I think that the Office library is now fairly complete and modern.

9. 22-12. I have been compelled to have the engines taken out of the Hiram without further delay, and the Blacksmith and Engine men are at work on them casting and fitting new brasses and pins. The engines will now I hope last a good twelve months, but I think it is the last time they will bear patching. The brasses are alright, but each time a new pin is fitted in the steel parts such as the link motion, the old hole has to be reamed out with the result that the parts are now getting weak. The boiler will be lifted out, examined and tested, and if Attention finds that re-rolling is necessary, the tubes will be asked for. Johnson will haul the boat up and overhaul the hull. We have at last discovered the Komoro's pile in the bulk stowed away with the large quantity of bricks that have been on hand for years. When the boiler is re-rolled, it will be loaded.

10. 22-12. We very much regret the error in the late Thomas accounts, more especially as since 1886 great care has been taken to secure accuracy in ship's accounts. Writing in 1891-2 I remarked that we were fortunately able to get the accounts away by that mail, although the repairs were not completed. We spent the whole of the previous day upon them and considered it a good stroke to have 4 weeks interest on nearly £2500. We had a further

(10)

reason for intervening as we wanted the draft to be accepted, seeing that Captain Thomas was a candidate for employment in the service of the Company.

11. 824-9. We have received commission on all goods shipped by the F.B.S. - This could be shipped without our knowledge.

12. The shipments by the sailing vessels must have given a lot of trouble - When they arrive, I fear the mixture will be somewhat awkward for us.

13. 824-5. You will have seen that we credited ourselves with the value of whisky and I note your remarks as to the form of claim. The usual handling really takes place right down in the hold, and unless we could spare 3 men to be down watching, we cannot obtain actual proof. Even if there were plenty of labour available, it would be awkward to spare 3 men at night time, and the wages would be more than the amount we should recover in claims for damage. The only way is to keep a general look-out and where possible put in a claim so as to keep them up to the mark as much as we can. The F.B.S. have the reputation all-round for knocking cargo about more than any other line of steamers.

14. Par. 4. I have taken credit for the extra labour on the Iberia, but as I do understand that the arrangement will be retired specially to cover it, I have not worked out the labour bill for all previous steamers, but I will not claim anything until I hear further from you.

15. Par. 8. Atherton tells me that it takes 4 cwt. of coal to get up steam - For running in the Harbour for sails, when the running is not constant, and for towing only lighters, he works at a pressure of 80-90 lbs and burns 7 to 8 cwt. in 10 hours, or say $\frac{1}{2}$ cwt. per hour. If towing a ship or heavy bulk, 110 lbs pressure is required and the consumption is close upon 3 cwt. per hour. We will keep an account of the cost of coal used for banded fire whilst waiting for the sails.

16. Par. 7. We did our utmost to persuade the Captain of the Iberia to take on the coal, but he refused absolutely. Even a couple of hours before the sale Mr. Gilling read him your remarks

in

(11)

in a despatch from you reporting the case of the *Muzenie*, in which the coal was re-shipped after having been under water. Captain Griffiths would not be persuaded, saying that it was not safe - this he asserted was proved by the fact that the "Hoby" which I had sent alongside him had been burnt at sea, the news of which reached him whilst here. Captains agree that when they leave their port they have no other port of refuge, and may be weeks getting round Cape Horn. The ship had been on fire once before on the voyage, and he simply declined to run any further risk. As to the survey, I did not like to hold it myself, for as it came to a sale there would have been the usual report that I had concerned the coal in order to purchase it myself.

17. Feb. 15. I have written to the U.S.A. as to the Bill of Lading, but they are very casual and do not as a rule trouble about anything beyond finance.

18. Feb. 16. I have dealt with the pilferage from the *Lasca*, which as I have said, must have taken place before we purchased her. The Government asked for a return showing the shortage on various goods, but I had too much to do at the time and could not make it out, and they have not asked for it since. Vorwerk writes that there is no sale for the mines at Chavacilla, so these will be sent back in the ship. I am sending some of the rice to Valparaiso by the next outward mail. Owing to the failure of the *Gravis* to bring a mail from Valparaiso I did not get Vorwerk's letter until the 6th instant.

19. Feb. 18. Writing under date January with Mr Sharpe informed me that they had referred to Vorwerk the arrears of the allowance of £15 on freight from Valparaiso. Whilst there I arranged for freight on flour and sundries to be payable at destination, as well as loss by the conversion of freight from sterling to dollars and back again from dollars to sterling.

20. Feb. 21. I enclose a statement of the wages paid to the crew of the *Lasca*.

21. Feb. 22. I will not refer again to the cargo as having retained in Stanley until I have received your remarks upon my previous reports except to say that the sale continues satisfactory

(12)

ly, and that I think that our action will eventually be considered right. I regret not having reported specially the necessity for giving the Government a further draft for \$1000 upon you - it appeared to me that our cash book showed that funds were necessary, and that further explanation would be superfluous. To carry on the banking business here we must have cash, and if I had not obtained it from the Treasury I should have been compelled to have applied elsewhere. Had I time I would make out a return of the amounts drawn upon you and the drafts submitted to you for 2 years back, but I do not think it would serve any useful purpose. When ships are here and money is disbursed for wages, I have to get funds from you, or to return postdated drafts; and when this occurs, it is surely a good sign. If I have given more drafts to the Government I must have given less to other people, and this probably happens through people receiving more or more of money orders since we have changed a commission, and, instead of their drawing Savings Bank money in cash from the Government and getting a draft upon you, they have taken a draft direct on the Crown Agents. In many cases I have advised people to do this, as you may recollect that you were put to some inconvenience from persons going home with a draft on you and waiting to draw it in drafts. Since then I have induced them to take a draft on the Crown Agents, and we have had to replenish our cash from the Treasury. Another point is that we have to pay some \$1000 per annum more than formerly for export duties.

As to my drafts continuing to increase to \$10000, I cannot foresee such a contingency, but if they did increase to that extent, it would mean that there was much more business doing in the place, and would point to great commercial activity.

I am extremely sorry that the snappers were not shipped, but I expected to receive a telegram if they were wanted by steam. Mr. Mathews had to unpack a lot of the boxes as they were not dry, and that with the lateness of the final boiling-up and the difficulty of space for the scholars, the cold season was upon us before we had a chance of lifting them. I thought too that the saving of freight by steam would be a valuable consideration.

(14)

I cannot follow your remark as to shipments of stores when you say that in 1899 you "sent out goods to the value of \$100,000, or about \$7500 more than in 1898". I have gone carefully into the figures and find that our imports in the two years are as follows:

	1898.	1899.
From the United Kingdom.	18886	20876.
" " " "	1207.	2524.
" " " "	<u>814.</u>	<u>470.</u>
	<u>19787.</u>	<u>23870.</u>

an increase of just under \$2000; but, if you take into consideration the stock on hand at the beginning of both years and add that to the figures, you have:-

	1898.	1899.
Stock in hand on Jan 1st.	\$1496.	\$2998.
Imports during the year.	<u>19787.</u>	<u>23870.</u>
Total.	\$ <u>21283.</u>	\$ <u>32778.</u>

and the difference is only about \$150.

The fact of the matter is that our stock at the beginning of 1899 was so heavy that we did not require so many goods to be sent out during that year. Of course our stock at the end of 1899 is abnormally high on account of the \$7500 worth of goods taken over from the Navy, but these were not sent out from home and do not come into the calculation. I think that this will be sufficient proof that we are not asking you to send out a quantity of stuff that will eventually become dead stock, and on looking through the stock of stores at the end of December last, I think it will be conceded that the amount of dead stock is less than usual. I might even remind you that in September (despatch 31-9) you remarked that orders for stores were becoming noticeably smaller and smaller, and you feared that there was a risk of our running out of principal necessities. Since then some large indents have been sent, but is it not a proof that the Storeskeeper was doing all that was possible to avoid accumulating a heavy stock?

Taking the reasons for the shortness of cash:- The purchase of the Saxon, Carlisle and Saxon has of course entailed the heavy outlay

(14)

outlay of some £7000, and I may be excused for taking credit that I foresaw that we should be confronted with difficulties as I write when reporting the purchase of the Garland that we were spending a good deal of money, and before spending more, I hoped to see some return. The increase of shipments out is, I think, a misapprehension. The late purchase and fall in produce cannot of course be helped. The retention of produce in Stanley I regret but I thought that the saving of freight would compensate for loss of interest. The locking-up of capital by taking over the Sundry cargo will wait itself shortly, as our income for stores will be smaller, and as I remarked in my despatch on the account I hope that the stock at the end of the year will be not much above retail.

It appears to me that the real reason for the shortness of cash may be found in the advances to clients. Taking the Stanley Balance Sheets for 1899 and 1900, we find the Sundry Debtors and Sundry Creditors as follows:-

	Debtors.	Creditors.	Balance.
1899.	£ 23525.	18690.	5635.
1900.	<u>28525.</u>	<u>12782</u>	<u>25743.</u>

That is to say that our debtors in the Islands have increased their indebtedness from £23525 to £28525, an increase of ⁵⁰⁰⁰ £5000! or, excluding all accounts which are not clients' station and private accounts, as per enclosed return, their net indebtedness has increased from £2111 to £23525, or £21501 in one year!

And again, is not a further reason the fact that for the last 5 years the reserve fund has been reduced from £2322 in 1895 to £2672 in 1900?

I thoroughly understand your reasons for pointing out to me all that you have, and I am glad you have done so, as far as I recollect, the question has never been discussed with the Stanley Office before. It gives me an appreciation of the difficulties encountered by you, and will I trust enable me to assist in meeting them. At the same time I am sure that you will excuse me for having criticised your remarks, and for pointing out that the necessity

(15)

necessity for borrowing has not been wholly brought about by the shipments for the store.

25. The Liguria due on December 11th, arrived at 8 a.m. on the 12th, anchoring just inside the narrows. The wind was blowing very hard indeed from the W.N.W. and in many other ports I doubt if she would have been received until the wind moderated. Mr. Girdling ordered steam for 8 a.m., but had to wait until 8.30 for the Health Officer, Senior Customs, and Customs Officer, who so ordered to give permission and receive manifests. The lighter came along with wool, and for the reception of our cargo was alongside by 9 by which time the Liguria had moved higher up the Harbour. I am at a loss to understand what the Captain meant by "anchored" "waiting distance off the bank to receive and deliver cargo", as he was never asked to do otherwise any bank at all. At 10 noon Mr. Girdling went off the Liguria to learn how they were getting on with the cargo, and when told the Captain kept her to tow the lighter away, as he said he intended shifting his ship nearer the narrows in order to be in a better position for getting out. As a fact, he would have done better to have stayed where he was, as he had more room in which to manoeuvre for turning. He got the ship under way before the lighter was clear, thus hampering the lighter which had the greatest difficulty in towing in the strong wind that was blowing, and she was not back to the Jetty until nearly 2 p.m. Mr. Girdling had asked for the mail for 2 p.m., but the Postmaster who was met on the road by Mr. Gordon said that he wanted his lunch, and he got it. He promised to leave the Bill of Health at the office but forgot this and went out shooting that afternoon. The manifest waited at the Government Jetty for the mail until 2.30, and on calling at the Town Jetty it was discovered that the B/Health had not been sent up, this had to be sent for, and Mr. Girdling left for the Liguria before 3.30, and had accelerated her departure and left her before 4 p.m. As to the difficulty of getting away, Captain McNeill is the first who has experienced it, or is at any rate the only Captain who has mentioned it. It is perfectly absurd for the P.S.N.C. to say it is evident that

the

(18)

The steamer very nearly missed getting away that night, for it was daylight for a hour or more after her departure. Because it is dark in England at 4.30 p.m. in December, the P.S.N. seem to imagine it must be the same here.

I have said before that all Captains consider it a part of their duty to complain - their itinerary is severely possible in the time allowed, and they must blame somebody. Whenever a hitch has occurred here, I have always written admitting it, but I do not feel to one-sided versions being given from which is carefully excluded any mention or reference to the difficulties in the way of weather with which we have to contend. I suppose it is scarcely to be expected that these P.S.N. Captains will ever take the trouble to make allowances for this or to realize that the population is so small that no extra hands are available for hire. It seems somewhat hard that, because Captains cannot give an unbiased account of their stay here, we should be put to the trouble and I may even say the humiliation of giving a long explanatory despatch 3 months afterwards. In order to avoid this I will if possible send a short statement as to the arrival and departure of the ships. I enclose two relating to the Hecia and Yorkshire

23. I regret that I forgot to telegraph the arrival of the The tis to Liverpool - when the Yorkshire left, the arrangement contemplated by the Admiralty was that one of H.M. Ships would be leaving for Home Video almost immediately, and I overlooked the matter. It is now definitely decided that the Flora and Basilisk leave on the 13th.

24. The Hecia arrived on the afternoon of the 13th, and the Athene at 7 a.m. the following morning. I at once interviewed the Commanders, who the day before had decided to take the Hecia 1000 tons of coal and 50 tons of Welsh. He said that as the Athene had arrived he would take 150 tons of Welsh - I urged him to take at any rate 500, but he would not be persuaded to take more than 200 which was delivered on the 15th. I enclose a draft for £650 on the Admiralty in payment of this.

25.

(17)

25. March 19th. The Thetis is to-day being managed previous to starting for the West, via Salvador. I really have not been able to get her discharged more quickly, for the arrival of three sailing vessels together has been very inconvenient. We are now finishing up with the Thetis, discharging the Amos and Athene, and we have to deliver the mail cargo. Schooners also come in with wool, and we have to coal the ships. I was able to send the Hill Cove cargo round in the Star tomorrow, thus facilitating the unloading of the Thetis, and she has discharged in similar order Amos and Athene's cargo. I think therefore that there is every prospect of her making a good coasting trip this year.

26. I regret to report that the Star landed sick when the Thetis did some days afterwards.

27. The Orion arrived yesterday at 6.30 a.m. and sailed at 1.15 having brought about 80 tons of cargo in all. She also loaded 100 or 120 bags of rice as Samoa for Valparaiso. I received your despatch No. 227, and your telegram "Antelope", meaning that a clerk has been engaged and will leave within two weeks, which is very welcome news.

28. We had an accident yesterday having the Fortuna to alongside the Great Britain. Her anchor was near the Thetis, and she fouled the latter carrying away two strands of her main rigging. The damage is not serious but it will delay her a few days with the result that I shall not get in a cargo of wool for the next mail. Instead of 200 bales as ordered, I shall have only 100.

29. I enclose an extract from a letter from Mr. Norton which explains the non-arrival of my telegram reporting the shipment per Orion. I also send the envelope in which the letter was sent, showing that the Parrot must have carried it on.

30. I received yesterday afternoon the Samoa's certificate of Registry, after a lot of delay and difficulty. The Governor did not see his way to giving a temporary pass under Section 25 of the M.S. Act of 1876, which he does not think is altogether applicable to the case of the Samoa. I explained to him that this was the course suggested by the Registrar of Shipping at the Port of London, who would be an authority in the matter, but he said that

Mr.

(18)

Mr. Stebbing might not have been aware of the whole history of the case - I replied that it was scarcely possible that you would not have given a full explanation, but he preferred to give us a full Register. It was far better to get that rather than go on arguing indefinitely, so I have assented in your request to have the Register transmitted to London. Mr. Packe will send it forward by the mail, and on the arrival of the boxes in London the papers can be all ready. I enclose a note from Mr. Packe from which you will see that I had to make out a lot of declarations before the matter could be got through. The Orissa brought down 6 men to complete the crew, and I sincerely hope that she will get away within three weeks.

21. I have been anxiously awaiting news from Captain Thomas and by the Orissa I received a letter from him dated London, January 7th, which must have come via Panama, S. Francisco and London. He says in the letter that a Captain Jones whose vessel, the Marion Salomonson had been lost, would take the Kate Thomas home, and that he intended to stop direct to the Falklands, arriving about the end of February or the beginning of March. I much fear that this arrangement must have fallen through, and that he has had to take his ship right home. If so, I hope that you will hurry him out as he cannot go on like this much longer - Reed will be away and Macquharrie is falling every day, and is most anxious to be relieved.

22. We are able to send by this opportunity the accounts current for 1862 (press copies).

23. E. S. S. Flack leaves in the morning - the provision accounts will be settled by the senior surgeon in the port at the end of the quarter.

I am, Sir,

Your obedient servant,

List of Enclosures.Duplicates. (Originals per S.S. "Yorkshire", March. 6th.)

Despatch No. 173 (Accounts) & enclosures.

Despatch No. 174.

Store Invents No. 272.

Remarks on Stores.

Second of Exchange No. 2133, £819:11:8

" " No. 2136, £422:10:0

Insurance of Produce Return No. 25.

Coasting Insurances, February.

Mr. Mathers' Report March 2nd. & enclosures.

Specification & Bills of Lading, shipment per "Yorkshire".

Letter to P. H. Cobb Esq.

Statement on Accounts.

Specification of W. L. W. G. Nos 352-528.

" " N. A. Nos 752-828.

Originals.

Store Invents No. 222.

First of Exchange No 2140, £650.

Specification of J. B. 127 Bales Wool.

Press copy of letter from W. E. Norton.

Letter from Shipping Master re "Samoa" Register.

Letter for Mrs. G. H. Williams.

" W. Stickney Esq.

Statement re "Iberia" & "Yorkshire".

Statement on Accounts.

Press copy of Clients Accounts current 1899.

176
LIGURIA.

April 2nd, 1901.---

Sir,

I wrote you last per H.M.S. Flora on the 22nd ultimo.

2. 227-2. A new maintopgallant mast, not maintopmast, was fitted to the Samoa. There was no suitable spar to be had from the Garland; her top spar was in a very bad state, and we had already cut up the topgallant masts for use on the small ship built in the West Store yard. We have not done more work on the Samoa in the way of repairs than was absolutely necessary.

3. Par. 6. I applied for the German Consulate by the same mail that Mr. Baillon sent in his resignation, and Mr. Schlotfeldt must have also applied for it very shortly afterwards, probably without saying anything to the Postmaster, about it. I have never received any acknowledgment of my letter from the German Government, and not having been informed of Mr. Schlotfeldt's appointment, I declined to give up the archives until relieved of the responsibility by the German Government. As reported in my 171-17 Mr. Schlotfeldt will leave on the 17th instant. I have again applied for the Consulate, referring to Mr. G. A. Harris and Mr. (now Sir J.) Anderson.

4. Par. 10. I note your remarks as to the charge for towage into the Harbour being kept separate from that for towing out.

5. Par. 11. On the arrival of the Orissa I had a talk with Captain Cooper, who is strongly of opinion that a buoy should be put at the edge of the Fortin Shoal. I explained that the question had been referred to the Commodore who thought that it was unnecessary and further that the buoy would be very likely to drift from its position with the strong westerly winds. Captain Cooper does not share this view, and thinks we should take the matter in

F. E. Cobb Esq,

Managing Director,

London.

our

our own hands and put down the buoy. He says that he would gladly do it himself the next time he calls, and if he finished cargo after dark, he would not hesitate to take the ship out if a lantern were hung on the buoy - of course it would be desirable to have another on Engineer Point, in which case there would be no difficulty in going out. Captain Cooper says that the "rock painted white" is allright as a landmark, but this is not covered out until the ship is right opposite the Narrows, whereas a buoy on the North Shoal can be seen as soon as the steamer has passed the Yocke Rocks, and a Captain can begin to turn his ship at once gradually instead of stemming opposite the Narrows and then turning sharp round and losing way. If we wait until the Government take action it will never be done, as the Governor wants all the money he can get for his new house. I promised Captain Cooper to buy a new lantern, fit it with a chain sling, and try and get an old anchor to be ready when the Orissa calls again. I suppose the F.S.S.S. will pay the cost.

6. Par. 12. The steam forced pump was I understand used for a long time on the Sibola for watering ships - I will get attention to go into the matter. The hose has been used up for the hand pump I fancy.

7. Par. 13. The correspondence with Lloyd's on the subject of the Sibola is very entertaining indeed, and is just what we wanted. I have thought all along that it would be an excellent thing for the matter to be explained to Lloyd's, and our anonymous friend has, as you say, done us a good turn. A statement is printed in the Shipping Gazette that the Sibola has been examined by naval divers, that no material damage has been caused by the stranding over 12 months ago, that it is proposed to despatch her to London and that instructions have been sent out to the Colony to obtain a British Register for her.

8. Par. 14. The saving of insurance premium on the Fortuna is a great help. I take the opportunity of alluding to the indent for new rigging for her that goes by this mail. Rowlands tells me that her present rigging is rusted through in some places and he is rather dubious about her in a blow. It would never do to risk losing one of her masts which could not be renewed here.

The accident a few days ago is perhaps not a misfortune, as it proved that the rigging required renewing. I think you will agree that it will far cheaper to have the whole set made at home according to the plan of the vessel, which you can no doubt procure from Mr. Nicholson. I hope that the best material and work procurable will be sent out.

9. Mar. 18. Some months ago the Governor transferred the Assistant Stock Inspector to other work, although the post has not been abolished. Last year when discussing the Estimates Mr. Pelton and myself urged the Governor to collect only one-half of the tax for 1900 as there was a large balance in hand. The Governor declined and said he would remit it altogether for 1901. The fund is not merged into general revenue, but is treated as a deposit - on December 31st last the balance was over \$1700. This money is not invested and no interest is credited, which seems hardly right, as the money is apparently used to cover the indebtedness of general revenue. The Colony's account with the Crown Agents has been overdrawn for years past, and it looks as though the Governor is using the sheepfarmers' money to avoid paying interest on loans which would otherwise be inevitable. In discussing the 1901 Estimates Mr. Pelton practically told the Governor so, but the report of the Minutes of Council is a very meagre statement, and questions are not recorded unless the Governor makes a remark in which he fancies he scores a point.

10. Mar. 18. I have talked to Sturges about the intents for the Season - I should imagine that he has been trained in an agricultural school, and only requires to be kept in that. The pigging went out seems a lot, but at the same time represents but an ordinary stock of necessaries. He admits that the firebars went rather quickly on the voyage out and attributes this to the coal. A good deal too depends on the quality of the bars themselves. I know for certain that none have been discarded that were not completely worn out. The bottom badly wants cleaning and will be painted as soon as we can get to work at it - when done I will report the amount of paint used up.

(4)

11. I enclosed a copy of a letter from Mr. Felton on the subject of the fencing which was shot out of the Tethis last year, and sent in the Annex. Mr. Felton was charged the usual rate for landing, and coasting freight to Teal Inlet which added considerably to the cost. I shall of course rectify the charge by refunding the landing charge and coasting freight on the 10 tons overcharged originally, but before making any entry will await your decision as to whether you will forego the coasting freight altogether on account of the goods having been shot out of the Tethis. I told Mr. Felton that it might have been the fault of the KXAP-PAKX supplier in not having delivered the goods in time, in which case we can hardly be held responsible. Your remark of October 25th says simply that the fencing will not be ready in time and would therefore have to go by steam.

12. My estimate in 188-4 of the cost of roofing the Charles Cooper will probably be exceeded, as on going into the cost and plans more closely we found that by expending a little more we could get storage room for wood etc. between the upper deck and roof. The original plan, which could have been carried out for the sum named, was to lay the ends of the rafters on the covering board of the bulk, this would have just a low roof and would have afforded storage room only on the main deck, whereas by building up at the sides sidings and aft, we get a space of 9 feet from the upper deck to the ridge of the roof, giving good storage room. In order to utilize this we have had to put skylights which add to the cost. I enclosed a sketch which will demonstrate the matter more clearly. A further advantage is that the ridge of the ^{quite} roof is ~~quite~~ level, and minimizes any unsightliness. This accommodation may all be required, as the Uruguayan Government is now charging custom duties on the stores imported for R.N. Ships. If these are persisted in, they intend to ship their goods direct to Stanley by the F.S.N.C., and we should store them. We have sold a fair quantity of goods to the Flora this season - their commission has been protracted, and their canteen stores run short.

13. I have asked Elvth if he knew of a suitable man to replace

Ogilvie

(1)

Ogilvie, and he tells me he had a fellow workman about 30 years of age, married, who he thinks would be likely to suit the place. He does not recollect his surname, but has written to his old father, Mr. John Gardner, c/o Messrs. Barclay Brothers, London, about him. If you would communicate with Mr. Gardner he would be able to identify the man if he knows, or would at any rate recommend you a suitable successor to Ogilvie. In this case it would not be necessary to employ Fleming & Munton at all.

14. The *Athena* has at last been able to get away on the coasting trip after a very long delay, which I much regret. For the whole of the last week we have had strong S.W. winds which are quite useless to her, and it was only on the 30th March that she was able to get from the wharf the balance of the clients cargo. The delay is very regrettable, but with 5 vessels here to discharge, 30 men even would be only just enough to carry on the work, and seeing that we have had to get through, I consider that we have done very well. The *Athena* will be finished in 3 days time, and up to the present the *Athena* has discharged about 600 tons. The *Symphe* has taken in 110 tons and started yesterday on a coasting trip. On her return she will fill up again.

15. I enclose drafts on the Admiralty for £322:10 for coal supplied to the *Symphe*, and £112:10 for provisions to all the ships to March 31st. I am also able to send you Mrs. Penn's cheque for £110, for store account and the half-cost of Fender's fence, making a total of £534, which will I hope tend to relieve the want of ready money.

I am, Sir,

Your obedient servant,

W. H. Murray
Murray

Enclosures.

Collected. (Originals per H.M.S. "Flora" March 22nd 5th.)

Despatch No. 174.

Second Exchange No. 2140, value £650.

Store Indents No. 282.

Statement on Accounts.

March 15.

Copy of Stanley Cash Book, January.

Copy of Stanley Journal, January.

Cash Vouchers, East & West Store.

Store Indents No. 281.

Indent for "Forward" flagging.

Remarks on Stores & Replies to Remarks.

First of Exchange No. 2141, value £382: 1:3

" " No. 2142 " £1512:19:6

Mrs. Dean's cheque for £500.

Contract Insurance for March.

Mr. Mathews' Report of March 29th.

Five Copies of S.A.M.S. Accounts to December 31st.

Plan of "Charles Cooper's" Roof.

Copies of Wages Account on "Samson".

Copy of Customs Certificate re Cigarettes.

Copy of letter from J. J. Felton.

Shipping Report.

Remarks on Accounts.

Statement on Accounts. (part.)

Specifications of Wool, viz:-

B.H. Nos. 485--534.

J.B. " 203--308

W.P. 45 Bales.

J.H.D. 48 "

W.Fell. 48 "

178.

ONOPISA.

April 29th, 1901.

Sir,

I wrote you last per Liguria on the 2nd. inst, and received on the 18th inst. per Gravia your despatch No. 328, Mr. Egles's despatch of March 22nd, and your telegram "Caparbieto Final Survey Capibila Sassa Sarnifico".

3. 947-12. The hose belonging to the Wasp's steam pump has, as I thought, been used up for watering ships with the hand force pump. We have had a look at the steam pump itself - Atherton thinks that it would require a lot of steam to drive it, and I question whether we should ever recover the cost of fitting it on the Minnie. As a rule when we have put the water snow alongside a ship they have pumped the water in themselves, so lending our hand force pump.

2. The roofing of the Charles Cooper is now completed, and as stated in my last despatch, the cost exceeds the estimate by \$90 - the total cost being \$361. Johnson has made an excellent job, and although the cost is high, it is not much more than the amount we spent a year or two ago on the sheathing of the deck of the Egeria, which has not turned out at all satisfactory. We thought it better to use good iron from the same on the hull and charred it out at \$16 per ton. Now that we have this additional storage room I will not have any more goods stored in the lower hold of the Egeria. There is always the risk of her springing a leak (you may recollect that we lost 20 tons of salt not long ago from a leak breaking out) and the labour of handling goods stored in her lower hold is enormous.

4. 328-3. The iron buoy originally laid down for the Black Hawk's moorings was sent to North Arm as a mooring buoy for our schooners, and is still used for that purpose. I am glad to say

that

F.E. Cobb Esq,
Managing Director,
London.

(2)

that the P.S.N. Co. have reserved all the cabins per Oropesa that we applied for, though it was only last mail that I was informed that it was allright. When at Monte Video I agreed with Mr. Harley, the Manager of Wilsons, not to apply to Valparaiso at all in the matter of passages, as there would be a risk of confusion. We agreed that I should give as long notice as possible to Wilsons, who being central could communicate with Valparaiso and Rio, and arrange matters. The P.S.N. Co. rate of freight for the public from Valparaiso to Stanley is 42/6, reduced to 32/- & 5% for us, a reduction of a fraction over 20%. I reported in 176-19 that arrears of overcharge had been refunded to Vorwerks. I am now claiming the 20% rebate off freight paid on goods from Monte Video to Stanley, and am asking the P.S.N. Co. to confirm this to Wilsons. You applied for the reduction on October 15th last, and I notice from the correspondence enclosed in your last despatch that the P.S.N. Co. only agreed to the reduction on goods from Valparaiso in March. At this rate it would be another 6 months before they apply the reduction to Monte Video, and I think it as well to take the bull by the horns and debit them with the rebate in my account this mail. I observe in your letter of March 13th to them you say that we claimed 5% commission on the Oravia's freight from Valparaiso. This is not so - we claimed commission on £152, namely, passages as per list £114:10:- and the passage of the Paymaster of the Nymphe £37:10:-, this sum being payable by the Admiralty. I am proposing that freight on goods from Monte Video, in the same way as from Valparaiso should be payable at destination, as we lose by the conversion of sterling into dollars and back again into sterling. For instance, freight per Iberia is £8:-:11, which Horton converts into dollars at \$4.70 - \$37.82. This is converted back into sterling at 52½d. and 5% commission added, making £8:12:11, so that we lose 12/-, or more than 2½d. per bag of cereals.

5. Par. 3. I am very glad indeed to hear that you think we ought to consider whether the opposition to the Governor is really worth the candle. I have had the idea for some time that the Company loses more, than it gains by so doing, but have not cared to

(3)

to give expression to my views, as had I proposed that we should discontinue opposition, it might look as if I were endeavouring to shirk an unpleasant duty. I do not say that we should blindly accept all the Governor's proposals, but there is no doubt that a great amount of odium has been brought on the Company through its representatives leading the opposition to various measures and proposals made by different Governors. There is no reason why we should continue to pick the chestnuts out of the fire for others who do not appreciate our action. Our clients round the West certainly expressed satisfaction at the opposition to the Export taxes, but their general attitude towards the Company is hostile; they are never happier than when denouncing or having a dig at us. This may seem a sweeping statement but I believe it to be a fact, and although clients may appreciate for the moment our action in opposing the Governor, it does not induce them to regard us with any affection, and we do not do ourselves any good. It is owing to this view that I have hitherto refrained from saying anything about the Government Officer's Canteen, but will do so in a separate paragraph in this despatch. The Governor has certainly spent money like water this last year, and has but little to show for it. At a meeting of the Council a few days ago he referred to the accounts for last year in a general way on account of the projected absence of Mr. Felton when the Estimates come on for discussion. The revenue collected was, I think, \$15300 the largest on record, and the expenditure, needless to say, was also the largest on record, but was about \$70 within the revenue. Customs duties were very high indeed, but the high figure will not be maintained - I informed the Governor that we had on hand an unusually large stock. Further taxation will probably be imposed later, and if the Governor intends to impose it he will do so in spite of our opposition; Mr. Felton and myself propose to devote our energies towards getting taxation imposed upon articles used by everybody, so that one and all will feel the effect, then if money is squandered there may be a general outcry, and we shall not be the sole malcontents.

(4)

6. Par.5. Noble told Mr.Baillon some time before he left, I think, that the Sissie's boiler ought to be lifted out for examination, as being set so low in the hull of the boat it might have become rusted on the bottom. Atherton agreed in this view saying that he had known boilers lifted after 3 years - I will revert to the question of the state of the boiler. So far as steam is concerned we do not use either the Samson or Sissie between the mails except for coaling H.M.Ships or towing ships about. If we are to attend mail steamers we must of course have steam, but once the mail has gone we are quite able to move lighters to the jetties by warping provided it is not blowing a gale of wind. If we have to deliver cargo at more than one jetty out of the same lighter, it is occasionally advantageous to have steam for a half day, but unless there is a saving of expense in labour, we do without it. For going off to the mail I frequently use a sailing boat which is cheaper than a gig, and does not require more than a man and a boy.

7. Par.9. The Government people were not pleased themselves at having to make up a mail for the Orallana at night. Captain Archer obtained the Governor's sanction for working all night, and the Post Office had to get the mail together. We are glad to learn that you approve of our objecting to remain on board during the night, though we are quite ready to do anything in reason to facilitate the despatch of the steamers.

8. Par.11. The coal supplied to H.M.Ships this season stands as follows:-

Flora.	200	Tons.
Sappho	100	"
Basilisk	250	"
Nymphe	<u>320</u>	"

or a Total 870 " ,leaving us now with a stack of about 600 tons which is very unfortunate. Of course the withdrawal of the Sappho after having taken only 100 tons reduced the Commodore's requirements, but he assured me that had the coal been here he would have made a cruise or two round the West and

have

(2)

have taken another 200 tons. Even so the total taken would have been a long way short of the 1300 intended for, and it seems to me that the withdrawal of the Sappho may give you a good case on which to appeal to the Admiralty to take over next season the balance of the 1300 at the 72/3 rate. There is a rumour that one of the gunboats will be down again with explosives required for Mr. Hayes. If so, we shall probably get rid of another 100 tons.

9. Par. 13. On re-reading your 917-17 I can hardly see that I had absolute carte blanche as to cargo for the Samoa. It is true that I was told that Mr. Blake would like to get his wool home by her, but, like the Company, it was on condition that she caught the March sales. As this condition could not be fulfilled I did not feel justified in assuming that he would still be willing to ship the produce in her. However I am glad to say that he agreed to send it that way and I have also secured the Roy Cove clip. I have now on board 1100 bales of wool and skins, besides a quantity of cases, partly her original cargo and a few cases from C. Williams. She has room for another 200 bales, but I think of despatching her immediately after this mail has left.

10. Par. 15. I am well aware that on my representing to the Board that a junior clerk was really necessary, the assistance would be afforded. When I first raised the question your reply was that you hoped that we should not find the new mail service so overwhelming as we thought, but that if the work called for a second clerk I should only have to say so after having dealt with a few steamers. Naturally therefore I postponed the application as we were most anxious that the Board should be assured of the necessity before preferring a request which I knew they would not refuse.

11. Par. 18. Dr. Jameson desires me to convey to the Directors his thanks for the continuance of their subscription towards his guarantee fund. I note the terms of the grant.

12. Par. 19. I have not heard anything further on the subject of the Beeswing coal - the Government did not even acknowledge my reply. I must thank you for your remarks and advice as to dealing with ships' Captains.

(6)

13. Par.23. I am afraid that it is not possible to give particulars as to the trans-shipment of goods from Hill Cove to Shallow Bay, as the amount varies in different years. As Mr. Blake is now at home you will doubtless discuss the matter with him. According to his letter written in 1895 the arrangement was made with you, whether at Stanley or in London I am unable to say.

14. We much regret to hear that you have been so unwell and trust to receive better news by next mail.

15. I am glad to have received a telegram from Captain Thomas dated Portland, Oregon April 3rd "Coming". I have also received a letter from him dated January 30th informing me that his Owners would not release him at Iquique, but insisted upon his taking the Kate Thomas to Portland. He rightly says that he felt sure that we should wish him to leave his previous employers in an honourable way.

16. In debiting out landing charges we find a difficulty as to clients' goods which are shipped on our B/Lading. For the first shipment or two the P.S.N.Co. entered the measurement of each package, see enclosed B/L per Orellana, and we were able to at once charge each client with his share. They have since given only the total weight and measurement, and we have to wait until next mail for your invoice before we know the quantity. Would you ask them to revert to the original method?

17. I have not previously alluded to the Government Officers' Canteen lately established here, and in reporting this matter would ask you to take my statements as representing all that I have been able to glean on the subject, and not as the whole of the facts. The idea was started by Mr. Appleyard, the original proposal being that any Officer should subscribe what he liked towards the capital, upon which 5% would be paid. Wild statements have as usual been made as to the profits extorted by the local storekeepers in general, the Company in particular, and according to Appleyard the Canteen would save Government workmen from this extortion and would ^{consequently} ~~also~~ give the Government a better hold over their men. Only Government officials and employees were to be allowed to purchase. I told Mr. Appleyard that it was ^{not} ~~not~~ right that

(7)

that they should use any Government building, appliances or time, nor even should they use the Government name, and he assured me that although at first they used the Government carts, a sum was paid into the Treasury for this. They have now hired a small shed in the settlement as a Store, and the Foreman of works acts as shopman after working hours, being paid 5% commission on all sales. The Colonial Secretary, Colonial Engineer, Foreman of Works Government carpenter, and a Naval pensioner called Holt, who is Mrs Dean's under-gardener, are among the Directors, their meetings being held in the evening. I do not know whether Dean Brandon takes any active part in this - I fancy not, as he has been running a small co-operative concern of his own for goods from Mozambique to Video. His name does not appear any longer in this, but all goods are imported in the name of J.F. Summers, who is sexton, gravedigger, etc. Formerly these shipments were consigned to Summers, marked W.G.W., and the landing charges were paid by Dean Brandon's private secretary. As I have mentioned I did not report this to you before as we wished to watch the concern and see the effect. L. Williams has mentioned it more than once and seemed anxious that we should take the matter up. I told him we would not move at present, as possibly if we gave them enough rope they might hang themselves. We have watched the effect upon our Stanley store sales, and find that it does not affect us there more than £50-£35 per month. The small storekeepers are however suffering badly - I think I have said before that there is a strong prejudice against the Company and that people prefer to get goods elsewhere. The Canteen affects us relatively far and away less than it does others; L. Williams says that his sales have fallen off over £50 per month, and two other small stores are crying out, hardly even threatening to go and break the Government House windows. Street the Foreman of Works told him that one man purchases from the Canteen groceries to the value of £5 per month, and saves another £4 by so doing. If that is a fact, there can be no doubt that the Government employees are purchasing from the Canteen for others in Stanley, as no workman or official can consume £11 worth of groceries in a month. I advised

(8)

L. Williams to look out for this sort of thing, and if he can prove that they sell to outsiders, memorialise at once. He, however wants someone else to lead the agitation, being somewhat in awe of the Governor and being desirous of acquiring a social position here. I have taken no steps in the matter - we are not greatly affected, and it would doubtless be a satisfaction to the Government people if we showed any annoyance. The effect as far as we can judge is a diminution of Williams's business and that of the mushroom stores. Some time back the question was raised I think from London whether it would be advisable to cut prices so as to shup up these mushroom stores, but there seems now to be a probability of the Government Canteen saving us the trouble and the odium of it.

18. On the receipt of your telegram acknowledged in par. 1 I applied to the Commander of the Nymphs to allow his Officers to hold a survey on the Samoa and report whether the repairs recommended by the Officers of the Sappho had been carried out, and whether the vessel was in a seaworthy condition. I had previously got Johnson to give a certificate that these repairs had been effected thinking that that would be sufficient, but in view of your telegram it seemed safer to take advantage of the presence of the Nymphs to obtain an independent certificate. I enclose the two Reports in original, together with Commander Laxton's memorandum. This memo. states very succinctly what was required, but the Board of Officers have gone further and made a Report of 15 paragraphs, many of which scarcely affect the seaworthiness. I take it that the Report is required to satisfy Underwriters previous to insurance - if the trivial defects mentioned in the report are all that they can find wrong with the vessel, there cannot be much the matter with her. Johnson says that the holding down bolt and pin on the Forecastle capstan described as "distinctly unsafe" is perfectly good, but has just refastened it. I thought it as well to append a certificate at the foot of the report, stating that the defects and omissions had been made good, signing it as Lloyd's Agent.

19.

(9)

19. I enclose Billis of Lading per Samoa, which I am glad to report is now practically ready for sea. She has room for another 150-180 bales and could have carried even more if we had stowed more carefully. On the whole she has a very fair amount of cargo

20. The Thetis has had bad luck on her coasting trip so far. She had to wait under Shag Island for a week for a fair wind to take her in to Salvador, and I have received a letter from Capt. Thomas dated the 23rd, saying that although he finished there on the 19th he was still waiting for a fair wind to get out.

21. I regret to have to send a very bad report as to the state of the Sissie's boiler. I have previously reported that we were lifting it for examination, and Atherton's report is as follows:-

"After the boiler was chipped and scraped I examined it and
"found that the face was corroded through a leak from one of the
"studs in the blow-down cock, and had eaten away the false face
"which was put between the flange of the cock and the boiler
"front, to the extent that I could insert the blade of a pocket-
"knife to the inside of the boiler. This could not be got at
"when the boiler was in position as it was too low down in the
"bilge. According to the way it has corroded it must have been
"leaking slightly for a considerable time. Another bad place
"was found on the starboard mud-hole door doubling plate, which
"was also eaten away so badly that the studs could be shaken
"loose. When the boiler was first sent out, a main feed valve was
attached to this doubling plate, but was afterwards dispensed
"with, and a blank flange put in its place".

In Atherton's opinion it is not safe to use the boiler any more as the corrosion has eaten the face of the boiler quite half through, leaving barely three-sixteenths of an inch of sound plate. I send a rough sketch from Atherton from which it will be seen that the weak part is right at the edge of the plate where it is almost impossible to put a patch. When the Oropesa arrives I will try and get an Engineer or boiler expert to inspect. If his opinion should be that the boiler is unsafe there is unfortunately nothing for it but to ask you to send out a new one. This

is

(10)

is really most annoying, as had the boiler been properly inspected periodically, the mischief must have been detected and could have been arrested. If a new boiler has to be sent Atherton suggests that there should be no main check valve on the starboard side. It is however quite certain that the present engines will not last out a new boiler - if you decide, when new engines are necessary to send a set fitted with feed pumps, the main check valve in the boiler will be necessary. The engines have been thoroughly repaired and will I am sure last much longer than the 18 months anticipated in my 176-9. I regret now that the examination of the boiler was not taken in hand before the engines were touched, but I did not dream that the former would have turned out so badly. In other respects it is perfectly good, and has not rusted underneath so much as we thought.

22. I have commenced a few alterations at the East Store which requires to be made a little more attractive by having facilities for showing off goods.

23. In remarks on stores we have stated that the whole of the barrels of sugar per Annie are badly damaged from wet, through the sweating of the ship. We stand to lose very considerably on this, and I would ask you not to ship general goods again in a sailing ship that is not provided with ventilators. I cannot make out that the ship is liable for the loss, and should be glad to know whether we can recover anything from insurance. The Pebble Island sugar was all similarly damaged.

I am, Sir,

Your obedient servant,

Enclosures.Enclosures (originals per "Liguria" April 3rd.)

Despatch No. 177.
 Stanley Cash Book for January.
 Stanley Journal for January.
 Store Indents No. 222.
 Indent for "Fortuna's" Rigging.
 Remarks on Stores, and Replies to Remarks.
 Second of Exchange No. 2137.
 " 2141
 " 2142
 Coasting Insurances, March.
 Mr. Mathews' Report, March 25th.
 Remarks on Accounts.
 Statement on Accounts.
 Specification of D.N. Wool. Nos. 425--634.
 Bills of Lading (3) shipment per "Liguria".

Originals.

Stanley Cash Book for February.
 Stanley Journal for February.
 Cash Vouchers, East & West Store.
 Store Indents No. 224.
 Bailion & Stidman's Store Indent.
 Remarks on Stores, and replies to Remarks.
 Sale of Exchange No. 2145 on U.S. Treasury, \$ 62.70
 First " 2146 on Hy. Langridge & Co. \$44:11:2
 " " 2149 on A.G.R.M. Navy. \$507:10:0
 " " 2150 on " \$121:12:10
 Mrs. Orissa Denn's cheque (3)
 Marque "Annie" Accounts.
 Marque "Athens" Accounts.
 Coasting Insurances, April.
 Insurance of Produce Return No. 20.
 Stanley Wages Return to March 31st.
 Camp
 Reports of Survey, Marque "Sank" (Original & copy.)
 Drawing of "Sank's" boiler front.
 Statement re description of "Orissa" & "Liguria".
 Bill of Lading per "Orissians" (specimen)
 Bills of Lading per "Sank"
 Mr. Mathews' Report of April 24th.
 Shipping Report.
 Press copy of statement of freight from Monte Video.
 Statement on Accounts.
 Specifications:-

	Wool.	Skins.	Tallow.	Hides.
Z.	103 Bales.			
L.	7 "			
S.		27 Bales.		
A.	30 "	3 "		
H.	223 "			
H.S.	83 "	11 "		
KE	77 "			
KE	67 "			
J.F.		7 "	1 cask.	6
J.Fell.		3 "		
H.G.C.		7 "		
V.E.D.	72 "			
F.	80 "			

179.

"OROPESA"

May 1st, 1901.

Sir,

The Oropesa arrived at daylight this morning, and I have received your telegram dated April 22nd, "Trastojan".

2. I obtained the services of the boiler-maker of the Oropesa to examine the Sissie's boiler, and I enclose his report. He considers that the boiler is a good one with the exception of the defects already reported, and that in its present state it could be run for 5 or perhaps 12 months at a pressure of not more than 55 lbs. If good patches are put on the weak parts and the boiler properly attended to, there is no reason why it should not last for 5 or 8 years longer. Rlyth could not guarantee to put on serviceable patches here, more especially as, having only 10 spare tubes, we cannot afford to take out more than that number, which would hardly give space enough for a man to work inside the boiler. The usual working pressure for running the Sissie is about 60-65 lbs, and it appears to me therefore that the best course is to send the boiler home as it is to be thoroughly repaired, and re-tubed right through. By sending it in the Samon we save freight by steam one way - about \$12 - and I have decided to do this. It will be very inconvenient indeed being deprived of her services for some 5 months, and I would ask you to have it attended to with the least possible delay.

3. We are shipping by this steamer a few bales of sheepskins from Cameron and W. Bonner. I have entered all on our specification, and have made the freight 75/- per ton weight. You thought that outsiders should pay a little extra freight, and on Cameron's wool I added 5/- per ton, or 20% to our tariff rate. Working on this basis I have made the freight on sheepskins 76/- instead of 64/-

F.E. COOK Esq.,

Managing Director,

London.

(2)

4. The Fair Rosamond has left to-day for Fitzroy to bring in another ~~88~~ 90 bales or so for the Samoa. Whilst she is away the Sissie's boiler will be put on board, and Captain Rees will get in all his stores. I am in hopes therefore that she will sail within a week from now.

5. I have cabled to you "Acamparse Nichol Bertrands Kabeband "Three Bedrooms One Sitting Oropesa Rudeln", the first part being for Mr. Bertrand's account.

I am, Sir,

Your obedient servant,

ENCLOSURES.

Supplementary Store Indents No. 284.

" Remarks on Stores.

" Statement on Accounts.

Specification of 11 Bales wool, N.A.

Specification and Bills of Lading per Oropesa.

Copy of account with P.S.M. Co.

Report on Sissie's boiler.

Letter for F.E. Cobb Esq.

180.

"SAMOA".

May 7th, 1901. ---

Sir,

I beg to hand you herewith the following papers in connection with this vessel's homeward cargo:-

Manifest.

Bills of Lading (12).

Account.

Remarks on cargo.

On the Bills of Lading Freight has been entered on wool and sheepskins @ 27/6 per ton measurement, except the Falkland Island Company's. I would suggest that freight at the same rate should be charged to the Firm, the Suma receiving 20/- and the 7/6 being credited to Island Administration for division between the Schooner and Company's Shipping.

I am, Sir,

Your obedient servant.

F.F.Cobb Esq;

Managing Director,

London.

181.

"ORELLANA".

May 28th, 1901. XXV

Sir,

I wrote you last per Oropesa on the 1st inst. and have received per Yorkshire on the 18th your despatch No. 929 of April 17th.

2. The Samoa left on the 8th inst. with cargo as per enclosed copy of manifest, 1231 bales Wool and sheep skins, and miscellaneous packages. On the whole she has a much better cargo than I anticipated being able to collect, and the homeward freight ought to be an appreciable item. By last mail I was not able to send all Bills of lading, as the produce from Fitzroy and a few bales of sheep skins had not arrived. The remaining Bills of lading are now sent. I enclose a copy of certificate given to Capt. Ross and will ask you to settle with him on arrival in London. His wages as Master of Samoa at £15 per month commenced on February 1st.

3. The shipment per Orellana will be smaller than I expected owing to an accident to the Fair Rosamond and Harriet. The Fair Rosamond returned to Stanley at dark on May 4th and in bringing up ran on the Harriet at anchor, damaging the stern of the latter and carrying away her own cathead. The repairs delayed the Harriet over a week and the Fair Rosamond about 4 days, and the result is I am not able to collect 200 bales from Robson and Packer. The Fortuna too had to run back to Port William for a couple of days to repair small damage to gear otherwise she might have been able to go to Harkley Sound.

4. I received a supply of forms from the Western Telegraph Company, Monte Video. We cannot always type our messages, which are mostly written on board the steamer.

5. Mr. W. J. Williams has been in to Stanley and I have

F. E. Cobb Esq.,

discussed

Managing Director.

Yds

(2)

discussed with him the question of advances to Weddell Island Station. I must say I do not think the place can be run on £1,000 per annum, without starving it so much that it must deteriorate and thus lessen the security. The following charges on the place must be paid

Rent	180
Export Duties	36
Medical contribution	22
Scab Tax and Tobacco License	20
Insurance	41
Baling material	20
Schooner Freight	20
	<hr/>
	339
	<hr/>

Mr. Williams estimates wages bill at £444, namely a sub-manager at £7 per month and 6 men at £6 per month, i.e. 1 cook, 2 shepherds and 3 labourers who sail the cutter to the mainland when required. Judging from the cost of wages on other stations this figure does not seem to be excessive. I discussed with Mr. Williams whether it could be reduced by discharging some of the hands during the winter — he replies that owing to the position of Weddell, so far away from and entirely out of touch with Stanley and even the mainland of the West, he would scarcely be able to get men for the season. He cannot rely on casual hands going to the West seeking a job, as these, if any good at all, are picked up at Fox Bay, and if a man after landing at Fox Bay and going through the West gets as far as Weddell Island without finding work, it is quite certain he would not be worth having. Moreover, it is desirable that the two shepherds should know the ground well gathering during the season, and men must be kept to sail the cutter if necessary. Adding to these two items his own salary as Manager — £250, the total cost of running the place is £1033.

(3)

Local Freight and passages	35
Wages due to men	239:10
Accounts for stores purchased, about	140
	<u>414: -</u>

against which he has stores on hand to the value of about £300, so that the station would begin this year handicapped by about £115. It seems to me therefore that the place cannot be run this year on £1,000, unless Mr. Williams refrains from drawing his own salary as Manager. Another important point is the interest on the balance outstanding on December 31st. last to be borne out of the £1,000? If that is the intention, I do not see how the place can possibly be run on the limit. If I might be allowed to make a suggestion I would propose the following:- a separate "working" account of the station should be kept, the total not to exceed £1050 or £1100 during the year, and the present account should be considered a "debt" account, bearing its own interest. Seeing that the working account for this year would commence with a debit balance, namely the £115, excess of liabilities over assets, I would propose that the debt account should be raised from £1884, the debit on December 31st 1900, to a level £2,000, the balance being transferred to the working account to meet this debt. The advances on the working account should be met by payment in London of about £500 on March 31st. and September 30th. respectively, so as to avoid interest being chargeable. As to the reduction of the debt account, I would leave that to you to negotiate in London. I should imagine that Mrs Williams would consent to pay £500 per annum which would extinguish the account in about 5 years. I am aware that my so-called debt account would be practically a mortgage of £2000 but after all, we might as well admit it as to continue a debt of very nearly that amount in account current. I think this plan would, if payments are made regularly in London, show clearly what the station can be run for.

(4)

6. 929 - 3. Messrs Packe Bros & Co have not sent me in Bill of Lading for produce shipped per Annie, but they may have sent it direct to you.

7. Par. 4. You will see from the Manifest of the Samoa that we have sent home a fair quantity of her original cargo. I think on the whole that the prices paid by the store are fair, although in some cases we may have overshot the mark. Towards the end of the year we will go in to the question and if this should prove to be the case we will make an adjustment. The cigarette paper is in large sheets and is evidently for sale to manufacturers - the quality is that used for cigarettes in South America, a brownish thick paper. The Fertilizer is in 2 cut drums and far too much for here. We retained 5. The whole of the paper is the same quality and the same size, a thin paper evidently used for wrapping an ordinary pint bottle. I sent a bale to Vorwerks who replied that the highest quotation per bale was about $4/3$ less landing charges, brokerage and commission. They added that the price could not be guaranteed and that buyers would accept only bales in perfectly sound condition. The freight would be about $1/2$ per bale, so that the proceeds would be very little, and I am afraid we have overestimated the value. I am sending a bale to Morton this mail to see if he can get any better price. The highest offer for candles at Sandy Point was $4/6$ per box and the duty in Chili or the River Plate would be prohibitive. In Sandy Point they now manufacture their own soap and candles and it seemed better to send the surplus home. The shot is not ordinary gun shot, but a round bullet, for which we could not get any offer at all, I meant to have sent this home on the vessel but it was overlooked. The ink is only a small matter. We are selling it at 2d per bottle which gives a good profit.

8. Par. 6. Now that the press of work is over and Capt. Thomas likely to arrive I hope to get on with the Glengowan. We should have to discharge some 300 to 400 tons

(5)

of cargo before she can be expected to float. I have tried the Samson's pumps and find they are in excellent order.

9. Par.7 All hides are being kept for the Thetis, but up to the present I have only 150. We are not likely to ship many hides in future as on most stations the cattle have been killed off. I note what you say as to tallow- this is awkward stuff to handle and I must admit that I am surprised you were able to secure such a favourable rate of freight from the P.S.N., seeing the time it takes them to load it.

10. Par.9 Naturally, I suppose, Mr. Mathews before leaving for England, took care that most of the camp requirements were satisfied, and the schooners did not run to the Farm much last winter. Frequently we have had to send shipments of stores out, but I have endeavoured to impress upon the Darwin Storekeeper the desirability of getting a good stock before winter comes on in order to avoid having to send a schooner when there is no return freight to Stanley. I think too I may have undercharged the Farm a little last year, that is judging from amounts previously paid for the hire of schooners. In 1899 a good deal of carpenters' and blacksmiths' work was done in Stanley for the Farm. All the work horses were repaired here, sails for the cutter made and boats sent in for repairs. In addition to the wages of the butcher, cooper and gardener, wages are chargeable to the Farm for salting hides, pressing skins and also for work loading stores on schooners, the latter on the principle that as the hire of the schooner is charged to the Farm per day, the cost is lessened by the schooner being loaded expeditiously. With reference to the wages, the Darwin Storekeeper's statement of course the correct figure. In making up the abstract of the Farm account we must however take the items as shown in our ledger. We pay our wages partly in stores and partly in cash orders and all stores sent out for sale are a medium for payment of wages and are treated as wages in our abstract. Balances of wages are paid by means of cash orders. If any of these stores are sold for cash the money

(6)

should therefore be utilised for payment of wages - our system however does not admit of that and the money has to be sent in to Stanley. To do this the Storekeeper cashes orders, that is to say, repurchases the other medium we have for the payment of wages. These orders are sent to Stanley and are credited to the Farm; they do not reduce the wages, but reduce the amount of the cash orders which have been issued in payment of wages. I find it awkward to make the point clear on paper. Possibly it would be clearer if the abstract were worded as follows:-

To Wages, namely

Stores invoiced from Stanley for sale - - - -

Cash Orders - - - -

Less Cash orders repurchased by

Storekeeper with proceeds of

Stores sold for cash - - - -

We must take the figures as shown in the Ledger, and strictly speaking the total should correspond with the amount shown on the Darwin pay sheets. In 1900 the discrepancy was £192. With the abstract of the Farm Account for 1899, a note was sent, calling attention to the discrepancy, which arises from the impossibility of selling all the stores sent out for sale for exactly the value invoiced. There must be a certain amount of waste, and some stores, for the cutter for instance, are delivered, and do not go towards payment of wages. In addition to this we are gradually reducing the value of goods in Darwin Store which are not saleable at their original value. In 1900 the contract did not stipulate that the shearers should pay for combes and cutters. This year however they were paid for and the amount was credited in February Cash Book to Farm - it will be transferred to Plant. The Store Sales certainly looked well last year, the amount being swollen by sale of coal to H.M. Ships. For the last 6 years the Thetis cargo

(8)

should therefore be utilised for payment of wages - our system however does not admit of that and the money has to be sent in to Stanley. To do this the Storekeeper issues orders, that is to say, repurchases the other medium we have for the payment of wages. These orders are sent to Stanley and are credited to the Farm; they do not reduce the wages, but reduce the amount of the cash orders which have been issued in payment of wages. I find it awkward to make the point clear on paper. Possibly it would be clearer if the abstract were worded as follows:-

To Wages, namely,

Stores invoiced from Stanley for sale - - - -

Cash Orders - - - -

Less cash orders repurchased by

Storekeeper with proceeds of

stores sold for cash - - - -

We must take the figures as shown in the ledger, and strictly speaking the total should correspond with the amount shown on the Darwin paysheets. In 1900 the discrepancy was \$102. With the abstract of the Farm Account for 1899, a note was sent, calling attention to the discrepancy, which arises from the impossibility of selling all the stores sent out for sale for exactly the value invoiced. There must be a certain amount of waste, and some stores, for the cutter for instance, are delivered and do not go towards payment of wages. In addition to this we are gradually reducing the value of goods in Darwin Stores which are not saleable at their original value. In 1900 the contract did not stipulate that the shearers should pay for coals and cutters. This year however they were paid for and the amount was credited in February Cash Book to Farm - it will be transferred to Plant.

11. Par. 10. The Store Sales certainly looked well last year, the amount being swollen by sale of coal to R.M. Ships.

(7)

For the last 6 years the Thetis cargo has been treated as goods on hand on December 31st., although she did not arrive until the following year. I will see that in any future similar case, the item is entered as "stores in transit". On going over the London Balance Sheets I find the last case was December 1891.

12. Par.11. I would hardly go so far as to say that the Sissie is worked at a profit, but she certainly does not cost much. Each year Store contributes £450 to Company's Shipping for the use of hulks lighters and Sissie, I do not know how much of this the Sissie was supposed to have earned. I trust that her repairs will not run into £200, the repairing of the boiler at home will not exceed £30, I should say.

13. Par.12. I hope to be able to lay up two of the schooners for a time this winter - the Fair Rosamond's crew were paid off before the repairs, although we had to employ men to pump and afterwards to renew the rigging. The small men get over more ground than our schooners, as naturally a man working for himself will do more than working for fixed wages. They are no longer financed by the Company, except the Shamrock (late Vasp), the debt on the Chance remains stationary. I had hopes of treating the Schooner and labour questions together. It appeared to me that if we could import men from Chiloe Island to work for 6 months in the Summer we should relieve the congestion at the time when there is more work to be done, and I am disappointed in not having heard from Messrs Christie & Co. the Agents in Chiloe Island. With 6 men and a cook we should get through the Summer very well. Then when the time came for laying up a schooner, I thought of giving the men the option of living on board at the usual wage if they would work in the navy gang. By this means we should have a supply of labour in the Winter, and should keep the crew or crews together. If wanted quickly, the schooner would only have to bend sails and would be ready for sea.

14. Par.14. I referred to the large increase of Sundry Debtors in Par.21 of my despatch No:-176. Messrs Braun & Blanchard's

(8)

Schooner, the Righting Wave, has been round the West lately selling flour and wood, and I expect to receive from them a heap of s clients' cheques. When these arrive I will take the opportunity of writing to those whose accounts are unsatisfactory, pointing out that we cannot continue to advance them money to purchase stores elsewhere. How about some of the clients' indents per Thetis which are very heavy?

15. Par. 15. I have to thank you for giving me the opportunity of commenting upon Capt. Kite's report, to which I do take the strongest exception, and I thank you still more for the reply you sent to the P.S.N. Company. The P.S.N. apparently realise the desirability of discounting the reports of their Captains, as they say "he has nothing particular to complain about." Having nothing whatever to complain about Capt. Kite goes out of his way to manufacture something. To begin with, he admits it was blowing a gale of wind, and you will have learned from the statement I sent that McLauchlan (and Capt. Kees) considered it unsafe to put Lighter alongside. At my personal request the Port authorities went off to receive the vessel with me in a sailing boat with trouble reefs. In any other port it is perfectly certain that the steamer would have been left severely alone until the weather moderated. I knew however that she had a heavy cargo, and was anxious to get the work started as quickly as possible. Although I had doubts about sending a lighter McLauchlan put the Rosa Baker alongside, and very neatly stove her planks in, owing to the violence of the weather. The Fairy was lying with a very long scope of chain, which naturally took time to heave in. It was not until after the Samson had left the ship that Capt. Kite told me he would like another lighter. I waited for the Samson to return, went ashore and got the Hornet's crew to work in the Nimrod. Capt. Kite of course omits any reference to his not having asked for a third lighter, and leads the P.S.N. to think that it was

the natural course of events for us to require 4 hours to get it alongside. His statement as to having the greatest difficulty in impressing upon me that they are in a hurry is utter bosh, manufactured for home consumption. His next statement is an absolute falsehood, and I am writing to the P.S.N. telling them so. To begin with I have nothing to excuse myself for in the case of any steamer except the Orissa, when the Sissie broke down, and if I did want to excuse myself I should not get behind a German steamer. I do not recollect mentioning German steamers to Capt. Kite at all, but I fancy he asked in the course of general conversation how they got on here, and I probably told him that they generally remained one or two days, sometimes three, the delay being due to the fact that they delivered cargo separately to each consignee. He contorts this into an excuse from me for our not hurrying, and although his first visit to the place, terms it a "standing" excuse. Then he leaves the P.S.N. to infer that he could not get the steam tug. I asked him the evening before he called if he would require it, and he replied "Yes", whereupon I ordered fires to be banked to be ready at daylight. When I saw him next morning he was undecided whether he would want it or not, and finally declined. As a matter of fact we were called upon to do more for the Iberia than any other steamer that has called. The weather was bad and she had the most awkward cargo for handling that has yet come to the place, steel rails 70wt. each, contractor's trucks weighing 3 tons each, carts and other heavy goods. As I pointed out in my report our men were at work continuously for 27 hours (they are not likely to do it again), and the office staff were turned out at 3.30 a.m. to despatch the vessel. Is it possible to place any reliance upon these Captains' statements? A notice is put up that the Vessel will sail at 7 p.m. At 8.30 p.m. the Captain tells me that he will finish at midnight and sail at 4 a.m. We are turned out to attend to his papers, and he sails finally at 8.30. After all this he writes a report, partly false and the remainder entirely

(10)

disadvantages. From what I have seen at other ports, our despatch here, considering the disadvantages, compares favourably. At Sandy Point their approach is telephoned from Cape Virgins, five hours in advance, and they always anchor in the same spot. Here, our Captain drops his anchor just inside the Harbour, another halfway up to the Great Britain, and last voyage Capt. Cooper brought the Orissa right past the hulk and anchored just opposite the Church. Some come up Port William at full speed, others take an hour and we must wait for them to anchor before starting away with a lighter. I am sure you do not do an injustice in assuming that we lose time, and I do not see how Capt. Thomas is to get lighters alongside any more quickly. I thank you very much for supporting us so strongly in writing to the F.S.S., but I consider that it is not right that you should be put to the trouble of disputing such statements as Capt. Thomas's, or that we should be compelled in self defence to write long explanations contra afterwards. I would even suggest applying to the F.S.S. the same treatment they mete out to you, namely to ignore reports which are palpably untrue.

15. Feb. 17. I enclose copy of letter I have received from the F.S.S. as to the Bay and Great Britain. They seem rather inconsistent in sending a report from their Marine Superintendent, saying that it would be very risky to attempt to make the port at night, and at the same time ask for a light to be fixed on the Hook to enable the steamers to come in. If a light is to be fixed they must send out a suitable one. The best arrangement would be an ordinary ship's light-house, as the light must be protected from the weather. Capt. Cooper said he would prefer a buoy on the North shore and one on Engineer Point, on which lights could be placed. I have no doubt the position suggested for the Great Britain would be suitable for them, but it certainly is not for us. If we have to send men right from the Harke out to discharge a schooner, we shall lose the whole day, and we

(11)

could not continue to ship coal at present rates. I shall certainly not ship any more until you have fully considered this point.

17. Feb. 29. We could not possibly let the *Thetis* have a bulk. The *Imperial* leaks, the *Vicer* of Bray and *Fraser* were in road-ward for the *Athena*, the *J.P. Smith* was full of *Bessing* coal, and the *Cardinal* still has a large quantity of coke in her. In any case she would not have been suitable as she is so high out of the water.

18. Feb. 26. At the Governor's request Mr. Locke continued to act since Mr. Appleford. Mr. Hill is expected to return shortly.

19. Feb. 24. I am not surprised to hear that shipmasters are referred on a Survey to Naval Officers, who are more used to inspecting a ship for cleanliness than for stability. The certificates which I received from them were not altogether what I should have liked, but I gather that they will suffice. The fact she was making so little water would, I suppose, be accepted as proof that she was fit to carry a dry and perishable cargo.

20. Feb. 26. As far as I recollect we got out a new messenger chain for the *Great Britain* about 1894 or 1895. We let the *Exmouth* have the old one, as some of her crew deserted in a life boat, taking her messenger chain as ballast.

21. Feb. 27. Kelsey was my authority for saying that the crown of the Hobey boiler was falling in- it is rather amusing to hear that it was built with a outside crown. I will get the boiler examined later.

22. Feb. 28. I note what you say as to entering full freighter bills of lading of produce of others than clients, and will see that this is done in future.

23. Feb. 28. We like Mr. Oswald, and I feel sure that he will be a success. He is used to typing and is already of great assistance to us in the office. He is staying for the present at the Rose Hotel, but will I think find suitable lodgings at a reasonable rate.

24. Jan. 18. I received letter from the Secretary of Lloyd's Register as to the Samsen's boiler and enclose copy of my reply. The difficulty of a survey by a P.E.M. Engineer is that she must be under steam when the boiler is in Stanley until we have the boiler again, and moreover two separate surveys have to be made, one when the boiler is cold, and again when under steam in order to adjust the safety valve.

25. I regret to have to report unfavourably about the Engineer Atherton, to whom I have had to read the Riot Act. Since Rees left, McLauchlan has handled the tug on three occasions, to tow the Samoa out, to move the J.P. Smith and to tow lighters for the Yorkshire. Each time he has handled her extremely well, far better than Rees and without a hitch. Whilst the Yorkshire was here he got the lighters off, making three trips in the morning and everything went well. In the afternoon, however, Atherton was working apparently altogether differently to the morning, "half speed" being dead slow with scarcely a movement of the engine and "slow stopping" altogether. Another time he put the engine astern without instruction. After the lighter were anchored, on McLauchlan expostulating with him, he became very abusive, using bad language and telling McLauchlan that he did not know how to handle the boat. Next day when I went into the matter he denied having used the language, although I had the testimony of three persons, and he averred that he worked his engine strictly according to the telegraph. He is much too plausible and shifty altogether. I have told him that if the slightest hitch occurs with Capt. Thomas, or if he cannot work his engine consistently according to revolutions, he will have to go. Seeing the value of the property at stake, I could not hesitate to get rid of him if anything approaching it occurs again. It is not only the risk to the Samsen herself that we have to consider, but the damage that might be caused

(13)

to the engine, for instance, if he does not work the engine according to the instructions of the Captain.

24. I see that you have credited us with some discount on outward passages by the P.S.M.S., and I gather from this that you regarded this discount as a part of the Agency Commission. I was not quite sure whether the P.S.M.S. gave us this concession as Agents or on account of the amount of business we do with them. We have hitherto credited the discount on passages at this end to the different departments. Do you wish the discount in future to be credited to Mail Agency Account?

25. I enclose herewith a copy of a letter to the Manager of the P.S.M.S., Valparaiso, as to the heavy cargo which we expect to have ready about the end of June. The fact that the Iberia is the homeward bound steamer in June, a very slow working boat, makes it probable that Mr. Harpe might arrange to send a cargo boat as suggested.

26. Mr. Mathews has alluded in his letter to the question of stationing Ryan at Goose Green permanently instead of at Stanley, and I should be very glad if this change were effected. He could easily do all the cooping work at Goose Green, and we should save largely in labour by sending shocks out intact, instead of making them up into barrels here. Four barrels can be coiled by a carpenter and the only occasion that he might be wanted in Stanley would be when tallow is shipped, but it is not difficult however for an ordinary carpenter to tighten up hoops. I should be glad too to add his shop on to the Engineer's shop, which is cramped now. That we have so much extra gear belonging to the Station.

I am, Sir,

Your obedient servant,

Enclosures.

Duplicates. (Originals per "Oropesa" May 1st.)

Despatches Nos. 172 & 173.
 Copy of Stanley Cash Book, February.
 Copy of Stanley Journal, February.
 Store Indents, No. 284.
 Remarks on Stores.
 Second of Exchange Nos. 2146, 2149, & 2150.
 Barque "Annals" Accounts.
 Barque "Athens" Accounts.
 Coasting Insurance, April.
 Insurance of Produce Return, No. 26.
 Stanley Wages Return, March 31st.
 Statement on Accounts.
 Report on "Sissie's" Boiler.
 Specification and R/L per "Oropesa".
 Specification :- N.A. 11 Bales Wool.

Originals.

Copy of Despatch No. 180 per "Samoa" & enclosures.
 Specifications per "Samoa". -

P.I.T. 264 Bales Skins.

P.G.	22	"	"
D.H.	17	"	"
H.A.	23	"	"
H.C.	8	"	"
J.S.	107	"	"
S.	3	"	"

S. 102 Bales Wool.

Letter and Return for Captain Rees.
 Certificate as to Captain Rees' Wages.
 Letter for Japanese on "Samoa".
 Additional S/L (4) per "Samoa".
 Copy of Stanley Cash Book, March.
 Copy of Stanley Journal, March.
 Cash Vouchers, East & West Stores.
 Ledger Balances, March 31st.
 Store Indents, No. 285.

Packe Bros. & Co's Indent.

Remarks on Stores, & Replies to Remarks.

26 Sets of Falkland Islands Postage Stamps.

Coasting Insurance, May.

Particulars of Drafts Nos. 2142 & 2150 on Acct. Gen. H.M. Navy.

Copy of Shipping Contract with Daniel Lean & Co.

Copy of Letter to Stickney Brothers, May 15th.

" Western Telegraph Co.

" Pacific S. Nav. Co. Valparaiso, May 18th.

" from " Liverpool, April 17th.

" to " April 30th.

Mr. Mathews' Report, May 24th. & enclosures.

Shipping Report.

Remarks on Accounts.

Statement on Accounts.

Registered Letter for F.W. Bertram.

Specifications:-

D.H.	13	Bales Wool.	
H.C.	1	"	
D.H.	2	Bales Skins.	
J.H.D.	43	" Wool.	
J.M.K.	23	" " and	1 Bale Skins.
J.R.	25	" " " 1	"

117.

OTILLANA.

30th May 1901.

Sir,

This vessel arrived at 2.15 p.m. to-day and will load just what cargo we have. I much regret to report that the Fortuna, Paic Horsmond and Richard Williams have all disappointed me and instead of 400 Bales as promised I have only 107. In the last week we have had nothing but calms rarely enough to move a hairpin, and the lack of cargo is purely and simply a case of force majeure.

2. In sending a copy of the new clearing contract for 1901 - 2 with Messrs Daniel Bern & Co., I omitted to mention that I have pointed out to them that the present contract differs from the previous one in Article 3 in respect of the mode of paying the balance. The old contract allowed us to pay by a draft in England and I have requested them to give us this option in the present contract.

3. I enclose a copy of a letter I have just received from Capt. Thomas, who seems to have had unusually bad luck in the crossing trip.

4. I regret to say that Captain Thomas has not arrived by this steamer, but I am sure have soon letter from him in the mail.

5. I enclose Specification and B/L and have telegraphed to you "OTILLANA REPORTING" meaning that the "Otillana" has on board 107 Bales. Captain Archer has just informed me that he passed a small black schooner off McBride's Head, bound for Stanley, -- evidently the "Fortuna".

I am, Sir,

Your obedient servant,

J.B. Cobb Esq
Managing Director
London

W. Hardy
Manager

Enclosures.

Supplementary Invoice.

Enclosed to release and forfeiture.

Copy letter to Capt. Smith, District.

Copy letter to S.B.A. Co. and account.

Supplementary Assignment on Accounts.

Special Agent and Bill of Lading per Billiana.

103

H.M.S. "HMS"

June 18th, 1901.///

Sir,

My last despatch left port Orillana on the 20th ultimo.

M. J. S. Symphie arrived on the 31st with explosives for the Naval Works and leaves to-morrow morning. She has taken 33 tons of coal and the usual quantity of provisions for which I shall be able to send you drafts on the Admiralty.

3. Messrs. Brown & Macdonald's schooner, the *Hippiana Wave*, has been round the islands on a trading expedition with flour and tinned food. I have received from them clients' cheques as per enclosed list amounting to about £400. The largest purchasers are Messrs. Johnston & Blake, Pebble Island, Dean & Anson, and Stickney Brothers. I enclose a copy of a letter I have written to Mr. J. H. Dean in the subject, and I have pointed out to Messrs. Stickney Brothers, Baildon & Stickney, and Fitchner that we are not disposed to advance funds to them for the purchase of stores from other people.

4. I enclose copy of correspondence with Mr. J. Stickney as to the time when which we would continue to conduct the agency of their business. He mentions that he wishes to consult his partner Mr. W. Stickney, with whom you will probably discuss the matter.

I am,

Sir,

Your obedient servant,

F. E. Cobb Esq.

Managing Director,

LONDON.

ENCLOSURES.

Application. (Originals per "Orrells" May 30th.)

Despatches Nos. 121 & 122.

Copy of Stanley Cash Book & Journal for March.

Letter Balances, March 31st.

State of Affairs No. 123.

Remarks on Storm & Replies to Remarks.

Coasting Instructions, May.

Particulars of Drafts Nos 2148 & 2150.

Copy of Shearing Contract with Messrs. D. Dean & Co.

Mr. Mathews' Report, May 24th. & enclosures.

Remarks on Accounts.

Statement on Accounts.

Specifications:-	D.H.	W.C.	F.I.C.	J.R.
Wool.	12	1		
Skins.	2		254	107
	17	25		

Specification & S/L shipment per "Orrells".

Originals.

Peck Bros & Co's Indent.

Dean & Anson's do.

Stickney Bros. do. (Indents)

Insurance Return, F.I.C. Department.

Copy of Correspondence with Stickney Bros.

Copy of letter to J.R. Dean.

List of Shippers presented by Dean & Blanchard.

Statement on Accounts.

4

1944

1944, Jan 1944, 1944

I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.

I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.

I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking of you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.

Yours truly,

Harold G. Smith,

London.

(3)

to 17000 to 18000 tons. Since then the Maiphe has paid a further visit, taking on board, and this time together with delivery and sales of wool, have reduced the stock now to exactly 10000 tons. As reported last year 8000 tons had been delivered to Maiphe, 2000 tons at 40/- per ton, of course charged. It will be seen from the above that the Maiphe took 110 tons in April and when 10000 tons was paid, namely 8000 tons at 40/-, which comes to 320000/-, and the balance of 2000 tons at 40/-, Mr. Hayes is going about 2 tons a week for his pleasure, for which we are charging 40/- per ton. I think that the Admiralty do not desire to throw the balance on our hands. Is it possible that they want 1000 in addition to this balance? I do not see how they can possibly carry up their own sailing arrangements sufficiently to export a flock for next season, and I think they will not be able to do so for the next three seasons yet. By the last mail they have sent out the travelling stock ordered.

On 10th of June I received a letter from the P.S.I. at Stanley, and at Chiles Island, who seems to be under the impression that the Maiphe do not call here. I received the Maiphe's report only after the departure of the Maiphe. I am not anticipating getting charges lower than the Maiphe has been charged, though at 40/- per ton, which was charged, would be not more than 40/- per ton, when passengers are added. I do not think that labourers or anything of the kind will solve the difficulty. There are more here than I could employ, and I must say that I do not like the idea of labourers or these things. In the winter we have no difficulty; there is less work done, and the sheep are available from the sheep farms; but in the summer, when we want all over the islands, both on sheep farms and on other farms, and we have quite a little work doing in Stanley. However, we propose to get out of the difficulty by engaging more labourers, we must have enough to get through our summer work, which means that through the winter we should be paying more than we want, and it seems to me that it will be cheaper in the long run to have a party of 5 or 6 for six months,

...the

7. Mr. B. by only means as to survive goal was the
 definitely that if the goal had to be condemned, there would be
 at least that I had condemned in order to purchase for the
 interest, if I do give an opinion, it will be an honest one, and
 be long as the Board and they'll give me credit for that, I
 shall not trouble about the outsiders, and the matter as it
 should be done. I shall be pleased.

8. For 1890, I omitted the statement of goods shipped to
Albany in 1891 and 1892, for which my calculations were based
I took the shipments appearing in our ledger and included goods
sent to Albany and the River State; but the principal difference in
the results was due to the inclusion in your list of the ship-
ments to Springfield and others. These shipments are of course
shown in our ledger under 1890. The Quakers, however, left
Albany on December 25th, and the ships at Albany ready to leave
in January and not actually sail until January 6th. My main
objection, in which you do not refer, is that in making the
comparison between the two years, the stock on hand at the be-
ginning of the year should be taken into account, as it puts a
very different complexion on the matter.

[illegible]

(7)

would be here in the Liguria, and waited to hear from him if he would send his wool in the Samba, hoping to have had time to write a short supplementary despatch to you, in which I should have informed you that the Roy Cove, Hill Cove, Saunders Island and Carsons Island wool would be shipped by her. The Liguria arrived in Port William the evening of her due date, which was somewhat unusual, and our time was short. Captain McWatt anticipated leaving at 1 p.m., and the short morning was occupied in attending to the steamer's business, passengers' tickets, lists, bills of health, P.S.N.O. Account, and so forth. It is true that I might have written a short note on board, but as Mr. Blake was going home in the steamer, I imagined that you would have learned from him that his and Mr. Bertland's wool would go in the Samba. Although I wrote on March 22nd, that she would be ready in three weeks, I received on April 18th, your letter advising me to send specially for wool for her, and to inform Mr. Sharpe that I might not have any cargo for a steamer or two. I naturally concluded from this that you would not expect to hear of her departure for some weeks at any rate. She sailed within three weeks of the day of my receiving your letter, the time being occupied in loading the produce above mentioned, and getting in 200 bales of wool from Fitzroy.

15. Feb. 23. When shipping any produce consigned to Mr. Dean I will hand a note to the P.S.N.O. officer, calling his attention to the fact that these have to be stored in a separate warehouse.

16. Feb. 24. The Nimrod will certainly bear writing up, and I have recommended in reply to your Remark on Accounts that her insurance should be increased from \$200 to \$300. No repairs have been necessary since December 1891, when she was re-decked, a few planks replaced, and thoroughly overhauled, at a cost of about \$370. About three or four years ago she sprung a leak, and it was discovered that the sounding rod had worn the plank right through. The cost of repairing this was very trivial. She is at present in very fair condition, the only defect being

(18)

the covering board, which we propose to renew later at a cost of about £30. The filton has been periodically repaired, and fairly large sums spent upon her, but even so, her present value is not equal to that of the Minerva. Nothing beyond minor repairs has been done to the Fairy for the last 18 years. The old deck was sheathed almost 15 years ago I think, and has stood well; we may have to spend about £30 on her within a year or so, as she will need caulking.

17. Far. 25. The collection of produce by the schooners this year has been almost precisely the same as for the last five years, namely, November and beginning of January, all three schooners clearing our own sheds. Remainder of January and February, Horton, Hill Cove, Shallow Bay, Saunders Island and Saunders Island, in addition to our own work. March, Speedwell Island, Silver Island, Horton of Hill Cove, Scherer, Goose Green Station, and our own wool. April, Bleeker Island, Roy Cove, Balance of September, October, Pacific. You wished our own wool to go to China, if she could catch the March sales; as this was not possible we had to look round for clients' wool to fill her. We collected Hill Cove, Shallow Bay, Saunders Island, and Horton with wool in the season as usual, but the bulk of Hill Cove, and the whole of Shallow Bay and Saunders was kept back for the season. Our own sheds had to be kept as clear as possible, and I actually shipped our wool as it was collected. We also collected some of clients' wool, rather more as we got in, however, but less was shipped by steam on account of the season, and even if the season's lot had gone by steam, our own would have been sent home in the same way. Last year we shipped 1442 tons of our own by February 7th, this year we shipped 1442 by February 25th. Last year, the balance of just under 600 left on April 21st, this year the balance of 500 had left on April 3rd, only 18 days earlier, so that practically there is no difference at all to speak of.

18. Far. 27. The shepherds arrived by the Liguria and were sent out to Barwin and Walker Creek the day after the steamer

(9)

left.

19. Feb. 28. The Liguria can have only just touched the sand alongside the Great Britain - the Clavia in January was certainly aground for over an hour, but Captain Hussy evidently thought nothing of it. I believe that they frequently ground at Monte Video.

20. Feb. 28. Certainly some of the Kosmos Captains did trade privately in potatoes and flour, and you may recollect Charles Green is in favour of Captain Wishing. We did not like purchasing from them as it upset our own indents, but we were virtually obliged to purchase in order to prevent our own stocks being spoiled. Of course they did not pay freight themselves, and I dare say that between Sandy Point and the Falklands a Captain did frequently net a profit of £50. Flaming, who was in command of the Sakharah, the steamer by which Mr. Alcock travelled from Sandy Point to Valparaiso, always proved to be reliable.

21. We were not able to have the Samson's boiler and engine surveyed by the Engineer of the Nymphe, but hope to get it done by the Engineer of the Antisara. The Nymphe arrived on Sunday, and had to be put alongside Monday afternoon, the hull was towed away Tuesday afternoon, and the Liguria was due next day. The boiler must be empty for survey, and steam has to be raised afterwards for the adjustment of the safety valve.

22. I received the copy of the letter from Messrs Arthur & Co. as to the collection of the debt from Dawkins. Long before Mr. Baildon left, Dawkins went to Sandy Point, and naturally not a penny had been forthcoming from him since. I informed Messrs Arthur & Co. in January 1889 that I was writing to the Debt Collector in Sandy Point, in whose hands Mr. Baildon had placed the matter, and would let them know if he was likely to be successful in getting anything more out of Dawkins. I received no answer and wrote a reminder - when Mr. Baildon was in Sandy Point he made enquiries, and found that Dawkins was running only a hair-dressing saloon, and when I

(10)

was on shore at Sandy Point myself I learned from Stubenrauch that it was quite hopeless to expect to get anything out of him. I wrote in April, telling them there was no prospect of getting any more, that I had £2:14:7 in hand, and I suggested that I should be allowed to hand this sum to Mr. Baillon, who went to a lot of trouble over their business and received nothing for it. Arthur & Co have received £130 of their debt of £163 without having been charged anything, and if they felt any anxiety as to their £2:14:7 I think they might have written to me about it. They have been most fortunate in getting back so good a percentage of the debt. I have sent them the money.

23. Par. 16. A Meeting of the Legislative Council was held on the 21st. instant to consider the Estimates for 1902. The Governor informed the Council that up to the end of April £3774 had been expended on the addition to Government House. It is difficult to see how so much could have been spent, but the "Government House Vote Extraordinary" has been debited with every charge appertaining to it, namely brickmaking, the new stable, passages of masons from England, and wages of Foreman of Works. The addition to the house is being built of local bricks which are now stated to be of good quality; a large quantity of material has been sent from home, though I gather still more will be required, as the Governor stated he could not estimate yet what would be the cost of completing the work. Having started the work, it seems to me it must be finished, and it is useless to attempt to stop it. I therefore moved for a detailed return of the expenditure on the house up to the end of June, which will be laid before the next Meeting of the Council. Mr. Felton will have returned from the River Plate before that, and I said I presumed I should be in order in asking them for information as to what works were regarded to be of pressing public importance, the Secretary of State having promised to reconsider the Export Tax when these works had been carried out. To this the Governor assented. With the example of Government House before them, I think that the Colonial Office will

(11)

will hesitate very considerably to allow the Governor to undertake any new work. When we came to the question of roads, I was informed that last year £400 was spent. I remarked that considering their present state I thought that the whole of the money voted for roads should have been spent upon them, and that it was not an item upon which any saving should be made. I took the opportunity of mooted the scheme of a Municipal Board or Parish Council, as discussed by you with Sir John Anderson. The Governor said he was in sympathy with the idea, and had in fact collected a lot of plans in force in various Colonies, but had not had time hitherto to evolve any workable scheme. He asked if I proposed that general revenue should contribute towards municipal funds, and on my replying in the affirmative he demurred, saying that the Board should levy its own rates in Stanley. This of course would be right into his hands, as the Government would take the £500 at present voted for the roads, and make the local board raise additional revenue. He asked if I would move a resolution, but would not accept the form that I proposed, namely that the Government should devise a scheme for vesting in a local board the control of roads and drains, and also the duties at present entrusted to the Board of Health and Burial Board. He suggested that I should move a reduction of £500 in the vote for roads; I said there was no practical utility in that as money must be spent on them. It was then agreed that what had passed should be entered in the Minutes, and when Mr. Felton returns we will go into the matter. The two horses from Monte Video did cost about £40 each, including freight of £12 each. We did our level best to stop the Export Tax by a memorial to the Secretary of State, upon which I spent two and a half days with Felton and Packer. The result was of course nil, and I fear that the people at home who are protesting against the Coal Tax will not fare any better than we did. About the only thing I succeeded in getting out of the Governor was an undertaking one half of the Seab Tax on December 31st. of this year, and according to the Estimate for

(12)

1902 it is proposed to collect only one quarter of the amount on December 31st. of that year.

24. Par.30. I have seen Mr. Packe and informed him that the Board consider that Mr. Company's interests demand that he should give a mortgage. We went into his figures for the year ending April 30th. 1900, and I find that he was then reducing his wages well considerably - it stood at just under \$1700, as compared with \$2700 in 1898, and he anticipates that this has been still further reduced in 1900-1. Owing to his working at Government Office he has not had time to make up his own accounts, but hopes to be able to write you on the subject shortly. He is quite willing to give the mortgage, and suggests \$5000. His debt on April 30th. last, including interest and stores, amounts to \$7834.412, and we have all his produce awaiting sale.

As you did not mention what amount the mortgage should be, I said we would take no steps until the arrival of the next outward mail, which will doubtless bring a letter to him from you, dealing with the subject. Mr. Russell Backworth is anxious to purchase Mr. Vere Packe's interest in Fox Bay and has been to Stanley to try and arrange this. They did not however come to any arrangements as they cannot agree as to price, and the difference between the amount Mr. Packe is willing to take and the amount Mr. Backworth proposes to give is so great that I do not think that anything will come of it. During the last year or two Mr. Packe has certainly curtailed his personal expenditure, although there is room, no doubt, for more retrenchment. Mr. H. Waldron's account shows an improvement, but is swollen by his last invoice per "Thetis" \$463, in which was included some sails for the "Estrella", to which we drew your attention in Remarks on Stores. Mr. Waldron told me two years ago that he intended to purchase his stores from us, and I undertook to make the prices as reasonable as possible. Mr. Felton is expected to return from the Argentine by the next mail. He wrote me that he was going down to Rio Negro and hoped to dispose of

(15)

some of his land there. In February \$1000 was transferred from Roy Cove to his account, and \$2000 odd to Mr. Bertrand's private account. In the March balances the three accounts lumped together show a credit balance of nearly \$500, and I may also mention that the purchase of the Roy Cove freehold was completed last December, relieving the account for the future of \$800 per annum. I informed Joseph Robson that we could not advance his rent and am glad to say that his father-in-law, Mr. G. P. Smith, paid it for him. G. Wesell's and John McKay's accounts are nearly covered by the produce which has been shipped. Mr. Mathews sold to Robson and McKay some old horses in April, which has swollen their accounts slightly. He also sold Mr. Packe cattle to the value of \$300 last month. Mr. Mathews is a little unfortunate in his customers for live stock, as all these are already on the wrong side of our ledger. G. Bender draws no cash at all, our advance being stores rent and taxes. There is a rumour that Mrs. Robson contemplates living at Port Lewis and letting her Stanley house. Mr. Anson left here in March 1900 with a credit balance of \$185. His drawings in London brought his account into debit at the end of the year, but a payment of \$200 to his credit by Mrs. Deen in January reduces that debit to \$180. He has paid off a part of Mrs. Fear's mortgage and I do not think we need have any fear as to this amount. Mr. Geo. Bommer's debit has now been transferred to the Station Account. Messrs. Baillon & Stickney's clip this last season is an improvement on the previous year. I know that their station is being run as economically as possible. Seeing that most of the produce from the Colony is consigned to us, it does not seem hardly worth while to take a preferable lien on it - we used invariably to get one from Pitaluga, but it has not been asked for for the last two or three years. If you desire a lien on Stickney Bros. or Baillon & Stickney's wool it would be necessary, I take it, to give them notice of our intention. If, too, the Board decide in some cases to stop the purchase and shipment of goods on commission, I presume you

(14)

would give due notice and that this new arrangement would not be enforced until after the next annual voyage of the Thetis.

25. I was relieved to hear from Captain Thomas that we may expect him here on the Oropesa. McLauchlan left the house some weeks ago in anticipation of Capt. Thomas's arrival. There are several things to which he will be able to turn his attention, for instance, the coating of the Samson's bottom with the special preparation sent, and the Glengowan.

I am, Sir,

Your obedient servant,

Enclosures.

1500 (Consolidated per R.A.S. Report June 15th.)

Receipts No. 135.

Paras Bros. & Co's Talent.

Insurance Return, F.M. Stratford.

List of Goods presented by Francis & Blanchard.

Record of Exchange No. 2121.

Statement on Accounts.

Letter to F.M. Stratford.

Exhibits.

Copy of Stanley Cash Book for April.

Copy of Stanley Journal for April.

Cash Vouchers, West & East Stores.

Store Indents, No. 200.

Queries on Sines & Replies to Remarks.

Copy of List of Imports, 1899 & 1900.

List of Exchange No. 2121 1899-1900.

Copy of Letter from Mr. J. Christie, re Exchange.

List of "Fortunate" Receipts.

Inventory of Goods on Store House "Oakland".

Particulars of Purchases Account, 1899 & 1900.

Copy of Mr. W.D. Aspinall's Account.

From Copy of R.A.S. Account to March 31st.

From Copy of Voss Packer's Account to April 30th.

Statement re "Oakland" & "Virginia".

Mr. Hainwood's Report, June 15th.

Tallow Vouchers, F.M.C.

Do. J.S.

Shipping Report.

Remarks on Accounts.

Replies to Remarks on Balance Sheet.

Statement on Accounts.

Specification.	Feet.	Stems.	Tallow.
S.	22		
P.H.	22		
S.B.	113	3	
D.H.	175	6	
E.	102	7	
P.E.C.	22	1	
B.	9	1	
J.H.D.	42		
S.P.			

185.

ANTISARAS.

2nd. July 1901.

SIR,

I wrote last per 'Thetis' on the 26th. inst.

2. I did not report in my last despatch that we had had very severe weather from the 22nd to the 24th. The barometer during the night of the 22nd fell to 28 - 49, and it blew a hurricane. I am glad to say that all bulks and lighters held on well, but the weather has delayed the schooner. I hoped to have the ship here before the schooner. The Fortune left Stanley for Port Edgar, Fox Bay and Port Herald on the morning of the 24th, and I was relieved to hear that she reached Liverpool alright. The Fairweather is on a trip to San Pedro and San Juan, about 1000 miles from here, calling at Sharnon Harbour - she left on 26th. inst. and has not yet returned. The schooner left Stanley on the 26th. inst., with the cargo of fish and other goods, to call at various ports for provisions and others in order to return, and did not get back to Stanley until the 28th. inst. As a proof of the severity of the weather, I may mention that she had to run into Port Herald, where the heaviest gales were, the men being able to walk on the ice round the schooner. She has gone to Port Louis to get Mr. Packard's mail for the Antisaras. The Thetis left the Bay and caught the gale off the Sea Lion. She had the wind North, veering to West, and had to run before her. The wind veered to South, and she found herself on the edge of the bay. Since then we have almost absolute calm, but she managed to creep round and anchored in Port William on the 27th. inst. Next morning she was flying signals for a tug, and we towed her in. She lost her cargo boat overboard.

Yours, Sir,

Respectfully,
Director.

J. P. P.

and the rig is badly smashed, the mainsail and lower topsail are damaged, and fore stay carried away. I have been on board with Johnson and will send a short survey report signed by him and myself. There is no one here at present holding Porter's Commission. I am extremely glad that she turned up, otherwise the cargo for this steamer would have been lamentably small. Capt. Thomas wrote me from Port Stephens that she had 550 bales on board, and would be able to take 250 more at Fox Bay. I regret that he had better bring Fallon and Stickney's as he had to take them home, but regret to find that he has only been able to bring 113 of them. I asked Mr. Sharpe to send cargo boat about first week in July, calculating that the Horat and Fair Richmond would have easily been able to collect Mr. Packe's and Mrs. Hobson's produce between them, but this plan has upset all arrangements. I also hoped that the Fortuna would have been back by the end of the first week in July with a full load.

3. By the Iberia I received your telegram of May 26th, "THANKS" sent to General. The Telegraph Office sent it on in a letter addressed "Fleetwing, Isle of Wight, via Funchal, Azores". It was landed at Funchal, Azores by the Gulliana and remained there for four weeks. However, I received your telegram "THANKS" on June 17th straight, the Telegraph Company having delivered it to the P.O. Agent at General, who handed it on to the Captain of the Iberia. I think now we shall not have any further hitch.

4. The Governor asked for a draft to send home by the Iberia which I had to decline, and they therefore sent home £2000 in cash. After consulting with the Treasurer on June 30th., we find they are up to £1400, and of which is deposited in the Savings Bank. Our Christmas duties have been very light, and there are no debts payable in June. Since the Naval Works have been resumed there has been a large importation of money, mostly gold. H.M. Ships have distributed a lot in the place, and one gunboat brought down 2500 sovereigns for Mr. Hayes. The Italians are now permitting money through the Government, with the result that the Treasury had a very large stock of gold. Mr. Packe told

(8)

we that the total of money value for the last two mails has been \$1500. The Treasurer has not been able to substitute gold for silver held as a reserve against the Government note issue and expected per 15000 Sovereigns and \$500 in silver. They had intended sending \$1000 of each, but I suggested that it would be a pity to send any silver and exchanged 500 Sovereigns for \$500 in silver with them.

5. The Antelope arrived about 11 A.M. on the 1st instant, but cannot load more than 400 tons dead weight, although Mr. Sharpe advised me that she could take 500 tons. It is feared a party that the Antelope did not load up the 400 tons as laid in the Agent's letter. I am sending all the tallos forward in the Antelope.

6. The Chief Engineer of the Antelope is forwarding the report, and I hope to be able to send the report to Lloyd's Register of Shipping.

I am, Sir,

Yours obedient servant,

W. Hardy
Manager

RECEIPTS.

Collection: (Receipts per "Theory" June 1911.)

Receipts No. 100.

Copy of Stanley Cash Book, for April.

Copy of Stanley Journal for April.

Store Invoice, No. 200.

Receipts of Goods & Receipts to Receipts.

Receipt of Receipts No. 1000 1911:13:15

Inventory of Goods on Hand "Receipts".

Receipts Receipts, May.

Receipts Receipts, June 1911.

Receipts Receipts, 1911:13:15.

Receipts on Receipts.

Receipts to Receipts on Receipts Sheet.

Receipts on Receipts.

Letter to S. J. Smith, Inc., June 1911.

Receipts.

Copy of Stanley Cash Book for May.

Copy of Stanley Journal for May.

Store Invoice No. 200 & 201 Receipts.

Store Invoice No. 200.

Receipts of Receipts.

Receipt of Receipts Receipts on Receipts & Co.

Receipts Receipts, June.

Copy of "Receipts" for Receipts--June.

Shipping Receipts.

Receipts on Receipts.

Specifications:

Wool.

Shins.

1911:13:15.

124

10

1911:13:15.

43

CONFIDENTIAL.

ORISSA.

JULY 20th,

01.

Sir,

I have received confidential information that the Governor has received instructions from the Colonial Office to re-acquire the Company's land on the North shore of Stanley Harbour, adjoining Navy Peninsula, at present used as a paddock for the Butchery sheep. I am also informed that the Secretary of State concurs with the Governor in regarding the price asked by the Company, namely \$5000, as "extortionate and preposterous," and directs the Governor to institute arbitration.

I gather that the land will be taken without delay, as I know that the Commodore considers the present rifle range as very unsuitable, and wishes to establish a new one on that side of the Harbour. It is quite probable that he expects to carry this out during our next summer, which will be Commodore Groome's last season here.

Under these circumstances I deem it advisable to request the Board to inform me how they wish me to act if proceedings are instituted here. No legal assistance is procurable, and law in this Colony is administered solely by the Executive, though I question if the Governor himself, although Chief Justice, has any legal knowledge. I will obtain all the evidence I can as to the recent selling values of land, which vary considerably, and should this arbitration be sprung upon me before I am able to receive instructions from you, I shall protest on the ground that I am unable to obtain any assistance from Counsel here, that the title deeds being in London I have no information as to the cost price of the land, and that as a preliminary step to negotiation, the Government should make some proposal towards

P.E. Cobb Esq,

finding

Managing Director,

London.

finding the Company a large suitable paddock to replace the land they are dispossessing them of.

It is not improbable that this protest will be disregarded, and I might be compelled to nominate someone to act as arbitrator on behalf of the Company. The only person here I can think of is Mr. Pelton, and I should be glad to know if the Board would approve.

I am of course writing in ignorance as to whether the Colonial Office has communicated with you, but I imagine that you would have informed me if they had done so. If they have not addressed you on the subject, would it be possible to open a correspondence with them without revealing the information I have received here, which must not of course be used, as it was given to me in the strictest confidence.

I am, Sir,

Your obedient servant,

186.

ORISSA.

23rd. July 1901. XXX

Sir, I wrote you last per Antisana, which left on the 3rd. instant, and received per Orpessa on the 11th. your despatches Nos. 931 and 932.

2. 931 - 1. I have never yet missed an opportunity of sending a mail, even though there may have been only duplicates to send. H.M.S. "Esilink" left Stanley on April 11th. for Monte Video, via Egg Harbour and other places on the coast of Patagonia with instructions to report herself in Monte Video, some time in May, I forgot the exact date now but it was later than the due date of the Orpessa. The Commodore gave them leave to go up the coast of Patagonia, calling in where they chose, and certainly she did not arrive in Monte Video until after the Orpessa, which left here on May 1st. H.M.S. "Kymble" left on April 23rd., also with leave to go up the coast of Patagonia for shooting and only arrived in Monte Video one or two days before the Orpessa. Hence it was not much use sending letters, and I have not been guilty of any neglect in losing an opportunity of writing. As regards not telegraphing via Coronel, I only received the supply of forms by the Orpessa herself, and those coming by book post could not be had from the Post Office until after the steamer had left. You will notice that I reported having received these in 181-4.

3. Par. 3. The Heger's tank was easily repaired and she has been kept regularly pumped since. We have continued to store certain goods in the lower hold such as oil, varnish, bricks and other similar articles. The labour however of putting these down and getting up is so heavy that we think of storing more in the Charles Cooper.

Y.E. Cobb Esq.,

Managing Director,

London.

(2)

4. Par.5. In my despatch No.184 - 23. I alluded to the Government Expenditure. There has never been personal hostility between any of us and the Governor, who has always deprecated it. At the same time, we know that he has been mainly responsible for the idea that farmers are making large incomes, and this wasteful expenditure on Government House comes out of their individual pockets. I have heard it called robbery, and if one man considers that another is robbing him, it is difficult to feel particularly friendly with him. As regards myself, I must say that I cannot help resenting his action in the matter of Besswing coal, as to which I am writing a separate paragraph, although so far as I am concerned it will not have any effect on our social relations. A memorial here takes a long time to get round, as the farmers are scattered and do not as formerly come to Stanley much, hence there is no opportunity of getting together and exchanging views. There will be a meeting of the Legislative Council on the 20th. instant to complete the passing of the Estimates.

5. Par.6. The heads of departments understand now that they are responsible for the property under their charge, and I think for the future we shall not be let in for heavy repairs for want of the stitch in time. The moorings of hulks have been looked after - the gale some weeks ago was a very practical test and everything held on well.

6. Par.7. You will have learned from my 184 - 4 that the stock of steam coal was then reduced to 500 tons, and I presume in sending out a fresh supply you will leave a margin for our own requirements. Mr. Hayes is using about 1 ton a week for his pinnares.

7. Par.8. I quite agree that Morton is responsible for most of the direct importation of goods, as regards provisions, and the abominably low rate for parcel post has resulted in a large direct importation of light goods. The Government people sell for cash only, but even so, there is not a very great discrepancy between many of their prices and our own. Milk they sell at

(3)

5/6 per dozen against our 7/-, which is subject to discount of 5% or 12½%. Deducting 12½%, our price is reduced to 8/1½.

Mr. Bennett thinks we ought to land Canteen goods free of charge

8. Par. 11. I stated in 181 - 11 that I could hardly say that the Sissie is run at a profit, but I think we shall make more out of her when in good repair than we have hitherto done. She has been so shaky that we have nursed her as much as possible and have not made as many trips to and from the steamer as we could have. I do not think the repairs to the boiler will cost very much, and seeing that the engines and hull are now in good order there need be no question of replacing her. I doubt if the Glengowen is worth £1,000, seeing what a large sum will have to be expended on her by the purchaser before she will be of any use, and if you can get £800 for her, the Company will have done well, I fancy.

9. Par. 13. I certainly intended to have charged freight on Cameron's sheepskins at 76/- and not 64/- and regret that the error was made. If Hoare & Co. pay only the ocean freight, I will charge local freight to Mr. Cameron here, if you can let me know the measurement of the bales. For tallow per Antisena consigned to Hoare & Co., I charged 45/- weight to Liverpool and informed the P.S.N.C. that 15/6 was returnable to the F.I. Company. I trust that this rate will be alright.

10. Par. 15. I have had a talk with Mr. Felton as to the Roy Cove purchase - he has shown me a copy of the letter from the Colonial Office to you dated 20th. April 1892, which says that Messrs Bertrand and Felton "will be held to have purchased the whole block comprised within the boundaries described in their 'lease'". Mr. Felton tells me that when the lease was drawn up, the islands were omitted. Mr. Bertrand drew the attention of the Government to the omission and an endorsement was made to the effect that the islands were included in the lease. On going over the papers in the safe here, I find the original lease of Bence Island, on which a special clause is entered, stating that it is to date from 1871, the date of the Roy Cove lease.

(4)

Hence there can be no question that the islands were rented conjointly with the mainland and were a part of the lease, and I think Mr. Bertrand has a very fair claim in equity, especially in view of the Colonial Office letter above quoted. Mr. Felton has however been told that the Governor has received a despatch saying that the islands are not to be conveyed.

11. I enclose a copy of Lloyd's reply on the subject of the Boeswing coal, which I confess I received with some surprise. If Lloyd's imagine that the Governor has any tender regard for their interests, they are certainly mistaken entirely, and I think I am not far wrong in saying that in taking the step he did, he was actuated either by some desire to do the Company or myself a bad turn or by a desire to get some plunder for himself in any future case. This may seem a strong statement to make, but I am quite certain he is not anxious to protect underwriters - he frequently has said he would like to see all the Government Buildings burnt down so as to get the insurance on them and rebuild, and has also said that at St. Helena he used to loot everything he could and enquire as to ownership afterwards. If in cases of necessity the Governor is to be consulted as to what steps are to be taken, it appears to me that he might as well be Lloyd's Agent himself. I cannot see how the Committee of Lloyd's can appoint an Agent here, and at the same time request him to conform to somebody else's views. It is a score for the Governor, I fear, but they leave me a loophole by saying "as far as you possibly can", and I shall not fail to avail myself of it. Should the Governor attempt to interfere in any case, I should have to inform him that I intended to carry out my instructions, and politely regret inability to agree with his views. I have contented myself with little beyond a formal acknowledgment of the letter from Lloyd's. I had thought of informing them that I feared the letter must have been written under a misapprehension, and that the Governor did not bear much of a reputation for business capacity, but possibly this sort of recrimination is better left alone.

(5)

12. I enclose report of the survey held on the Thetis by Johnson and myself, there being no other experts in Stanley at the time. The repairs required were not much and I do not know whether you will claim anything from Underwriters. Even if you do not, there is no harm in sending the report of same, for which no fees have been paid, but should a claim be put forward, I presume the usual fees \$4:4:0 could be recovered. She was kept in Stanley for these repairs and afterwards by winds and North-Westerly winds. I hope that Capt. Thomas will have better luck in getting round and loading than he had last year.

13. The survey of the Samson was held by the Engineers of the Admiralty, and I sent the report to Lloyd's Register by that vessel. I now enclose a copy of their report, from which you will see that they have reduced the steam pressure to 95 lbs. owing to the corrosion of the main stays in the steam space of the boiler. They informed us that the other stays were all rusted, that according to the Board of Trade formula, the corroded stays would technically only support a pressure of 86.7 lbs, and in consequence they had set the safety valve to open at 95 lbs. I reported some time back that Atherton had temporarily repaired some of the back end stays in the combustion chamber - one of these again gave way whilst running for the Ligaria, and he has had to fix it temporarily again. To fill in new stays he has to tap the plates from both sides, that is from the combustion chamber and from the back of the boiler in order to ensure getting a perfectly even thread through both plates. The end of the boiler is however only $1\frac{1}{2}$ feet from an iron bulkhead in the ship and the top went out is 2 feet long, consequently he cannot use the top on the end of the boiler unless we cut through the bulkhead. We could drill a hole in the bulkhead through which to work the top, but as there are already now three stays to be replaced, and there may be more, we think it better to cut a piece out of the bulkhead about 2 feet square, which will afterwards be covered with a plate

(2)

bolts on. Johnson says this will not in any way weaken the bulkhead, and it could be easily removed if it becomes necessary

to replace any other stay. The defective stays are all on the port side, and Atherton attributes this to a greater draft in the port side, owing to the ventilator on that side being larger than on the starboard side. Atherton asked if we had a draft of the boiler and the hull of the vessel, but on going through the papers you sent out I find only a rough plan giving

the general arrangement. We should be glad if you could procure from Barlow the proper plans giving the thickness of iron and hull particulars. On the voyage out the tug had to send ashore at Monte Video a steam pipe for repair. This is a copper pipe leading down to the salvage pump, on which there is a branch to the steam reversing gear. About three hours after leaving Monte Video, it started to leak again, but had been patched so shakily it could hold on. This branch has now broken away finally, and we are compelled to send it to Monte Video again, as repairing is a coppersmith's job, which cannot be done in an open tank. Until it is refitted we have to depend upon the hand reversing lever, and in case the salvage pumps are wanted, Atherton is fitting an iron steam pipe. As I am writing the tug is away after a ship - previously it was leaving a blank flange was placed over the joint. I mentioned before that the angle iron connecting the stokehold plates required renewing - even

if the plates not fitting fairly closely the ashes get into the bilge and choke the bilge pump; before this can be done the bunker between the engine room and stokehold has to be nearly emptied. The salvage hoses were all in very bad condition, the iron pieces requiring chipping and painting and the flexible lengths requiring new canvas coverings and fresh seizing on the copper wire. One half of the india rubber washers are missing and have to be renewed. As for the tug herself I should say she had not been chipped and painted since she was built. Kees did a certain amount on the way out, and we have been going on with it at odd times. I cannot help thinking

(7)

that some of those defects should have been made good before she left home, as the Engineers have had to devote the bulk of their time to attending to the tug, and in the absence of appliances, cannot get through the work in anything like the time so short a time as would have been occupied at home. The result is that I cannot send a report on the Great Britain's boiler and the Robey boiler on the Egeria, as the Samson must be kept absolutely in readiness for an emergency. Attention has, of course, been given to several jobs, the Henry Failing boiler, the donkey pump of the Smithy boiler, the engine and donkey pump of the Siesie, the donkey pump of the Great Britain's boiler, and several minor jobs on the Samson, such as new glands, joints and other odds and ends. The log of the Samson from January 1 to June 30 shows when she has been actually under steam, but there are many other days when she has been given a preliminary warming up. I mention this to show that it has not been all straight sailing, and that the absence of reports on the Great Britain and Egeria boilers is not due to neglect but to the necessity of attending to other matters which seem to me to be of more importance.

14. When loading Port Stephens wool from the Thetis into the Antisena, one bale D.A.S No. 136 was struck against the hatch and fell in two halves. The blow was by no means a violent one, not harder than many bales encounter when being swung, and I fear the bagging could not have been good. Melanchlin informed me that a similar accident has happened before, and I decided to let it go forward as the Antisena was taking the whole of that mark. Had there been any more Port Stephens wool for shipment later, we would have brought it ashore for re-baling. I was not able to explain this by the Antisena herself, the accident having occurred toward the end of the loading.

15. I enclose a copy of a letter from Lloyd's as to installing wireless telegraphy from the Falklands to Cape Virginia at the Western entrance to the Straits of Magellan, and a copy of

(3)

correspondence with the Colonial Secretary on the subject. It is rather strange that Lady's did not know that the Colonial Office would be the proper office to communicate with. If the scheme is feasible, I should think that the Admiralty would fall in with it and assist.

14. We had a further meeting of the Legislative Council on the 14th, to consider the Estimates. My criticisms at the first meeting were entered on the Minutes as I had drafted them, and I received a copy. Mr. Dalton criticised the expenditure on Government House, and I am bound to say that the Governor himself is not by any means proud of the work, the responsibility for which he will have to call upon himself. At the last meeting, I stated that he alluded to the fact about one Government Office, but at this meeting he seemed to realise more the impracticability of installing in any new building. He said that he had said that the building of a new office for the Colonial Secretary was a matter of importance, but he did not however give any encouragement, and I stated that generally speaking, with the exception of Government House in point of cost, I thought that no new building should be undertaken until the colony had the money in hand, and that even then the work should not be rushed hastily. If the colony had the money to spare, plans should be made for a school and a convalescent hospital to provide the material, - that in fact, work should be undertaken on similar lines as the Corps's House, the cost of which was nothing like what was popularly supposed. There is a scheme that Mr. Dalton thinks of giving up his house at Stanley and living at Fort Louis. It so happens that there would be a very suitable residence for the Colonial Secretary. Mr. Bennett desires to live in the present quarters supposed to be reserved for the Colonial Secretary, now occupied by Mr. Bennett, on the ground that the building is not sanitary. The building is the old Government Office, and although I admit it is not by any means a desirable dwelling house, I do not consider it as impossible as Mr. Bennett makes out. The Gov-

(3)

other side he thought the building ought to be transformed into cottages, the rent of which would help, and whereas that the company did not have cottages for working out. I said that the rental of these dwelling houses did not pay interest on their cost, and that the only cottages that paid commercially were situated on prime down lands like "Liber City", and took the opportunity of saying that the company would not on any consideration consider such matters. Mr. Dalton strongly supported the cause for local control of the roads, and as to Government House said the Governor rather had quarters of an acre. He pointed out that nearly every person laughed at the British Government and talked of the large sums spent on Government House, which in fact would be more so than the present Government's work, and although he did not say so in so many words that the Governor's quarters would be regarded as a non-commercial piece of policy. In the whole the Governor appeared to me to be more impressed with the necessity for keeping the company within limits than I have ever known him before, and he said that he hoped that in the consideration of the past business in which the directors entered with a clear conscience, that they would still continue to do so. I will not venture to say more.

The Director's mail collected the Standard, and I have taken about half a dozen lot of stores to Buxton Road, London, and I should like to know if you are willing to accept the risk on these stores. I think myself it is very small, but as the company is now underwriting the existing insurance I should like to have the Board's approval. The stores when entering the market would have always given in the gross value of the stores; for instance, stores gross value £50 have been insured for £60, but these stores are subject to a discount of 10%, which makes their net value less than £50. Should not the insurance be limited to £50? In case of loss however only the original value will be paid.

(13)

18. Capt. Thomas, with his wife, arrived by the Oropesa on the 11th. instant, and I am inexpressibly surprised to find that he did not go to London to see you. He found that it would be quicker and cheaper to come here via England, and it gave him an opportunity of settling up the Kait Thomas business, and also of arranging his private affairs. He has left two children at school, and brought out his wife, and the furniture he required. Why he neglected to let you know that he was in England beats me altogether. He is now extremely sorry that he did not do so, and is writing you about it. I pointed out that you would have been able to get his passages at a reduced rate, and might have got his furniture shipped at a reduction as well, though I hope that when it is explained to the P.S.N.C. who Capt. Thomas is, they will make some concession. I also said that the terms of his appointment could have been settled, and, if necessary, a proper agreement signed, and you would have welcomed the opportunity of explaining several matters that you think require his attention. He commenced his duties at once, and I appointed Sedgwick as Foreman, under him, at £3 per month with a house. Sedgwick is not to have the 12½ discount off stores, although I have of course explained that we expect him to support our stores. We should like to see that 12½ abolished altogether. I am having a little done to the house for Capt. Thomas, who is very modest in his requests, and the expense will be only slight. As McLachlen remained on for so long at my request, I assumed that the Board would not disapprove of my adding £10 to the gratuity of £50, which they previously authorized. Capt. Thomas's expenses of getting out here are:-

Passages	50: 0: 0
Freight on effects from Talcahuano	2: 5: 6
Excess freight on luggage etc.	
per Oropesa	<u>17:14: 0</u>
	<u>69:19:6</u>

19. Capt. Thomas has had his first experience with the Samson in search of ship. On the 18th. a four master was sighted, and the Samson was under way in three hours after her. The

(11).

ship apparently stood into the lighthouse, but afterwards bore away to the N.E. The Samson went out anticipating catching her on the starboard tack, but although Capt. Thomas steamed for about 10 to 15 miles to the N.E. he did not get a sight of her, nor was she seen again. Fires were banked that night, and a vessel was sighted first thing next morning. We thought it might be the same vessel, and the tug was away before 9. This turned out however to be a barque - the wind was blowing very hard from W.N.W. and the tug could not do more than get within hailing distance. It was ascertained that the ship was the Marguerite Mirabeau and that she was making for the port. Capt. Thomas advised the Captain to stand on and off during the night. Next day (20th.) the tug was again away before 9, and Capt. Thomas, after boarding the ship and arranging to tow, had a hauler made fast by 11 a.m. The Samson towed until 2.30 p.m. when the hauler, one of the new ones sent out by you, snapped. During the 3½ hours the ship and tug lost ground to the extent of 3 miles, although there was nothing more than a fresh breeze, and moreover the ship was assisting as much as possible with staylines. The Samson thereupon returned, but was away again at 6 a.m. on Sunday morning. By 9 o'clock she had spoken the vessel, but with the experience of the previous days, it was quite useless to pass a hauler at that distance from the land, and even with a moderate breeze blowing. The barque worked up to get more under the lee of the land, and about 4.45 p.m. was off the entrance to Berkeley Sound. The ship's hauler was then made fast, and the wind having moderated towards dusk, the Samson was able to tow her, and get her into Stanley Harbour at 8.30 p.m. From this you will judge that the performance of the Samson was far from satisfactory, as the wind was nothing more than a fresh breeze. Capt. Thomas does not however wish to commit himself to a definite opinion until he has had about a couple of months working with her. I had let the stock of coal in the bunkers run down to about 10 tons, as we were anxious as soon as possible to put the composition sent out on

(12)

her bottom, and it is possible that she will now better if deeper in the water. After talking the matter over with Captain Thomas, we have decided to defer cleaning the bottom and putting on the composition until we have the Sissie running again. In order to do the painting thoroughly, we must have her lightened to the last pound, and if we have her on the beach with both boilers and bunkers empty, we risk losing a tow. As soon as this mail has gone, Capt. Thomas proposes to clean her as far down as he can without lightening her, after which another 30 tons of coal will be put into her. This towing has given the boiler a fair testing, and there is now another leak at one of the main stays. Atherton filled his boiler at 9 o'clock Sunday night, and next morning 9 inches of water had leaked out. After this mail has gone, I shall go thoroughly into the condition of the hull with Capt. Thomas, and the condition of the boilers and engines with Atherton.

20. Despatch 232 - 1. Upon the receipt of this despatch, I hastened to communicate a resume to clients on the West Falkland mail to the West closing the day after the Oropesa left, and shall doubtless receive replies before the next home-ward mail. I fear that most of the clients will think that this decision comes rather suddenly upon them, and will feel somewhat aggrieved that longer notice was not given of the Board's intention to discontinue purchasing stores on commission. There is not much doubt that those who have credit balances will cast round and endeavour to club together for a small sailing ship. Mr. Felton told me that he has left instructions at Buenos Aires to endeavour to dispose of some of his land; as soon as he is on the right side of our locks, he will most likely join with Greenshields in getting stores and shipping wool by a sailing vessel. He showed me a letter from Spearman & Waldron inviting him to co-operate with Greenshields in which case I understand that they would work in conjunction with Port Howard. Mr. Felton told me that C. Williams would probably take over Pitaluga's debt, and possibly an arrangement

(13)

would be made to include his business. Even if they cannot give a vessel a full cargo outwards, there is every probability that Stanley Importers may be invited to ship in the vessel in order to fill her. Both Mr. Felton and the Captain of the Orpesa told me that there was an Agent on board that steamer, who had come down to arrange freights for the Hamburg South American Company (I think I rightly understood this to be the Company) who are running large steamers from Buenos Aires down the coast of Patagonia. Messrs Braun & Blanchard, who have been appointed Agents at Sandy Point, have small steamers which will feed the larger ones, and there was even a scheme for Braun & Blanchard to open a store on the West Falkland, Fox Bay most likely; from this base they would supply stores for the West Falklanders, and the steamers bringing the stores would take back wool for shipment by the Hamburg South American steamers. This however is to my mind rather a wild scheme, there is not enough money in that business to make it pay. This Agent was anxious to find out whether it was worth while for these steamers to call at Stanley. Our aim must be to draw up a scale of wholesale prices for the farmers, sufficiently liberal to induce them to purchase, but of course with some reasonable profit. This must I think be done by fixing nett prices rather than by quoting ordinary store prices, less a special discount, as people are apt in considering prices to overlook the discount. I assume that the Thetis will not come out again, and that when necessary a sailing ship will be chartered. I shall be most likely asked whether in the event of our having a sailing ship, you would allow any fencing and machinery purchased at a commission of 5% to be sent in the sailing vessel instead of by steam. An order for stores to be sent per Thetis has been forwarded from the Chartres - will you kindly inform Mr. Anson, who is in England, that this cannot be executed? On the receipt of replies from the West Falkland, I shall be able to revert to the subject.

21. Par. 2. I have dealt with this in separate remarks. "

(14)

Mr. Cameron made his claim here, but until the Thetis returned to Stanley I could not ascertain anything about the sugar, for which I fear we are responsible. A copy of the correspondence with Cameron is attached to the Remarks on Stores.

22. My paragraph No. 12 was written on the 19th. inst., in the full expectation that the Thetis would get away next day. You will see however from my description of the Galeson's excursions that we had W.S.W. winds on the next two days, and on the 22nd. instant and to-day, the 23rd., a gale from the S.W., the barometer falling from 22.12 to 22.55. Captain Thomas was in complete readiness to leave to-morrow, the wind abating somewhat, but this afternoon the Steward, J. Davey, died somewhat unexpectedly, after three or four days' illness. This I fear will detain the vessel for another couple of days - Fortunately Dr. Hamilton gave a certificate of death, although he had prescribed medicine without having been on board, and this will avoid an inquest. Please stop Davey's allotments.

23. As it frequently occurs that the P.S.N. steamers are not able to take all the wool we have ready, we cannot tell until the last moment how much really goes and the quantity consigned to you. Hence the final word of the telegram has to be decided on board. The A.I. code is a very bulky volume to take off, and I should be glad to know if we could not in such case telegraph the number of bales in numerals. Of course we would use the code words when possible.

24. The Fortuna has been laid up since her return from the West on the 4th. instant, and I do not anticipate running her again until November next. In the meantime she will have her new rigging set up and be overhauled. The Fair Rosamond got aground at the Chantres and bumped heavily for a tide. She was leaking very slightly, but we considered it prudent to hoist her over - she had bruised one of her planks at the butt and required only four feet of planking renewed. Her pumps were in bad order and have been attended to; as a matter of fact they are rather small for the ship, and as we have no spare

(15)

pumps for any emergency, we have included these in the tenders by this mail.

25. The Governor has received information from Chili that although the outbreak of Foot and Mouth Disease was slight and confined to the district of Santiago, there is now an outbreak of Anthrax, and the importation of Alfalfa would be extremely risky. Unfortunately we had not a large stock on hand when the outbreak of Foot and Mouth Disease was reported, and the supply of fodder is likely to run very short. If not too expensive would you ship out say 2 to 5 tons of English Hay? The Colonial Secretary asked if we intended getting any, and I think we should dispose of a small quantity without difficulty. I am rather chary of getting much, as I believe that a shipment by sailing vessel some years ago was very expensive and remained on hand a long time.

26. The French Barque Marguerite Mirabaud, Captain Beuregard, 64 days out from New Orleans to Glasgow with a cargo of 3075 tons of Nickel ore, was towed in by the Hameon on the 21st instant. She had encountered very heavy weather off Cape Horn, and owing to heavy cargo is badly strained and leaking. Some 60 to 80 tons were jettisoned, but she still made a good deal of water. The main pumps of the ship are not sufficiently large, the supply of coal for the donkey boiler (also working a pump) was running short, and the Captain decided to run for port. A survey was held this afternoon by Johnson and Capt. Thomas and I hope to send off a copy of their report. The ship is quite new, and is evidently too lightly built to carry a heavy cargo. The Captain thought she was making $\frac{1}{2}$ inch of water an hour, but the Surveyors ascertained that in Harbour to-day she made $\frac{3}{8}$ inch in 14 hours. The Captain informed me that he could not carry on all the cargo, and proposed to leave 1800 tons here. The Surveyors will recommend him to take on only 1500, leaving about that quantity. The ship needs strengthening, which cannot possibly be done at Stanley, but we may nevertheless make a fair thing out of the storage of the cargo. The owners are

(15)

the Société des Voiliers Français, 12 Rue d'Angoulême, Paris, and the Captain informs me that their Agents in London are Messrs Legrand, Thompson and Pollak, of Leadenhall Buildings. We could of course store this quantity in the J.P. Smith and Garland, but I am inclined to think he will await instructions before taking any steps. If we have a coal ship coming out before long, would it be possible to make some arrangement for storing, and despatching the cargo or part of it home? The cargo is I think valuable, though I cannot find any quotation, and would bear a good charge, but at the same time if we name too high a price, it might pay the Owners better to allow the ship to remain here until they send out a vessel to load it direct. This is however scarcely likely, but you might be able to ascertain the intention of the Owners. Strangely enough, her sister ship, the Général Pey, lies at the same time and place and with a precisely similar charter has put in at Rio also lately. Capt. Thomas asked only \$200 for the towage, which I have told him is really not enough. He says that on boarding the vessel, only three miles off the land, there was no appearance of anything wrong with her, her sails were all set, and everything in apparently excellent order, and he considered that this would be a fair figure. The Captain of course wanted it reduced. Capt. Thomas says that, as a shipmaster himself and in possession of the views of many other shipmasters, he thinks it impolitic to demand high prices for towage, so by so doing we shall frighten ships away that might otherwise put in here. Of course there is a good deal in this, but at the same time they must know that rates for towage here cannot be on the same lines as in England, or even many other ports. If Capt. Thomas quite understands that in a case of a disabled ship we should charge a high figure, and in suggesting a modest figure is referring to ships whose damage is not sufficiently serious to prevent their sailing in themselves, or going to Montevideo. He fears at the same time that if a disabled vessel were sighted, the Service could not bring her in if there was

(17)

much wind or sea at the time. It will however I think be a matter of satisfaction to the Board to know that Capt. Thomas has had his first tow so soon after his arrival. All on board, including Foreland, say that he handled the tug perfectly.

I am, Sir,

Your obedient servant,

W. H. [unclear]

188,

CHAVIA.

20th

August 1901. XX

Sir,

I wrote you last on the 23rd July per Grimsa and have received on the 15th, instant per Grallans your dispatch No. 662 and telegram "Victorist Kirshatd Karaman Karaman" to which I replied via General "Karaman".

2. 533-5. I have communicated this decision to Mr. J. S. Williams, saying that advances must be limited to \$1,000, which will include interest on the debt. You do not specifically say that this is so, but I conclude that you wish me to infer it. Up to the end of June 1900 had been drawn; since then we have cashed cheques and paid export duties to the amount of \$20, and before the end of the year about \$70 interest will have accumulated, so that there is now only \$20 left, and Cash Tax will become payable on December 31st. I have on hand an order for buying and keep iron for next season's produce, and for flour, without which the lives of the Station cannot exist. The remaining balance will meet over the cost of these stores, and I shall be glad if you will inform Mrs. J. S. Williams that while funds are paid in to London, we have no reason to cash any further cheques.

3. Part 5. I am glad to hear that the account also towards floating the Otago was completed. We have got the anchor up, and the ship will sail in the P.M. of the ship with a good strain on it. I have calculated with Johnson as to the probability of cargo that might have to be discharged from the Otago, but we think that if passed dry she might be able to get off as she is if we have a good S.W. wind. The war of course is continued by the fire, but not so much as might have been expected.

F. E. Gull 1901.,

posed

Respectfully,

London.

2.

posed, seeing that mostly coke, the lightest portion of her cargo was burned. The dismantling removed a good weight.

4. Par.7. For the future all cargoes in transit will be dealt with in the accounts as directed - that is to say, if in transit on December 31st., the entry is to be ignored until the following year.

5. Par.8. You will have received the copy of the letter which I received from the Labour Agent at Chiloe Island. So far I have not heard further from him, which I regret, as it looks as though communication with that Island is somewhat infrequent. I have not so far been able to dispense with the services of the Hornet, and am much concerned that the Thetis, which left for Salvador on the 27th. July, had not arrived on August 11th. If I do not receive news of her arrival shortly, I shall have to put the Fortuna in commission again. Whilst on the subject of labour, I may point out that Stanley Wages are increasing very rapidly (in the aggregate). The totals to June 30th. for 1898/1899 are as follows:-

£2,085, £2,232, £2,712,

and this will be still further increased with the salary of the Marine Superintendent, and the Head Storekeeper. Hitherto, I have debited one half of Mr. Gorton's salary to Stanley Office, but now that we have a Junior Clerk, I think that Store must bear the whole of this charge, which will therefore pass through Stanley Wages Account. I am quite alive to the necessity for keeping down the expenses as far as possible, and can assure the Board that no unremunerative labour is employed. There is an increasing amount of outdoor work, and with the new arrangement for supplying clients' stores, we shall probably require a little more assistance in the Stores.

6. Par.9. On receipt of the cheques payable to Messrs Dea & Blanchard, I wrote to those whose accounts showed debit balance informing them that we could not advance sums for purchase of stores from outsiders.

7. Par.10. I think that now we have seen the last of reports

3.

ports from P.S.N. Captains. I have reached the "water off a duck's back" stage, but admit that some did make me very angry, a feeling that is difficult to repress, when one has to write a lengthy defence three months after the event.

8. Par. 11. I am glad to receive the Board's decision not to move the *Great Britain* to so inconvenient a position. I enclose copy of correspondence with the P.S.N.C. on the subject.

9. Par. 12. We shall be ready for the coal when it arrives. According to present arrangements, the first guest of the season will be H.M.S. "Kympe" on December 1st., so that the coal is not required in a hurry.

10. Par. 13. I am glad to be able to report that I have had no further trouble with Atherton, who was told very plainly that if he did not get on with Capt. Thomas, he would go. Capt. Thomas has him well in hand, and tells me that Atherton has been most attentive, and has done his work well so far. The tug has had a good deal of running of late, so that Capt. Thomas has had plenty of opportunities of seeing what Atherton can do, so I hope there will be no more difficulty. At the same time I do not see how I am to find out what amount of misconduct would constitute a breach of agreement, as this would be judged solely by the Magistrate; I cannot ask him, as he would naturally decline to discuss with me the merits of a case that might come before him in Court.

11. Par. 14. Strangely enough, all the wool per Antigua was consigned to outsiders. The *Crissa's* shipment was a good one. I shall not have much more to send now.

12. Par. 15. I have of course already alluded to Capt. Thomas's inexplicable neglect to see you when in England, which neglect has placed me in a difficult position. In saying what I do now, the Directors must not think for one moment that I am attempting to defend his conduct, which is inexcusable. On the receipt of your telegram, he ascertained that he could get here as quickly via Liverpool as via San Francisco; hence, there was no disobedience to orders in going that way. As a matter of

fact he would have preferred going to San Francisco, as he most wanted to see his wife's father, who lives there; but, as stated in answer to me, previously quoted, a visit to Liverpool gave him the opportunity of settling the Kate Thomas business, and leaving his previous employer in an honorable manner. When he first applied for the appointment, he asked if it would be necessary for him to go to London, to which I replied that if the Board approved my recommendation, and it would have time to come here direct, he would not be compelled to do so, but of course that does not absolve him for not having seen you when so near as Wales. So far as I can make out, he seems to have the notion that a Board of Directors is a body of gentlemen who control finance, and do not enter into details of the work and duties of their minor officials. He did not know of your long residence here, and he interpreted the telegram "Proceed Hasty" as indicating that the whole matter was settled, and all he had to do was to get there. He thought that he would be solely responsible to myself, and hence the Directors would not feel any interest in the matter. He says that his time in England was occupied fully. Mr. W. Thomas kept him hard at it settling the Kate Thomas affairs, he had to dispose of his house, collect his furniture and place his children at school, all of which he can easily understand; but, as I have told him, he had plenty of time to write a letter to you. In justice to him, I must say that he has never hinted for one moment that the Company should pay anything beyond the expenses from Liverpool, and I sincerely regret that the P.B.N.C. could not be prevailed upon to allow the discount of 10% on his passage, which we are without doubt fully entitled to demand under the terms of our agreement with them. In this case, Capt. Thomas is entitled, as to speak, of £2 for the benefit of the P.B.N.C., whose interests he is considerably engaged in looking after, and although it may be said that he has only himself to thank for it, I cannot help thinking that it is a pity, for we bear for the P.B.N.C. the burden of a seeming meanness in allowing him only £45 out of the

the

11.

the £50 he has paid. As to his personal character, his conduct no doubt justifies the Directors in drawing the inference they have, but I can assure you that disrespect is the last offence of which he would be guilty. The guarded answer of the Manager of Lloyds Bank by itself naturally does not look well, but I think any impartial observer would hesitate to form a judgment on this without seeing your letter making the enquiry. A Bank Manager would naturally be chary of saying much about a client, and more especially about a client of whom he can have known but little, seeing that Capt. Thomas spent most of his life at sea. I should like you, before finally forming your opinion, to refer to the firms named in my 161-10, and should you happen to be in Liverpool when Capt. Hayes of the Grocers is there, you might learn his opinion. I have told Capt. Thomas what you have said, and he asks me to convey his sincerest apologies; he offered to go home now at his own expense, leaving his wife here, as I thought it would repair the omission. I said at the commencement of this paragraph that this correspondence had placed me in a difficult position. What I mean is this - the Board approved of his selection upon my recommendation, and it may be thought that I, being responsible for the appointment, may feel compelled to defend my selection by supporting Capt. Thomas. I trust, therefore, that you will where possible ascertain the opinions of others as to his capacity; for my own part, I think he will, as you hope, prove to be a useful servant, and the work he has done in the last three weeks gives me some justification for this opinion.

12. Feb. 21. I will take an opportunity of mentioning this to the Governor or Mr. Bennett. I have hitherto taken no notice of it, as there was a danger that if I said 20% was a lie the Governor might go on making shots at it, until eventually he knew he had arrived at the correct figure by my not denying it further.

13. Feb. 22. The letter from John House & Co. asking for the payment of £500 reached me fortunately after the mail had gone.

6.

15. Par.23. I should be glad if you would create a small indent for Messrs. Bailton & Stacey for rollers from the Wilson Engineering Company. The original indent of May 25th. 1900 was executed, but the case has never turned up and the P.S.N.C. is liable for the amount.

16. Par.24. For the present I do not think that we should improve by changing either of the Masters of the Schooners for Capt. D.W. Thomas.

17. Par.25. When you wrote this paragraph Lloyd's had evidently refrained from communicating to you the instructions they sent me dated 15th. June. It seems to me that they are in a dilemma - they did not wish to offend the U.C. or the Governor, and wrote a somewhat weak letter instructing me to conform to the latter's views. Your letter, written in complete ignorance of any such instructions, demonstrates the danger of allowing the Governor any voice, and I shall be interested to see how they wiggle out of the fix.

18. Par.26. It is, as you surmise, a revelation to me to learn that any trading has been done round the Islands by the Master of the Thalita. From enquiries I have made, it appears that a little was done in the way of selling clothing from the ship's chest, but I am absolutely certain that if the trading had been anything appreciable, it must have come to my knowledge. It is surely rather far fetched that this could have caused a falling off in the demand for goods from men outside Stanley. You know, from the Gleaners' indents of late years, that they have imported for sale on their stations every kind of article likely to be purchased, even watches, clocks and millinery and fancy goods; hence, if Ross sold clothing to their men, the station holder lost the sale, not the Company.

19. Par.27. We have always imported and kept in stock the best quality of flour purchasable, which naturally costs more than an inferior quality - we tried at one time Argentine flour but had some difficulty in selling it. The fact is that people will not buy from us anything but the best quality, but if

7.

purchasing from an outsider were willing to take anything. The Sandy Point flour is admittedly not the best, and, if we were a matter of a sale of a similar article, we could stock it and sell at an equally favorable rate. When discussing this with Mr. H. M. Cobb, I mentioned that what he gained in price he lost in quality and he might find he could not eat the bread, to which he retorted that he had taken very good care to have on hand for himself a few bags of our good flour, and the men could buy and use the other. Your remark confirms what I said as to the advisability of quoting prices. *Prima facie*, the differ-

I find since that we have charged 18/5 nett to clients, the difference between our prices of 21/- and Sandy Point 15/6 is 5/6 per bag, which would be "anomalous", but when you deduct our discount of 10%, and allow credit until the end of the year, you reduce the difference to less than 3/-, which probably represents the extra cost of the superior article. Another point is this, Chilean flour has been very dear, and has been falling in price. Brann & Blanchard bought later than ourselves, and having a schooner loaded with wood to certain ports were able to sell their flour cheaper. We would have tried cheaper flour in Stanley, but we knew it would only hang on hand. J. Williams had a coal grout which went by the name of "self-raining flour": it became maggoty and weevily and literally walked out of the bin.

20. In accordance with the intention expressed in my last despatch, we have taken the *Samson* in hand. At the first spring tide, after the last homeward mail, we made all preparations for getting her up on the beach to clean her, and thought that while we were about it we would try and coat her with the anti-corrosive and anti-fouling composition sent out by you. She was lightened up as much as possible by lowering the boats and removing every available article from her - the coal was taken from the bunkers and stowed forward to keep her stern up. We were, however, unusually unfortunate. The wind blew from the North for a whole week, with the result that the tide never made more than $\frac{1}{2}$ feet, and only once was the water down to the

nose of the propeller. Under these circumstances, it was hopeless to attempt to coat her with the composition, and Captain Thomas occupied the time by chipping rust in the bunkers, cleaning outside as far as possible and renewing the angle iron bearers and plates in the stockhold. Atherton also repacked the stern tube glands. She had to be floated again to be ready for the outward mail. Experience has shown that she will not steer if light, that is unless she has quite 15 to 20 tons of deadweight, for if the wind catches her high bows she throws off all once to leeward. Instead of putting this weight of coal in her, we have now ballasted her with odd pieces of iron and chain cable, which can be discharged without difficulty when we make the next attempt to clean her and coat her bottom. For towing, it is practically certain that there should be 40 tons in her, but I will not again load her with that weight of coal. We will keep 25 tons of ballast and about 15 tons of coal for the future, as if we weight her entirely with coal, we are looking up capital, and moreover the coal at the bottom of the bunkers might remain there for years without being used. I have gone thoroughly into the question of the hull with Captain Thomas, and the boiler with Atherton. As regards the hull, Capt. Thomas says that she is strongly built but is "perished with neglect", and agrees with me in thinking that she had never been chipped or painted since she was built. The angle irons supporting the stockhold plates were in a bad condition; the iron was so rusted as to be useless, and the plates had to be supported by cheeks of wood. These bearers have been entirely renewed, and we have also had to replace some of the plates themselves. We have chipped rust $1\frac{1}{2}$ " from the bunkers, and all the ironwork about the deck is in a deplorable state except where Rees chipped it on the way out. The flanges of the ventilators are rusted through, in fact one ventilator fell off, the bottom flange having simply disappeared in rust. The cement in the bilges and floorings must be renewed. The decks are fairly good. She has a leak somewhere under the counter

9.

which we will find out and stop. Capt. Rees had a lot of trouble with this on the way out, as the water poured into the cabin - the leak is well above the water line and gives no trouble in harbour, but when running outside, after the Marguerite Mirabaud for instance she made a lot of water. The hawser mounted on a reel on deck is quite useless, being rusted through. By the way, I was in error in stating that the hawser that broke whilst towing the Marguerite Mirabaud was one of the new ones sent out by you. I find that the hawser used on that occasion was one extemporised here. The hatches over the coal bunker were so worn at the edges that they fell into the bunker and were so rotten that one broke in half. Her chain seems small and we felt rather relieved that she was on the beach in shelter during our last gale. However, the chain is of course according to Lloyd's requirements, but Capt. Thomas intends to lay down proper moorings for her. Her anchor will then be housed on deck, and we shall avoid accidents, for she broke two anchor stocks when running with Rees going alongside coal hulks. I do not doubt that all these defects were observed by you previous to purchasing her, and that the Board desired to lose no time in having her on the spot out here. The necessary work out, and of course will, be attended to here, and a good deal has been done, but with a short supply of labour this takes longer and costs more than it would have in England. Her working account will therefore be saddled with fairly heavy expenses until she is in thorough order. The condition of the boiler is, however, of more importance than the hull itself. Atherton says that five of the back end stays must be renewed, and in reply to my question as to whether any more are likely to go he says that it is impossible to tell; when these are finished others may go, but he cannot say beforehand if they are likely to. With the test pump now sent out, he will put on a cold water pressure of about 200 lbs. - if other stays stand that, we can assume that none are likely to leak for some time to come. In my last despatch par. 13 I referred to the stays, and to the reduction

reduction by the surveyors of the steam pressure to 95 lbs.- it may be asked why it has taken so long to ascertain these defects and how it is that after passing a satisfactory survey at home 17 months ago the boiler should now have developed these. I have questioned Atherton very closely - he says that he started from Hull with fresh water and used condensed water all the way out - he did not know whether salt water had been used or not previous to the Company purchasing her - he did not go inside the boiler and look at it before starting as the Surveyor told him he could fill with fresh water and box up. In St. Vincent blew down, got inside the boiler, and finding a lot of salt deposit, sealed the furnace crown, but could not go lower. He thought it necessary to do this much, as unless the crown might have been burnt and the salt were cleared out the iron on the furnace crown would have been liable to fall in. About November or December last year the boiler was thoroughly cleaned and sealed. All the salt was not removed, but after using fresh water for some time this residue became dissolved and the salt that had formed at the juncture of the back end stays and the plate was cleared away. The corrosion that had been going on for a long time then showed itself by the water leaking out. I reported that the Samson was not equal to towing the Marguerite Minibaud until the wind had moderated, and I learned afterwards that Atherton had put on as much pressure as he could, and had worked up to 105 lbs. I asked him how this was possible, seeing that the safety valve had been set at 95. He informed me that the Engineer of the Antisana had set the valve at 95 lbs., but had no "valve washers" to complete the job. Atherton was supposed to make these and fit them, but had not had time to do it; hence and on this occasion he was able to work up to 105 lbs.; still, in spite of this, the tug could not tow the ship. The boiler nominally should work up to 150 lbs., so I imagine that for the tug to be reasonably efficient a pressure of 130 at any rate is indispensable, and if worked at 30 lbs. less than this, she cannot be expected to tow. To get this pressure, the 2 corroded

roded main stays must be replaced, and if the work of replacing 2 is undertaken, it would be wise to replace another 2 in the steam space. The carrying out of this would entail taking down the "up-take", smoke stack etc., the old stays would have to be drilled out, and if the work is to be done, we should require proper mechanics, as this is the work of a boilermaker. Atherton tells me that it would occupy two boilermakers for a fortnight with the help of the present staff. He said that if it were considered urgent, 2 men from Monte Video from Monte Video would probably get through it between an outward and a homeward mail, but this is quite out of the question I think. Until the Sissie is again running, we must have the Samson in readiness for mail work, and if you entertain the idea of replacing these 4 main stays I would suggest they should be sent out and that I should apply to H.M. Ships for the services of a boilermaker for by the time the stays arrive the Sissie will be running and some of H.M. Ships will be here. I have endeavoured to get at the bottom of this business, but I cannot understand how the boiler, if fit to bear a pressure of 150 lbs in April 1900, can have so deteriorated in 17 months as to be unfit to stand more than 95 now. Can the mainstays possibly have corroded so far much in that time that the diameter is now reduced by $\frac{1}{4}$ "? The boiler was surveyed by Lloyd's surveyor in April 1900, and I assume by your consulting Engineers before purchasing, and you will probably refer the matter to them now. I am not an expert of course, and have had to rely upon the statement of Atherton and the Engineer of the Antisana.

21. I am endeavouring to calculate the gross earnings of the P.S.N.C. from the Falkland Islands - would you furnish me with a press copy of all accounts with them in order that I may know the exact amount of the homeward freights. I am writing to them to point out that we are put to rather heavy expense in boat hire if the steamer comes in and is received by the Port Authorities after working hours. For instance, the Orissa arrived at 8 p.m. and came into the inner harbour. I
got

12.

got men to take me off with Customs Officers in a sailing boat, the steamer was received and the work commenced at 10 p.m., with the result that she was able to load a good cargo and get away next day at dusk. I think the P.S.K.C. ought to pay the cost which came to £1.

22. The Government contemplate engaging the services of a Mr. Rooten, who understands the telephone, and has offered to keep the Lighthouse Telephone in working order for £12 per annum. The Colonial Secretary has asked if the Company will share this expense. Occasionally, a mechanic from one of H.M. Ships has overhauled the telephones and I paid half the charge last February, but in reply to this application I said that Mr. Appleyard, when repairing the Lighthouse telephone, intended to allow us to be switched on to the Lighthouse. This has not been done and I would not undertake to contribute half the cost without consulting you.

23. The Governor informs me that he intends amending the Probate Ordinance, making real estate pay duty. He said that under his new Ordinance the Shareholders of the F.I.Cc. would be made liable - he did not see why the United Kingdom should have the benefit of death duties on property in the Colony. The Legatee, he said, would not pay twice, for if he proved to the satisfaction of the Revenue Authorities in England that duties had been paid here, no charge would be made at home. In fact, the effect would be simply that the Revenue of the Colony would get the benefit instead of the Imperial Exchequer. Probate Duties are at present as detailed in Ordinance 8 of 1895 - Between £200 and £500 - 2%. Over £500, 2½%.

24. At the same interview the Governor asked me who owned Swan Island. I said it was a part of the Franchise of Lafonia and that we leased it to David Smith, to which he replied that he did not think it did belong to us. On turning over papers, I find a statement that the grant of Lafonia includes "all the Islands in the Falkland Sound lying South of the Boca wall at Darwin, or Line of Demarcation." Swan Island is certainly
North

13.

North of the Boca wall, but I do not know what is meant by "line of demarcation". It occurs to me that if Swan Island is ours, why is not West Swan Island as well. In case the Governor should revert to the subject, will you give me any information as to our title to the Island?

25. The foregoing discussion caused me to look up returns printed by Governor Goldeworthy, showing Crown lands leased and a return of the acreage and description of Islands. On going through the latter, I find that West Point Island, -Hummock, Rabbit, and Bense Islands are described as being "In Roy Cove". Lease is under sale by Ordinance 9 of 1890- W.W. Bertrand." This might materially assist Mr. Bertrand's case with the Colonial Office, and I therefore forward the Returns in case they might be of service. Mr. Baillon might have forwarded a copy of these to you, and I should be glad to have these returned to me if possible, as they are useful for reference.

26. On the death of R. Yates, Butcher, I appointed John Dettleff at £7 per month, with a further allowance, in lieu of a house, of 30/-. He has a house of his own, and preferred to remain in it. Yates was paid £8 per month with free house.

27. I have received a letter from the P.S.N. Co., Valparaiso, informing me that arrangements have been made allotting a few 1st. class cabins to the Falklands. 5 berths each in the Iberia, Liguria and Orrellana, and 4 berths each in the 3 twin screw steamers.

28. We have at present on deposit with the Colonial Government a rather large sum, namely £1350, which is the balance of the monthly remittances of £1,000 each, which we have not required to draw. The Treasurer could of course pay us this in cash or notes, but as our cash balance has been quite high enough, it has been deposited in the Savings Bank, and is earning 2½% interest at any rate. You will recollect that this surplus was foreseen when the arrangement was originally made, and we anticipated that it would right itself about the end of September. The amount is certainly somewhat higher than I thought

thought it could be, and this excess is due to the small amount of currency notes that we have been liable for this year. You will see that the last draft sold to the Treasurer was in November last. Some time back, the Governor wanted to remit \$2000 through us, a request that was of course refused, and coin was sent here instead. I think that the amount of actual coin has increased a lot owing to the Naval Works and the lengthened visits of R.N. Ships. They have brought down gold for their use and that of Mr. Hayes - this gold has gradually accumulated and the matter will, I suppose, be eventually balanced by the Government selling some of the gold back to the ships.

19. I have had several interviews with the Captain of the Marguerite Mirabeau, who received instructions to charter a vessel to take home 1500 tons of his cargo, and to himself proceed to Glasgow with the remainder. He of course realises that it is extremely uncertain how or when this amount can be transhipped, and after a lot of negotiation has decided to discharge this into hulks, and to go to Montevideo this mail to ascertain if a vessel is disposable there. I enclose copies of notes of interviews with him. He was very keen on landing the cargo on the beach as wet will not harm it, and I had considerable difficulty in inducing him to hire hulks. He absolutely declined to pay £3 per day each for the J.F. Smith and the Carlisle, and the terms I have got out of him are absolutely the best I could get, namely £2 10/- per day each for the first two months and £3 per day after that. If, however, you have made or make any different arrangement with the officers our agreement will be superseded. I replied at once as to your enquiries as to repairs, which are quite out of the question here - the ship is too lightly built and requires general strengthening. I explained that her sister ship was in a precisely similar predicament at Rio. I had thought of telegraphing the fact that cargo was being discharged here, in the hope that some arrangement might be made by which our charter for a coal ship could include a return freight in this nickel ore, but there is

15.

a danger that Captain Leckegard may charter a vessel in Montevideo to take the whole of it.

55
8
p
30. I regret to say that up to the 18th inst. the Thetis had not arrived at Salvoor, and I much fear there has been a disaster.

31. Our stock of steam coal is now 480 tons, so that if only 300 are sent, we shall have but little for our own use, and I hope that about 900 will at least be sent out.

32. 535-27. There has been barely time to receive replies from clients to my circular, informing them that the Company would not continue purchasing stores on commission. Mr. Perrier Stickney thinks the notice rather abrupt, especially with regard to his indent for fencing. Mr. R. H. Buckworth writes "I think the circular sent out by the Company fair enough, they have always treated us well, and of course their shoes are spinning the same as ours: luckily we want very little stores this year, but I will talk it over with you when I come in". I will send your reply as regards Mr. Vere Pucke, and I have stated that Mr. Felton is now endeavouring to sell some of his land in the Argentine. Mrs. Robson's account has not improved of late, and with the further drop in wool is likely to go much still more. I propose to see her and advise her to give up her Stanley house, which would let readily for £40 or £50 per annum. I refused to advance Joseph Robson's rent last May, and it was eventually paid by his father-in-law, Mr. C. P. Smith of Johnson's Harbour. The Governor returned Harter £20 from his last year's rent, but will not at present grant any permanent reduction. We are now revising the prices of stores for clients, and I hope to get the lists out to be sent by the next West Falkland Mail.

I am, Sir,

Your obedient servant,

PRELIMINARY:

INSTRUCTIONS. (ORIGINALS FOR H.M.S. "CORINTH" JULY 30TH. 1901.)

Despatch No 123.

Copy of Stanley Cash Book for June.

Journal

Stanley Ledger Balance, June 30th.

Store Indents No 123.

Remarks on Stores and Supplies on Board.

Stanley Cash Balance, June 30th.

Particulars of Draft No 2101.

Notes on Estimates for 1902.

Mr. Hadden's Report, July 1901.

Statement on Accounts.

Remarks on Accounts.

Letter to F.B.S. Co. Reg.

do. (July 30th)

Specifications for F.B.S. Co. Reg. 123 456 789.

Specifications & Bill of Lading for "CORINTH".

ORIGINALS.

Copy of Stanley Cash Book for July.

Journal

Stanley Ledger Balance, July 31st.

Notes for Bernard Hadden.

Check No 12345 on London & County Banking Co. Ltd. £1000.

Shipping Indentment, July.

Copy of Agreement with "Maritime Insurance".

Balance of Books for July 31st.

Copy of correspondence with F.B.S. Co.

Shipping Report.

188.

Tuxtepec.

10th September 1901.

Sir,

I wrote you last per Oravia on the 22nd August, and received on the 5th Inst. per Iberia your despatches Nos. 984 and 985 and telegram "Garagan Declinado Ferraz Cordeence Vegast-
"ais Porlar Elegiase Reciente Aspropiado Resapueste Trionfo".
I telegraphed to you via Coronal "Desarbolo Sdiverzara Wissebar
"Festival Thetis Codicico".

2. 284-2 & 21. Had I been fully aware of the financial crisis when Braun & Blanchard presented the cheques, I should have refused to pay some of them. Mr. Greenshields did not draw upon us for his purchases, but I included his amount on the list I sent as I wished you to know how much Braun & Blanchard had drawn from the Colony. Mr. Greenshields drew upon C. Williams, the cheque being sent through me I do not think we should gain anything by declining to have any further dealings with Braun & Blanchard. Our transactions are purely financial, and I think they are the most businesslike people in Sandy Point. The number of persons crossing between here and Sandy Point has increased considerably of late years, and naturally there has to be some medium of exchange. Formerly, we used to give people cheques upon you, which were cashed by Subentrach or Braun & Blanchard. This was somewhat of a nuisance, and we corresponded with the Bank of Tampaca with a view to keeping an account, but their terms were out of the question. We found that most people from Sandy Point had dealings with Braun & Blanchard, and an account current with them has been very useful and convenient to both parties.

3. Par. 3 Mr. W. Stuckey has written asking me to have a small house framed in Stanley ready for him to take out to Spring Point

The Managing Director,

London.

2.

Point.

4. Par.4. It is satisfactory to know that the Admiralty will take over the balance of their 1300 tons at 7½/6. I reported last week that the stock was 450 tons - there has been no appreciable diminution since, and I trust that you will send us more than 800. The Haeewing coal has all been sold or used, and I regret to say it did not turn out more than 350 tons which rather upset our calculations.

5. Par.5. I find it most difficult to obtain replies from Shiloh Island as to labourers. Mr. Mathews asked me to telegraph to you to send the number he has asked for, and has since written saying that if I cannot pick up men in Stanley he will have to run across to Sandy Point himself for men. If he has to get labour from there, I would certainly advise his going across to select them. Lately, a few have come across on spec and have been engaged by Mr. Hayes. They do not seem a very desirable lot, and there has already been one stabbing affair. No doubt there are some good men there, but the best of them have been selected.

6. Par.6. I have put the Fortune into commission at once and will report later on the rigging. Rowlands advises waiting until the weather is warmer before putting on the new swiftness.

7. Par.9. I enclose a copy of a letter from Arthur & Co., returning my cheque for \$3:14:7. I have now remitted this to you for disposal.

8. Para.10 & 11. The Return of Expenditures on Government House is not yet forthcoming. I am told that the C.C. are very annoyed at the expenditure, and instructions have been sent out to complete the work at the lowest possible cost. I interviewed the Governor a few days ago with Messrs R.E. Cobb and R.H. Mackworth, in order to make him acquainted with the financial position, and to urge the withdrawal of the Export Tax. Naturally, we did not receive much comfort. The Governor remarked that the mail subtly ran away with a good deal and seemed disposed to endeavour to persuade the Imperial Government to relieve

The Honorable Director.

London.

3.

lieve the Colony or some of it. Mr. Brewster asked that, if
 if the finances would not balance without the \$1050 collected
 by Export Tax, a general tax which would fall on all classes
 should be imposed in its place. We said that the present price ^{of wool,}
 2s. to 3½d. just paid the cost of production, and no more—farmers
 that possessed all necessary plant and appliances, and were not
 encumbered with debt, could just struggle through, but unless
 prices improved, those farmers who were burdened with mortgages
 must be under. The Governor appeared to think that most of
 the mortgages recorded in the Registrar's book had been paid
 off; we informed him that that was not so, and I added that his
 deed books told a fairly bad tale, but unfortunately the Comp-
 any's books told a worse one. I explained that I was not di-
 vulging anything in making this statement, as it was fairly well
 known that a lot of farms were in debt. I said that the Com-
 pany did not wish to include money lending in their business
 and would feel much relieved if they could get in what was owed
 to them. The Governor then made a most excellent suggestion,
 that is to say, excellent from our point of view, but possibly
 not in accord with sound public finance. He said he thought
 the Government ought to come to the rescue of the farmers, es-
 pecially the small ones I understood, by lending them money from
 the land sales fund on mortgages at a reasonable rate of in-
 terest. I, of course, agreed and said that 4% would be a saving
 at any rate, as we charged 5. It is a question whether this
 would be considered a legitimate application of the Land Sales
 Fund, at any rate the loans ought to be most carefully watched,
 or the fund may be most seriously diminished. If so, revenue
 would suffer and might have to be made good by further taxation,
 a good share of which would as usual be paid by the F.I.Co.;
 but it would be some years before this happened, and in the
 meantime we may hope to have a Governor who will administer the
 revenue in a businesslike way, and put it on a sound footing.
 If the C.O. agreed to the proposition, I do not think that we
 should object, as we should be able to get in many of the small
 debts

doubts without trouble. The Government too would be bound to see that farmers cannot pay high rents, and if they continued to exact them, as in the cases of Robson and McKay, they would be lending them money with the one hand and taking it back in rent with the other. The Governor said that he would not collect more than one quarter at most of the Scab Tax this year.

Mr. PACKE. has asked that the question of mortgage may stand over until he has heard from his cousin, Mr. G.A. Packe, at present in England attending to his late father's affairs, to whom Mr. Vere Packe has offered to sell a share in the farm for which he would pay cash. Mr. R.H. Buckworth has again been to Stanley but he and Mr. Packe have not succeeded in coming to terms for the purchase of the latter's share in the Fox Bay Farm. I know that Mr. Packe would, if possible, raise money to pay part of his debt, but unless this is done by selling his interest in Fox Bay to Mr. Buckworth and a share in Fitzroy to his cousin, he would have to go to England to raise money, a step he is anxious to avoid owing to the inevitable expense.

Mr. FLETCHER. is endeavouring to sell land in the Argentine, but at present prices of wool buyers are not forthcoming.

ROBSON and McKay are at present in Stanley, agitating for a reduction of their rent. Unless this is reduced, I shall certainly decline to advance it next year. Mr. Mathews will not sell them any more stock - he did not know the state of their finances. We shall get back in beef the value of the cattle sold to Mr. Packe - in fact, unless we had been able to find these for him, we could not have contracted to supply beef to H.M. Ships this season, I suppose we might have killed them ourselves but to do this we should have had to go to some expense at the slaughter house. I think that if we threw up the business of firms here, they would apply to C. Williams to do the work for them and he would probably accept, in the hope that his sale of stores would be increased and that he might make something out of them. I am quite sure, however, that he would not work for the remuneration we have been getting, and if he found he was
not

5.

not making much he would not continue. I have said that he might be disposed to take up Pitaluga's debt.

8. Para. 14 & 16. I think you have somewhat misunderstood my action as regards the financial business with the Government. The Treasurer has been quite ready and anxious to pay us the surplus of the monthly remittances, but with a cash balance of over £1500 I have not wanted it, and therefore placed it in the Savings Bank. When the arrangement was made we knew that during the months of May, June, July and August, so large a sum as £1,000 per month would not be wanted, and it was calculated that at the end of September the matter would be righted. In 1897 - 98 I referred to this question, but will endeavour to explain more fully what I think has happened. There is not much doubt that at the present moment there is more coin in the Colony than is required, and the Government have overdone the issue of notes. Previous to the note issue, payments and exchange of money in the Camp were made by means of cheques, but as soon as the notes were issued many found their way into the Camp and the Government issued more. For instance, in October 1898 they issued £1,000 and in June 1900 another £1,000, and as a cash reserve of two-thirds of the issue had to be kept, about £1300 in coin was locked up in the Government chest. Hence, towards the end of 1900, silver became scarce, and I had to ask you to send £1200 out. Then in January 1901, another £1500 in notes was issued, but in the meantime there had been fairly large importations of gold - £1200 for the Doris Broder sen, H.M. Ships distributing a good deal, and finally last April the Nymph was sent on a special trip to Monte Video for £2500 sovereigns for Mr. Hayes. Gold therefore was becoming scarce again, and people who had been hoarding it in stockings got rid of it. The Governor wanted to remit as money orders now amount to about £700 per month, and as I would naturally not give a draft, he had to send away the cash. To make matters worse, he issued another £1,000 in notes in August, so that at the present moment there are £4,500 worth of notes in circulation

lation, and I should say about another \$4,000 in coin. Hence, there is more money in the Colony than is wanted - the Treasury balance is nearly \$4,000, our balance is \$2500, Mr. Hayes has a balance, and I think I am not far wrong in thinking that other storekeepers have money in hand as well. I shall refuse to give Williams more drafts, and eventually most of the cash balance will find its way to the Government Office, as Money Orders are the only means of remitting home. I hope the Governor will see before long that the limit of note issue has been reached. We have now \$2,000 on deposit in the Bank, but by the end of this month this will be reduced to \$1,000, and I have written to the Treasurer to the effect that one monthly payment in London should be stopped, namely on October 31st., a copy of the letter is enclosed. Seeing that only one quarter of the Scab Tax will be collected in December, I anticipate that I shall have quite enough funds in hand to meet all outgoings up to the end of the year. You will see therefore that my object in depositing the money in the Savings Bank, instead of taking it in cash was to secure at any rate 2½% interest on it, instead of holding a cash balance of \$5,000. You may ask why I did not stop a monthly payment before - I thought that the arrangement might be regarded as sacred, and that having made it we ought not to go back on it until quite certain that we could not continue. The Government have kept the compact very fairly with us - during the month I send them a cheque for rents, customs duties or any other payment we have to make, and a day or two before the end of the month these are all redeemed against the \$1,000, and we receive the balance in cash. As a proof that we are fairly treated, I may call your attention to my 174-10 in which I said that in order to save drawing upon you the Treasurer agreed to allow an item of over \$650 due for Customs Duties to stand over for a month. The transaction with Johnson is easily explained. He had a small amount on deposit last year, and this year, in February or March, as may be seen from the Cash Book we were getting short of money. I

ascertained

7.

ascertained from Johnson that he had 440 Sovereigns, which he said he would later have to remit to the River Plate later. I got him to deposit it and paid it over to the Treasurer in March to avoid giving him a draft on you. In the same month, I sent you for collection from Johnson a draft for \$345 on London, which matured long before his drafts were due for payment. In June, Johnson asked for drafts for these amounts, and as he had deposited the money when we were short, I gave him drafts for the total amounts required by him. I will certainly not draw upon you unless cash is required at this end, and by this mail I hope to remit you a substantial draft upon the Admiralty from Mr. Hayer. When remitting to the London River Plate Bank last time, I sent up 300 sovereigns by Mr. Patton, thus saving a draft upon you and also bank discount, and I hope to keep that account in credit by sending up gold again when necessary. There is a certain risk about it, as I cannot insure the remittance. Messrs Wilson Sons & Co. have undertaken to pay in any amount sent up by me. Mrs Dean's request for the payment of the credit balance of the Chartres account to her Bank was rather a shock, but was not unexpected, as it has been the usual thing for some years past.

10. Mar. 15. I send you a statement showing the Samson's movements from August to December 1900. We did not keep a regular log until instructed by you, and this statement has been compiled from the entries in the Office diary in which all her movements had been regularly recorded.

11. Mar. 17. This draft arrived from Sandy Point, and was dealt with hurriedly in order to forward it home by the same steamer. It was wrongly endorsed, and was sent back for Mrs. Carey to spell her name as written. We thought it might have been passed and sent it on as altered by x her - in future I will not attempt to deal with similar cases by the same steamer, and they must wait for the next mail. The short stay in the port allows no time for attending to anything beyond the steamer's business - I have already referred to this in connection

8.

nection with payments desired by Braun & Blanchard to Messrs John Moore & Co. and Thom & Cameron.

12. Par.13. Dean Brandon is at present in the Camp, but will no doubt have received instructions from the S.A.M. Society. It will be a convenience to be able to have the accounts signed in Stanley, instead of having to wait for months to get them back from Keppell. There is one point that is not quite clear Captain Poulton says in his letter of July 19th, "interest at 5% per annum on cash advanced by you during the ^{period} covered by the account in question shall be allowed to the date of the draft on the Society." Our practice is to charge interest up to the date of the maturing of the draft, and unless otherwise instructed I shall calculate it on that basis, just as we treat the Fort Howard account.

13. Par.19. I learn that the Governor has received the copy of your letter to Lloyd's on the subject of the Beeching coal, and I think he had a copy of their letter to me, dated June 12, since which I have heard nothing further from them.

14. Par.23. I quite follow your remarks as to our dealing system of dealing with goods passed out to Darwin Store, but looking at the question all round I think that any alteration at present would entail more disadvantages than otherwise. We do undoubtedly credit ourselves with a profit on about \$3500 worth of goods annually before it is actually realised. Theoretically, goods should be sent to Darwin as if on consignment, the Storekeeper should send an account of his sales to us, and the total debited to Farm and credited to Store. The stores on hand at the end of the year would be treated similarly to the Stanley Stock. If all goods sent to Darwin were for retail sale, this would work out alright, but the danger that I foresee is that a lot of goods sent out nominally for sale might be delivered for use and might not be strictly accounted for. A sort of account of these deliveries is kept now, but I do not know if it is strictly accurate. If the Darwin Storekeeper were really a Storekeeper both in name and in practice, I have

no

8.

no doubt we should get perfectly correct accounts, but Mr. Moir is engaged as a Schoolmaster and from the various conversations I have had with Mr. Mathews, regards the Storekeeping and Book-keeping as quite a secondary matter. He has said that he considers that he has too much work to do now, and that this extra work is the Storekeeping. I think that ^{if we} ~~make~~ attempt to get more clerical work from him, there would be a failure somewhere. The present system is not strictly right, and it would be simple enough to devise a correct system, but if this correct accounting is required, you must have the staff to do it. The error is, as you say, not serious, and that being the case, I do not think it worth while to go into the ~~same~~ expense of the clerical assistance necessary for the alteration of the present system.

15. Par. 23. The Directors may rest assured that we are doing all we can in Stanley towards keeping down expenses, and making a profit in every possible way. There is a lot of competition now in storekeeping, and we find that a much greater variety of stock is required than formerly. The indents are framed as economically as possible, and I trust that it will not be considered necessary to cut down any of these. You say very truly that the stock as a whole is large, and that if ship repairing material were omitted it would vastly alter the look of the stock sheets. Timber for building purposes stands high, but when a house is started this goes very rapidly. You lately sent out a large quantity of match lining and I think mentioned somewhere that in the present bad times, nobody was likely to indulge in the luxury of house building. As a fact, however, there is more building going on than I have known for years, and the whole of this lining has gone and we confidently expect more from you next month. If we do not have material on hand, people send for it on their own account and we lose the sale. When the Samoa was leaving, I went through the whole of the stock sheets with Mr. Gorton with the express object of finding out what goods had been on hand for years and were unsaleable

10.

unsaleable, and we sent them away in her. Amongst these were the shot pouches referred to by you, also a lot of rivets that would not have been used in a century. In doing this, I practically anticipated the instructions you have now given me. Since then the Millinery Store has been overhauled, and it has been found that there is stock there that has been on hand for years. We thought at first that there should be a clearance sale, but my wife tells me that if judiciously handled, a lot of this can be worked off without loss. Some material has been hidden away from view for so long that it has been found quite safe to show it as "new stock arrived by last mail"! Mrs. Turner lately sent out a consignment costing nearly £200. - this was well selected, but the quantities were heavier than necessary, and had the amount been expended in a large variety, we should have done well. I feared that on her departure, Mrs. Turner may have made further heavy purchases and in order to prevent this, included in a telegram a request to send as little as possible. I mention all this to demonstrate that we are fully alive to the necessity for running things as economically as possible, and to prove to you that we are not ordering blindly.

161 We have gone carefully into the prices of stores to be charged to clients and have got out a list, a copy of which is enclosed. I should be glad if you could run over this, and say if there is any item that might be altered. The prices are framed on the assumption that unbroken cases will be ordered as a rule - if any packing is required, we shall make an extra charge for this to cover the actual cost, about 2/- or 3/- per case of goods. The question has arisen whether we ought not to have a double set of prices, namely for cash or credit; that is to say, that clients who are not in our debt should be charged on a cash basis. I have thought this over carefully, and have come to the conclusion that a double set of prices would not be feasible. To begin with, it will be bad enough having as it is a wholesale and a retail set of prices, and if we have

two

two wholesale prices as well as a retail, the mistakes and confusion will be endless. Clients are sure to discuss prices amongst themselves, and there would be considerable dissatisfaction if one is charged more than the other, as he will be charging his men more. Then, an account may be in credit at the beginning of the year and in debt towards the end. I think, therefore, the best way of meeting the case will be to give credit clients a discount of 5% on these prices. They will charge their men the same for stores as others, and will reap for themselves the advantage of being in credit. I think too that we might debit the store accounts half-yearly, charging interest from the half year, but should like to know whether you approve of this. If Store accounts are debited then, we have a better idea when working at the Ledger Balances how the accounts really stand. As regards the goods which you are willing to purchase on a 5% commission, I have been asked definitely what these include; that is to say, whether the list is confined to machinery and fencing, or whether bagging, hoop-iron and dip is to be purchased through the Store here? If the latter, I shall have to ascertain beforehand what dip is likely to be wanted, and what lengths and kind of hoop-iron is used on the different stations. Some, too, use a special kind of wool packs, not plain bagging, and these would have to be specially ordered. If we have to stock half a dozen different dips, it will mean a large locking-up of capital. I gather from your 875-2, that you expect clients to purchase these from the Store, but should be glad to know for certain. I do not think it necessary to cable specially for any of these articles as most clients have kept a year's stock in hand, and this stock they received last February in the Thetis. Mr. Bertrand was, however, I fear, inclined to run things pretty close, and it might be well to ascertain from him if he is likely to want any shearing materials, hoop-iron especially. I will write to Mr. Clement as well. Mr. Duckworth, when here, asked specially the exact terms on which we would continue their business, more especially with reference to the purchase of stores. I said that provid-

provided their wool was consigned to us, we would ship it at the same rates as heretofore; and, as regards purchase of stores, if they kept their account in credit, we could not compel them to purchase everything from us, though at the same time we hoped that our prices would be sufficiently reasonable to induce them to do so. I afterwards showed him the list and he considered the prices very fair. He asked, if they got their dip, and bagging and hoop-iron by the Port Howard sailing vessel, which generally enters at Stanley, would we ship them round to Fox Bay and Dunnose Head in our schooners going for wool? I said, yes, at the usual rates. Also, would he raise any objection to their Port Howard wool going home in Sparring and Waldron's vessel? I said it was not usually convenient to send a schooner to Port Howard and if they consigned the wool to us, we would not object. Seeing how little we make on the wool freights, I think it would be rather dog-in-the-manger to insist on collecting this, and thus prevent them from getting a cheap freight home. They have enough patent fuel to last them a year or two, and if more is wanted we should be able to quote a price when we have a vessel coming out with steam coal.

17. 934-95 & 925-G. I had hoped that the *Samoa* might have fetched \$5,000, or that as the Baltic season was over, it might have been found feasible to run her for one trip out here on our own account, perhaps with steam coal. We took all possible care of the cargo as soon as it came into our charge, but you will recollect that I have said all along that considerable breaching had taken place, and this of course meant a good deal of knocking about. I regret, now, that we did not keep even more of some articles here, in fact I should have done so but the Directors were most anxious to turn the cargo into money as quickly as possible. We knew that if sold in this part of the world it meant a heavy sacrifice, and it does not seem to be turning out much better in England. Last mail I received from Messrs Vorwerk & Co. the account sale of 161 bags Rice, copy of which is enclosed, - the nett proceeds amount to \$952, equal to

15.

to, say, \$64, or just under 8/- per bag. For what we kept here we paid the ship 17/6 per bag, and are making 40% beyond that. We kept only 30 cases of sardines, most of which are now sold against 4/- in England we have paid 10/- per case, and have made a profit of 50%. I doubt if you will get much more than \$7 for the soap, which is, as you say, of very poor quality. Beach & Co may say that it has been under water, but I do not believe it. The water never rose above the flooring in the ship, and since the cargo came into our possession it has been kept absolutely dry. There may have been dampness owing to the presence of so much salt amongst the cargo, but to say that these cases have been under water is simply untrue. It is hardly worth while for me to say more until I hear further from you.

16. It is with the deepest regret that I have to inform you of the loss of the *Thetis*, and worse still that there can be no doubt that all hands have perished. The fear expressed in my 187-80 turned out to be only too true, for I received on 31st. August by the *Patrella* and *Allen Gardiner* letters from West Point, Roy Cove, Koppell Island and Pebble Island reporting a mass of wreckage, which is undoubtedly that of the *Thetis*. I enclose copies of these letters. The *Horror* returned to Stanley two days later and I despatched her to search, especially at Edge Island, Wreck Island and the Port Harbours Cays, to endeavour to find where she came to grief. Had I been able, I would have sent the *Sarnon*; the Engineer was, however, laid up, and *Robinson* also unable to leave the house, and I could not have sent her without these two. The *Thetis* was towed out of Stanley Harbour on Saturday July 27th. - the wind being W.N.E light, and the *Fair Rosamond* left the same day. That night it blew a gale from the N.W. and next day, Sunday, Willis sighted the *Thetis* about 14 miles off the land abreast of McRidg's Head about 1 P.M., the *Thetis* bearing about N. by N., making excellent weather. The *Fair Rosamond*, making a tack towards the land, was bearing S.E., and lost sight of the *Thetis* about 3 p.m. For five days afterwards we had light N.W. winds here, in fact

fact everything seemed favourable for the Thetis to make a good run to Salvador; but, on the Saturday following, we had one of the hardest gales from the N.E. and N. that we have had for a very long time, and it appears to have been specially bad to the N.W. of the Islands, as the jetties at Hill Cove and West Point were nearly demolished. I enclose an extract from the Fair Rosamond's log showing what the weather was during that week. Whether the Thetis was wrecked before that gale, or during it, will never be known - Rowlands is inclined to think that she must have struck before, and was broken up by the storm.

We can only conjecture that the crew took to the boats, and were swamped by the tide rips, which I am told are terrible near Wreck Island and the Port Egmont Gays. It seemed to me as well

to let Rhinenga make the search, as he was on the Genesta when lost on the Port Egmont Gays some years ago. The Thetis was in particularly good trim when leaving here. She had, in addition to her water ^{and kentledge} ballast about 50 tons of stone ballast, nearly 200 hides, 110 bales of R.&S. wool, well stowed and tightly screwed, and about 10 tons of general cargo. She carried on deck two sides of a dip made for Pitaluga, and there is a good deal of talk about this in Stanley. Similar dips have been made for Baillon & Stickney and Mrs. Bonner, and have been taken out in the Fair Rosamond to their destinations. Capt. D.W. Thomas demurred to taking this on account of the inconvenience and risk, and I have talked very freely in the place, saying that he did not mean to take it, as the ship would not be safe. I consulted Capt. H. Thomas, Johnson and Rowlands, and was assured that it was perfectly safe to ship it, if well secured, and I told Capt. D.W. Thomas that it had to go. He demurred again, and I had it put on board by Capt. H. Thomas, and sent carpenters to chain, lash, and wedge it securely. Whilst the dip was being put on board, I regret to say that there was an altercation between the two Captains Thomas, Capt. Thomas of the Thetis asserting that the other had no right on his ship, and that he himself ought to have been Marine Superintendent, that

15.

that it was not safe to take the dip, and so forth. I dislike having to recall all this now, but the question of this dip has been, and is now being, so much talked about that I must detail all that happened. During the afternoon, Captain Thomas came to the office and said it was not safe for the ship to go as she was, and seeing that he was excited, I told him I would see Capt. H. Thomas, and advised him to sleep over it and see me next day. Next afternoon he came to me, and said he was sorry for what had happened and hoped it would be overlooked. I asked if he was quite satisfied to take the ship and he replied "Yes, it was alright". I said if he had any doubts at all he could send down his logmate, but he was quite satisfied there was no necessity for this. After that the death of the Steward delayed her, and finally on Saturday morning about 7.30 he came to Captain H. Thomas and myself to ask whether the Samson could not give him a "pluck out", saying the wind was W.N.W. and he would stand off to the N.E. and if the wind held, would be able to run right into Salvador next day. The next news we had was by the Fair Rosamond, and her non-arrival at Salvador seemed very strange until finally the news of all this wreckage arrived. How he could have got so far to the Westward is simply inexplicable, but I have learned since that last year when he left for Salvador he got to the Jason Islands. Bernison, who was on board told me that for some days he stood on and off, and could not get any sights, until after about five days, I think, they saw land. Three hills were seen which were taken for Saunders, Kappell, and Pebble Islands and the Captain decided to run into Port Egmont for the night. They passed between the two Westward Islands but were astonished to find a rock ahead of them. A man named Hayes went aloft, and they found that they were actually going between the Grand and Steeple Jasons. It appears therefore that Captain Thomas was in the habit of getting far more to the West than he imagined himself to be, and this year must have done the same thing. When the Hornet returns I hope we shall have found some trace of where

of where she struck, but I have not met the fishermen here that any of the unfortunate ones will be found alive. There is, of course, the worst part of all, but there is one point for consolation. I have just learned that almost at the last moment Mr. Salmon's man and his wife decided to ride out to Salvador instead of going in the "Thetis". They had just returned from their wedding trip to Buenos Aires, and all their effects were on board a steamer.

We are distinctly unfortunate in our new venture of getting up the floating docks. - the insurance brokers were ill and we have lost all the wool season, and the cable broke through the "Thetis" took to make a raft for loading wool.

I suppose that Fallon & Stinson's wool was insured by Mr. S. Fallon, and I have written to Mr. Stinson asking him to forward full particulars to his partner. I do not know how you insure the ships, a list of which is enclosed.

The Governor will, of course, hold an inquiry but will await the return of the Hornet before doing so. I had not made up the abstract of her crossing log, but shall be able to make the small amount of crossing freight due on return home.

18. The loss of the "Thetis" compels us to put the Barkuna into commission again, and I fear that the Barkuna will have to run as soon as her repairs are completed. I should have ordered her at once out for the searching expedition upon which she is now engaged. The bad weather has run her against the Fair Hornet's sailing and trip, and altogether it is quite impossible to recover having no alternatives.

20. 934-4. So far the F.E.M. Co. in their letters to me have made no allusion to the rates on cargo home. I presume therefore that we may leave freight on wool and skins to themselves at 45/- and for the future I will charge them 50/- per ton weight on tallow, if you think this sufficient. We will make out the tallow bills of lading as "Liverpool for London" and all other produce. As all negotiations with the F.E.M. Co. on the subject of freights have naturally been made from London

17.

I have not mentioned the matter to them and it seems to me that if they felt any dissatisfaction as to the matter discussed from here they would have lost no time in letting us know it. They certainly are most casual in their correspondence whenever finance is concerned.

21. Feb. 7. In any future cases of clients going down and wishing to draw in London I will attend to the instructions conveyed in this paragraph. There is a certain difficulty about it inasmuch as I am not sure of the limit to which the bank might deem it prudent to allow an account to be overdrawn. I might think it safe enough to make advances to a figure beyond the directors' margin of safety, and if I wanted a guarantee from a client it would be on the understanding that the bank would not be asked to commit itself in any way. The difficulty may however be more imaginary than real. The case of Mrs. J. Gordon, now in England, is a case in point. - The bank has taken the results of trading, which is most speculative. The only serious difficulty between 100 and 500 shares, and the value must be something between 10/- and 20/-. Her account is overdrawn to the extent of about £750, against which should be set the proceeds of the sale, and moreover, there is at present a balance of 125 securities from last year's catch, and I presume of the kind of this month 500 shares will have been received. As soon as I know for certain on this point I will advise you.

I fear that there is not much prospect of a reduction in the equity debenture account at the end of this year, though the absence of "Invoice per Thaid" in next account will help. The year 1900 has come rather too late in the year for the resulting settlements to show much. In the last few sentences of this paragraph you raise an interesting question, viz. - To the extent of our helping some clients now by reasonable advances where the security is good, and saving them from going into liquidation, how far we can bind them to ourselves for the future. Cases of this nature can only, I think, be dealt with individually as much depends upon the character of the client.

-10011007

13.

ticular client. To take our own point of view first, would it
 be politic to refuse advances and let a client go under when
 times are bad and no one would purchase cheap securities anyway.
 If we allow clients to go into liquidation we should suffer
 most, and when having ^{been} ~~dealing~~ ^{with} ~~the~~ ^{him} ~~clients~~, and when
 was on his feet again we should be the last to be ~~involved~~
 with his business, as we should be looked upon as having as-
 sisted him at a critical time. On the other hand we have to
 guard against the folly of throwing good money after bad, thus
 is to say that if a client were hopelessly involved with debts
 amounting to nearly the value of the property it would be
 better to let him liquidate and start afresh. If we did save
 a client from liquidation it would, as I say, depend upon the
 sense of gratitude whether he stuck to us or not, provided that
 he could not do better elsewhere. As far as I know gratitude
 is a negligible quantity in commercial matters, - instances
 of gratitude are occasionally recorded in newspapers, and one
 may be permitted to draw the inference that gratitude is the
 exception rather than the rule.

22. Dec. 8. It is certainly a matter for regret that we are not called upon to lay out any more upon essential expenditure; our expenditure on maintenance and repairs is always fairly heavy, but certainly as far as Stanley is concerned will be kept as low as possible consistent with maintaining our appliances in order. The stores here are now up to date, our lighters are in good order, but two of the launches require attention. I had already commenced the building of an oven in the West Store building and this will now be completed. The cost ought not to exceed \$150, but at present I cannot estimate it with any pretence to accuracy. The chimney has been pulled down to provide bricks and the work is being carried out as cheaply as possible. The provision contract with R.M. Ships is now only annual, and I fully expect that Williams will do his utmost to secure the bread after March 1st. We ought, however, to recoup the cost of the oven by then, and before

19.

visitors are invited for next season as shall have had an opportunity of seeing whether we cannot contract at a lower price or not. Mr. Mathews has, I believe, a fair amount of work in hand, - two new houses to be put up, the dockhouse at Walker Creek to be enlarged, and a new ship at North Arm. He has concluded to postpone until next year, at any rate, the building of a house for the woods at Scotts Creek.

22. I spoke to the Colonial Secretary about the statement in the C.O. list that we had paid a dividend for 1882. He had a discussion about it and he informed me afterwards that the information had apparently been taken from Burdett. He said that in revising it for this year he was not prepared to omit the statement altogether as I suggested, but could quote Burdett as his authority, and if you cared to write to the C.O. about it they might then omit it.

24. Although I have several other subjects to write about I am closing this despatch as the mail is due tomorrow.

I am,

Sir,

Your obedient servant,

APPENDICES.

C. Foster, (Originals per "Oravia" August 22nd.)

Baggage No 187.

Copy of Stanley Cash Book and Journal for July.

Store Indents No 289.

Remarks on Stores.

List of Store Entries June 30th, and Remarks.

Letter to F.R. Johns Esq.

Coasting Insurance, July.

Mr Mathews' Report August 17th.

Statement on Accounts.

Specification & Bill of Lading per "Oravia".

Originals.

Copy of Stanley Cash Book & Journal for August.

Cash Vouchers, East & West Store.

Store Indents No 290.

Remarks on Stores & Replies to Remarks.

Price of Exchange No 2171, £ 22:10:0

do. 2172 445: 7:4

Coasting Insurance, August.

Two copies of S.A.S. Report to March 31st.

Draft of Wholesale Store Price List.

Copy of Account Sale from Morwick & Co.

Copy of letters re "Thetis" wreckage.

List of Cargo on board "Thetis" when leaving for Salvador.

Papers relating to do. from Fox Bay to Stanley. (damage.)

Note of Protest.

Copy of Surveyors Report July 1st.

Account showing cost of repairs.

Surveyors final report of survey.

List of cargo on board during coasting trip.

Extract of log from "Fair Rosamond".

Copy of final survey, "Marguerite Winchband".

Copy of correspondence between Lloyds Agent & Surveyors.

Copy of "Stamond's" log.

Copy of letter to Col Treasurer & reply.

Copy of letter from Arthur & Co Ltd.

Mr Mathews' Report Sept 12th & enclosures.

Shipping Report.

Remarks on Accounts & replies to Remarks.

Statement on Accounts.

Specification of 30 Sales S.I. Wool.

122.

YORKSHIRE.

17th September 1901.

SIR,

We have sent you various orders for goods to be supplied per "Thetis", which indent is not sufficient to fill a sailing ship. In the course of a few months we shall want some goods, and will require further and more coal before the beginning of next winter. We have, therefore, completed the indent of all that is required, and hope that you will dispatch a sailing ship by the end of January next. We have generally had house coal in a special ship, but in these days it is difficult to get a ship to carry less than 500 tons, which would be too much money. I think, therefore, that the better plan will be to have a vessel to bring all the timber and rough goods required and as much house coal as we can, in addition. We have, therefore, ordered for 300-400 tons, leaving it to you to fix the exact amount, which should not, however, be less than 300 tons. Of course, the coal will cost more if purchased in London than if loaded in the Tyne, but this expense will be repaid. We have asked for the annual stock of coal to be sent in the "Thetis" - the sailing vessel I am writing for will be the last for this, which must therefore come by steam. If it is not too late for the sailing ship please recollect that we must have 50 by the October or November mail as ordered, and another 50 by December steamer. Should you ship all by steam, I hope the P.O. & C. will give a favourable rate.

I am able to send a draft for £445:7:4 upon the Admiralty for stores supplied to the Naval Works from April to Aug-

F. H. Cobb Esq.,

SIR

Managing Director,

London.

(3)

3. Should the wholesale price list be approved, would you be good enough to have 250 copies printed and sent out as soon as possible. A margin should be left for alterations.

4. Dr. Foley has come to Stanley to discuss the question of his furniture when he leaves. His agreement expired on May 14, but in case he and Dr. Jameson, provided that the latter succeeds him, would prefer to make the exchange at an earlier date I presume that no objection would be raised by the Board. It would suit us better as in May the schooners will be required to run to the West Falkland. Might I ask whether a First class passage is to be interpreted as an Outside or Inside cabin? Inside cabins on the more modern steamers are good, but on the old Liguria and Iberia, they are very poor.

5. I enclose all papers relating to the damage sustained by the Estrella on the coasting voyage from Fox Bay to Stanley. Under the present circumstances I much regret that I did not have the account for repairs made out and signed by Captain D. Thomas before leaving for Salvador. I hurried him to get away as much as I could, and told him that the account for repairs would be made out all ready for him on his return from Salvador. The protest under ordinary circumstances would have been attended at home; this is now impossible as there is little chance of finding any of the ship's papers. The cost of the repairs amounts to \$178:911 to which should be added \$40 for the lost boat. I have sent a statement of the cargo carried from Fox Bay to Stanley, as this would I suppose bear a proportion of the cost of repairs, if you are able to recover anything. I have enclosed also a list of the cargo on board when she was lost.

6. Captain Beauregard returned from Monte Video by the Iberia and the discharge of 1500 tons of cargo was completed on the 13th instant. He informed me that his Owners had cabled to him not to conclude any arrangements for chartering a vessel to re-ship, as they were themselves attending to this. Upon the receipt of your telegram I wrote a letter to the Surveyors on the subject of the pumps, and I enclose a copy of their reply.

3.

The cargo has been re-trimmed and the final survey held to-day. A copy of the report is enclosed.

7. Captain Thomas has been at work on the Glenbowan for four days - the first day was occupied in fixing the hoose and making preparations - the second day the Samsen pumped for seven hours from the lazarette and reduced the water by 2 ft. 1 in. The third and fourth days, however, they pumped by the main pump welland only succeeded in reducing the water by 6 inches each day. Captain Thomas thinks that the water by the lazarette must have been confined. There is now a horrible stench which makes the work more difficult. Whilst the Samsen is pumping Captain Thomas's deck hands are doing chipping and scraping. He anticipates that she will float without having to exchange or discharge much cargo.

8. The stock of stored coal is now 250 tons, about.

9. September 21. Owing to the delay in the arrival of the mail, we have fortunately been able to settle up the accounts of the "Marguerite Kirchner", and I enclose Capt. Bouquet's draft of 60 days upon Messrs Langstaff, Henderson & Pollock for £117:11:7. The vessel will sail as soon as the wind is favourable - for the last ten days we have had calm and easterly winds.

10. I trust that the remittances by this mail, namely, £145:8:11, together with the holding up of the monthly remittance of £1,000 at the end of October, will help in a small way to relieve your financial position. I had hoped to defer until another mail the question of a sailing ship with stores, but feel less diffident now that I am able to advise these remittances.

11. We have had 4 bales of sheepskins belonging to Mr. Packer stored on the Great Britain for some time awaiting the arrival of a few more bales to make a good shipment. These bales have been attacked by rats and very badly damaged since the departure of the Grissa our men had no occasion to go on board the bulk for many weeks, and during this time the damage

4.

done was very great. I should be glad to know if the insurance covers this risk.

12. Mrs. Dyer requests that a further payment of £25 for Mrs. Dyer may be advised by telegram, and I have therefore copies to you the following:—"TURNER MARQUE".

13. Sept. 21. The Yorkshire arrived this morning bringing your telegram "ORISSA TRAVENOSE ANTISANA THUPANASE". The shipment per Antisana is no doubt the large Admiralty coal shed. I have received information from the Vulgarise that the Inca will call here for the Nickel Ore ex "Marguerite Mirabaud" about the end of October, and I have been requested to reserve any wool for her also instead of shipping the same per Liguria. Owing to the unfavourable winds of late, the Schooners have not been able to get back to Stanley with produce and I have only 30 bales of Speedwell wool to ship. I enclose Bill of lading and specification for the same.

I am, Sir,

Your obedient servant,

Enclosures:-

Accounts per BK. "Marguerite Mirabaud" and
Letter of Advice to Owners.

First of Exchange No 2175 on Longstaff, Greenberg & Pollak
for £917:11:7

Specification & Bill of lading per Yorkshire

Statement on Accounts

Press copy of P.S.W. Co. Account.

190.

LIGURIA

October 14th.

01.

Sir,

My last despatch left per Yorkshire on the 21st.ultimo and I have since received per Orissa on the 2nd.instant Mr. Egie's despatch No.235 of September 7th.and your telegram "CODICILANDS THETIS ARMATERN ADVANCES STOP WORK HICKSLEY'S HOUSE"

3. In reply to your telegram as to the Thetis I regret to say that I do not know the names of the crew,nor have I any information as to what advances were made by Captain Thomas. I learned some of the names from letters which had arrived for some of the crew and I telegraphed these via Orissa. She started I believe with 11 all told. The second Mate named Roger was transferred to the Hance,W.H.Williams was paid off,and the Steward,J.Dover,died in Stanley. To replace these three,Capt. Thomas signed on two sons of Mr.Baton and a man named Cummins who came from Monte Video last year for the Fortune. Seven of her original crew therefore and Capt.Thomas have been lost and I telegraphed the names of four of these seven,and thought it would not be wrong to add to the message a suggestion that you should consult "Taff" Williams as to the names of the other three. The telegram is perhaps an expensive one,but in a case like this I presume you would not wish me to spare a few shillings. Unfortunately,all the ship's papers have been lost,and I had not made any abstract of her log. Last year I awaited Capt.Thomas's return from Salado. I was attempting to attend to her papers and should have done the same this year. My telegram was as follows:--"THETIS RIGSDAN WHITENICK PUGGER" "TAYLOR THREE HATHINGS CONSULT TAFF WILLIAMS HICKSLEY'S HOUSE". The Governor has not so far taken any steps as to

F.E.Cobb Esq.,

Managing Director,
London.

2.

holding an enquiry- his difficulty would be nautical assessors. I told him that the Inca which was due here on the 15th. would probably remain here for quite three days to load, and this knowledge might be of assistance to him as regards an enquiry.

3. I am sorry to say that Mr. Stickney's house was practically finished before your telegram arrived. I had intended commencing work on the Hornet before, but the loss of the Thetis necessitated her making another trip, and in the meantime we pushed on with Mr. Stickney's house so as to be free to carry out the Hornet's repairs without any stoppage.

4. 936-3. I wish that it had been possible to have sent 1,000 tons of steam coal as our stock has been depleted somewhat rapidly of late. Mr. Hayes has now two steam cranes at constant work and the Samson has been under steam a good deal. Fortunately, I have about 50 tons of coal ex Doris Proderoon which the Samson must burn- at the same time I must let her have some Welsh coal on board for towing outside the Harbour should ships come along. I learned incidentally from Capt. Poole of the Antisana that the cargo boats take coal to the West Coast at a very cheap rate, 17/- per ton I understood him to say, that is the P.S.N.C. get 17/-, the shipper possibly having to pay something extra to get the coal to the port of shipment. If we should have to get out steam coal another season, it might be as well to sound the P.S.N.C. as to the rate of freight. I do not suppose they would let a boat call here unless she had a freight of at least \$500 (the Antisana's was about \$500), and the rate of freight they would demand would depend a good deal upon the assistance they could secure in the way of labour. We could guarantee 20 men, that is 10 for filling coal in the steamer's hold and 5 each in the hulks alongside for trimming. With 20 men they could discharge the coal as fast as the winches would lift it, and I think they would quote a favourable rate. One great advantage of getting our coal in this way would be the saving and anxiety of the Athena's shipment last year. I hope the Admiralty will not want all the 1200 tons or

3.

we shall certainly be short ourselves.

5. I am in some doubt as to your arrangement with the Admiralty as to the price at which we are to charge the balance of last year's stock. In 172-3 I reported that the total supplies to H.M. Ships last season amounted to 870 tons, and in 183-2 I reported that 85 more had been supplied to H.M.S. *Nymph* making a grand total of 955 tons, or a deficit of 345 tons on the quantity asked for by the Admiralty. In 934-4 you say that we shall get off the remainder of the 1300 tons at 72/6 and are sending about 800 to make up the total of 1200 that the Admiralty require this season. As far as the Admiralty is concerned there are only 345 tons left over from last year's stock, although we really have more, and the question is can I charge 72/6 on more than 345 tons? In your correspondence with them however, only 800 tons is quoted at 57/6- do they infer from that that they pay 72/6 per ton for the first 400 tons? The question is material as it involves a difference of over £40.

6. Six of the labourers arrived by the *Oriessa*, *Soryngeour* having failed to embark. I hardly expected the men so soon, but as it happened Mr. Mathews had asked for 6 men for Walker Creek and having the *Fortuna* in the Harbour ready to start for Teal Inlet in the morning, I decided to send them straight away to Walker Creek in her. Mr. Bennett happened to sleep on board the *Oriessa* and I obtained permission for their effects to go straight on board the *Fortuna*. The *Oriessa* arrived at 5 p.m., next morning the *Fortuna* was away with the men by 8 a.m., and they arrived at their destination within 24 hours of the arrival of the steamer, which is I think a record.

7. Par. 6. I received a letter from Mr. Allan, and had secured very suitable lodgings at Mrs. Lellman's for Mrs. Allan and family, who I quite expected would have arrived by the *Oriessa*. As they did not arrive, Mrs. Lellman could not keep the rooms, which are now tenanted by Mr. Thompson, the new Colonial Treasurer, and at present I really do not know where the Allans can be housed.

4.

8. Par.7. I can say with confidence that our tallow casks left here in excellent condition. I saw a good many go aboard and our Cooper was on the Great Britain the whole time for the express purpose of examining every cask before it was passed through the port hole on to the steamer.

9. Par.10. The Margarito Mirabaud sailed on September 23rd. I did not anticipate that the cargo would have been re-shipped so quickly, and I feel that we shall not earn so much hulk hire as we should. I fear that I ought to have stipulated for a minimum of say 5/- per ton, but I had a good deal of difficulty with the Captain, who wanted to land the cargo on the beach. I did not suppose that the Owners would have re-shipped it by steam, and quite thought that our coal ship might have got the homeward freight. However the hulk hire will amount to between £250 and £300, and I shall send you the Bill of Lading together with an account of the further expenses due on the cargo. I enclose a letter from the Captain asking for a third class passage to Monte Video for one of the sailors, and a receipt for 2/- shipping fee. Kindly collect total of £5:2:0 from the Owners.

10. Par.11 The Antisena arrived on Sunday the 5th inst. I had previously asked permission from the Government for her to work on Sunday, but it was declined. The cargo was discharged by Tuesday night about 8 p.m. and she left about 9 the next day. We had quite a gale on Tuesday night- I had gone on board to despatch the steamer, and had to remain as it was unsafe to attempt to get on shore. We had the utmost difficulty in towing the lighters away next morning owing to the weather- fortunately the wind lulled about 8 a.m. and the Antisena got away alright.

11. As we have had a favourable spring for drying the Green sheepskins, Mr. Mathews has succeeded in getting some ready for shipment earlier than usual. Twenty bales which were shipped by the Orissa were dried over the boiler, and it is most likely that these and perhaps some others will be realized be-

fore the end of this year. As a rule the produce of 1899 Green skins has gone into the subsequent year's accounts, and I presume that in closing the Farm Account for the current year you would wish that the value of any sold during the year should be carried forward, otherwise we shall have more than one year's skins omitted in this year's accounts.

12. As we are nearing the end of the year we have not ordered much in the way of stores, so as not to have too much on hand at the close of the year. At present we know what our Stanley and Farm requirements are in the way of provisions, and also in a small way our clients, but we do not know what the latter are likely to order to make up their annual stock hitherto imported by the Thetis. About January or February we shall probably receive from the clients fairly large orders for their stores, mostly provisions, and we cannot gauge what amount we ought to have on hand to execute these orders. I may mention that by the last V.F. mail an order was sent in from the Charities which practically swallows up our stock of some of the articles, for instance Apple Rinses, Flours and Baking Powder. It would never do, after having declined to make any more purchases on commission, not to be able to supply from our stores what the clients require, and unless we have a fairly large importation early next year, this is bound to happen. Is it too much to ask you to go through clients' shipments per Thetis for say a couple of years back and ascertain the quantities and more they have been in the habit of importing, especially the packing—that is to say, we import habitually in say 1 or 2 lb. tins—some client may have regularly imported the article in 4 lb. tins, and so on. If we were in possession of clients' indents we would find all this out and order accordingly, but we are unfortunately in the dark, as the indents have not been passed through us.

13. At Mr. Mathew's request, I have telegraphed to you "Secutrazzo Shepherd"

14. We continued pumping at the Clengowan, but failed to

reduce the water appreciably. In a separate paragraph I will explain the hitch we have had with the Samson's pumps. Since the arrival of the Oriessa the tug has been in attendance on the Circe and the Antisoon, but we hope to get at the Glasgow again as soon as the Circe and the Inca are disposed of.

15. I have asked in Remarks on Accounts that the two half yearly payments of £150 each may be continued on Mr. Vere Packer's account. These payments are to meet the pa annuities chargeable to the Estate. Mr. Packer having left the Government Office is now going into his accounts, and has asked me when the mail has left to go over his figures with him.

16. Captain Cooper of the Oriessa informed us that about mid day on the 2nd. he passed the French ship Circe, coals on fire, making for the Falklands. On the morning of the 3rd. the Samson went out, but the weather was thick all day and she saw nothing. On the 4th. about midday a ship was sighted to the Southward, and the Samson went to her about 15 miles off and ascertained her to be the Circe- the Captain however declined to take a tow from such a distance, not that the tug could have done anything, as it was blowing a very fresh breeze. Next morning the Samson went out, but had to wait in Port William for three hours as there was a slight breakdown, due to the heating of an oil pipe; meanwhile, the wind veered to the Southward, and the Samson took the Circe in tow just off the lighthouse, the price being £200. Seeing that the wind was fair for the ship to come up Port William this figure is very favourable. The Circe was towed right up the Harbour abreast of the West Jetty and I went on board at once. She was 70 days out from North Shields with a cargo of 2500 tons of West Hartley steam coal for Calcutta. Captain Dowel asked for an immediate survey as the temperature was very high. I took Capt. Thomas and Johnson off- we ascertained that the temperature in the after hatch was 65 degrees C. (equal to 149 degrees F.), dense smoke was issuing from the hatch and ventilator, and it was evident that she was pretty badly on fire. The Samson set

to work immediately and by 10 a.m. the following day (Sunday) had pumped 64 feet of water into her hold. We went off again and found the fire spreading further forward, the cock had been found inoperative through inhaling fumes, and we recommended moving the ship at once down the Harbour, where she could be beached, and completely flooded. Unfortunately, there was a delay of over an hour in getting her away as her anchor fouled the Charles Cooper's old moorings, with the result that she could not be beached in sufficiently shallow water. The Samson continued pumping, with the breakdowns which I will detail separately. Next morning, we found the Captain was firing a signal "Fire gaining rapidly, take men off" She went down at once, found smoke and steam issuing from the hatch, although there was 16 feet of water in her, showing that the fire was not far from the deck. More water was pumped in, and about 2 feet of a plank was cut out of her deck - the tide was now rising and by midday the deck was completely submerged and the fire extinguished. All this time the tides were high, and consequently ranged about 4 feet only, and it seemed as though there would be no difficulty in pumping the ship dry; but next morning we were alarmed to find that she had sunk quite $1\frac{1}{2}$ ft. on the bottom, and at low water the decks were quite 1 foot or more under water. The bottom there is mud and sand - we had to guard against beaching the ship on an uneven bottom and thought that the bottom there was sufficiently hard to prevent her settling. However a 1800 ton ship with 2500 tons of coal and full of water represents a large dead weight, and we were eventually much relieved to find that she did not settle any more. On the 11th, as the tides were making towards springs, we went down taking carpenters and all necessary material for securing all openings in the deck and caulking, and also a box shaft to be built round ventilator near the main pumps. Fortunately we had a splendid tide and were able to secure everything, and commenced to pump both with the Samson and with a gang on the main pumps going as long as the tide would permit.

As the Sennen was ready to start a steam pipe burst, filling the engine room with steam, and the tug had to stop for two hours to allow Atherton to put on a black flange. In three hours the water was reduced by one foot and we were very hopeful of getting the ship afloat again within a reasonable time, but unfortunately the Sennen's pumps have given trouble all along. I may mention that since my last despatch we found at the Glengowan that she was doing practically nothing she had done 5 inches a day for three days and after that not an inch. The plungers were taken out and Atherton found that the piston rings with which they are fitted had jammed and did not expand. One seemed worse than the other and the ring was taken off and the plunger packed with Manila, after which it acted better, and in one day the water in the Glengowan was reduced 2 feet. Consequently we felt certain that everything was in good order, and when the Circe was sighted congratulated ourselves that we were in absolute readiness, but before starting to pump out it was deemed prudent to pack the other plunger with Manila so as to be on the safe side. After pumping for 2 hours the pumps broke down, and on dismantling them it was found that the valve spindle had broken, - it was in fact just worn out. Atherton came aboard during the night, got Sixth out and during the next morning pumping was resumed. In the meantime the ship's pumps had been kept steadily at work whilst the tide permitted and a record kept of the results. When the tug started again it was expected that the water would be decreased rapidly, but it was not so. The Engineer was absolutely certain that the pumps were working alright, and it looked as though the hatches had not been securely battened down and caulked, or that some opening in the deck had been overlooked allowing the water through. The ship's pumps and the tug had worked together with a certain result, and the ship's pumps had worked alone with the same result. Work was stop-

ed for

(10)

quite suddenly. I cannot understand this as he told me two days ago that the coal burned so well. The ship is still on shore and the tides are now decreasing. At the moment of writing the tug is standing by with a gang of men.

I am,

Sir,

Your obedient servant,

(3)

ed for an hour to see if the water gained, and it was found to be stationary. We then let the tug work for an hour by itself and found she made no impression on the water. The pumps were again dismantled and found to be apparently alright, and the insides of the suction hoses were then looked at and we found to our disgust that only one is worth anything, - the interior of the rest of them being torn and pieces hanging down, thus stopping the flow of water. On the Clengovan we had used some iron lengths and some flexible, and these latter must have been practically perished, so that when used they came to pieces. Only one length is any good and will be used as long as possible connected with iron lengths but when we have reduced the water 6 feet we shall have some difficulty. As I have mentioned we are pumping from a ventilator which goes straight down for eight feet to the 'tween decks, but after that branches off at right angles, and we ought to have quite two or three flexible hose lengths to work downwards.

You will notice that I have appointed Johnson on the survey, and may say that a carpenter is not an authority on coal. Johnson has however seen so many coal cargoes that although he is not by trade a coal expert he has gained an all-round experience not possessed by anyone else here, and I certainly have more confidence in his opinion. In saying this I do not in any way reflect upon Captain Thomas's judgement, but the latter has not yet the local experience and knowledge possessed by Johnson.

October 15th. As the mail is now overdue I will close this despatch. By the night of the 14th. we had pumped out water enough to float the ship, and intended moving her up the Harbour next morning. The anchor was raised and the tug commenced towing, - a very moderate breeze was blowing and the Samson could not hold the ship which drifted ashore again. Atherton ascribes the failure of the tug to the fact that he was then burning Larrs Brothers' coal; he says his steam went down

quite

Duplicates. (Originals per Yorkshire 21st September)

Despatches Nos. 128 and 129

Cash Book and Journal for August

Store Indents No. 290

Remarks on Stores

Second of Exchange No. 2171 for £52:10:0

" " 2172 " 445:7:4

" " 2173 " 917:11:7

Accounts Bk. "Marguerite Miranda"

Coasting Insurances for August

Copies letters re "Thetis" wreckage

List of cargo on "Thetis" Fox Bay to Stanley and Stanley for Salvador

Accounts showing cost of repairs "Thetis"

Mr. Mathew's report of September 12th.

Remarks on Accounts

Statement on Accounts

Specification and Bills of Lading per Yorkshire

Originals.

Store Indents No. 291

Remarks on Stores and Replies to Remarks

First of Exchange No. 2170 on South American Missionary Society £37:1:7

Coasting Insurances September

Insurance on Produce Return No. 28

Letter from Capt. Beauregard and receipts for £5:2:0

Two copies of S.A. Missionary Society's Account to September 30th.

Copy of S.A. M. S. acct to Sept 30th
Press Copies Harvey Reports Ship "Circe"

Mr. Mathew's report of October 1st.

Shipping Report

Remarks on Accounts and Replies to Remarks

Statement on Accounts.

191.

1912

October

1901XXX

Sir,

I wrote you last per Liguria, which left here on the 18th instant.

2. I suggested to the Governor that it might be useful for him to know that the loss would be here for some days, as a hint that the Thetis Society might be held. Since the loss's arrival I asked if he was waiting for me to apply for this to be done, and received a reply that the Commodore had been asked to assist at the Enquiry. This may mean that it might not be held until the Commodore arrives, or the Commodore may allow the Dr. Fisher of the Nymphe to sit as assessor. Even this will mean a long delay, the Nymphe being out in December, and it appeared to me to be as well to send a declaration by Mungwa, the Master of the "Thornet", which was sent round to several, in the hope that you will be enabled to recover insurance before the Report of the Enquiry is forthcoming. I have of course already reported the loss to Lloyd's, and this with Mungwa's declaration may be deemed to be sufficient evidence.

3. I regret to say that we have had no less than three accidents to our labourers lately. Okeima is attending the witnesses of the Sarsen had his finger so badly crushed that it had to be amputated at the instant point. James Lewis, after the Fair Rosewood's cargo had been discharged into the Great Britain, was standing in the boat between the bulk and the schooner, when the bar line holding her to the bulk was let go. The stern swung in and nipped him at the shoulders between the bulk and the schooner crushing him very badly. The Doctor

feared

F.E. Cobb Esq.,

Managing Director,

London.

3.

learned that he might have died under the shock, but he recovered, and about ten days afterwards wrote asking if the Company would assist him, as he had no means of support. I sent him £5 and asked him to come and see me when well enough, but heard nothing further until I received a notice, copy enclosed, under the Employers' Liability Act. The notice is typed upon Government paper, showing that instead of seeing as he must have gone straight to the Government people, and I presume I may expect a sum of money for compensation. The third case occurred a few days ago - old driver Bill had been taken on as an extra hand to assist filling water ore in the mine for the loading of the train, and got his arm rather badly crushed against the hatch. So far I have not had any claim from him. Seeing that in two out of three of these cases they are fairly old men, it becomes a question whether we can continue to employ elderly men. Driver Bill was employed practically in the service of the "Marquette Harbour", not the Falkland Islands Company.

4. In accordance with your instructions in 227-14, I enclose herewith a statement giving particulars of horses and dogs sold in the Store up to September 30th. From which it will be seen that some, probably value £2000, have been sold and realised \$4294, or a profit of say 50%. For the remainder of the stockpiled horses we shall not get much more than purchase value, as it is all so much damaged by salt. I am inclined to think that you will agree that I was not over sanguine in saying that we shall do well by retaining as much as we did for the Store here.

5. The new Collector of Customs is evidently of the "New Order" type, as his instructions carrying out the Customs Ordinances were strictly according to the letter. I enclose a copy of a circular he has sent out, and have discussed the question with him - we are allowed to land all goods at our own jetties, but entries have to be passed before anyone is allowed to remove goods. Mr. Thompson explained that he wished to ensure getting the entries, and I am in hopes that there will be no undue harassment.

5.

6. Mr. Fell has spoken again about the lease of Bloaker Island, and I will give him an assurance that he will not be disturbed in his lifetime. He would like to lease Triste Island from us. Mr. Matthews says he does not think it is worth our while to stock it. Have you any objection to leasing it to Mr. Fell, and if not, what rental would you demand?

7. I enclose a copy of a letter from the owners of the "Marguerite Kirchner", which letter should have reached me by the Inca on the 2nd instant, but was carried to Sandy Point and returned by the Liguria. I referred it to Johnson and Capt. Thomas, and send a copy of their reply. The Inca completed the loading of the ore on Sunday October 27th., and proceeded the same evening alongside the Great Britain to load our produce. I enclose an account of the expenses on the "Marguerite Kirchner" cargo that have accrued since her departure, including the cost of loading into the Inca, the total amounting to \$808:11:4. I am also forwarding you the Bills of Lading, which I presume you will deliver when this account has been settled.

8. We will land the Samson's flexible hoses, and have a thorough examination to determine whether there is any length worth keeping. As soon as we know which are absolutely useless we will ask you to send out new ones, but the iron couplings may as well be ~~xxx~~ cut off and sent home to be used again. All the couplings are good - these were all overhauled, and the bolts re-threaded where necessary. I doubt if we shall be able to do anything at the Blangowan until these hoses are replaced. Yesterday the starboard wheel chain of the Samson carried away as she was going off to the Inca; fortunately the tug was well in the middle of the Harbour, when the chain parted.

9. I regret to say that we have not been able to get the Circe off and tow her up the Harbour yet. Last evening, the Captain signalled that she was afloat, but as there was a moderate breeze blowing it was useless to send the Samson down as we knew she would not be able to tow her up. She has gone

4.

down to-day so as to be in readiness for the high tide to-night and I hope to be able to report before the tide leaves that the vessel is off alright.

10. I enclose copies of letters I have sent to the F.S.M.C as they contain matters that may be of interest to you.

I am,

Sir,

Your obedient servant,

ENCLOSURES:-

(Duplications - (Originals per Liguria October 17)

Despatch No. 190

Store Indents No. 201

Remarks on Stores

Bill of Exchange No. 2170 - 20/10/17

Consolidated Insurance for September

Insurance on Proceeds Returns No. 22

Mr. Fisher's Report October 14

Remarks on Accounts

Statement on Accounts

Letter to F. J. Webb October 18

Originals:-

Store Indents No. 201

Remarks on Stores

Copy correspondence re "Marguerite Winchard"

Particulars of Sales of Goods cargo to September 30th.

sworn statement of Philip Edwards re "Theoris"

Inventory of Goods Returns to September 30th.

Copy to do do do

Copy Circular from Collector of Customs

Copy notice from Judge Lewis October 2nd

Specification to J. H. B. Taylor & Co. Ltd.

do J. H. B. Taylor & Co. Ltd.

Remarks on Accounts

Statement on Accounts.

Accounts of Edwards on cargo of M.M. (2 Copies)
 Copies of letters to J.H.B. Taylor

192

OROWESA.

12th November 1941.

Sir,

My last shipment left for you on the 27th October and I received the next day per Gervin your cheque for £1,000 and telegrams advising MIRABEAU HUSBANDS COVENANT AMERICAN TRUST COMPANY THROUGH ASSOCIATE LLOYDS BANKERS FRANKLIN SAVINGS.

2. 28th-30. The Gervin anchored at 11 a.m. and some little delay ensued, owing to our having to take the doctor off. Mr. Townsend presented your letter, and I was able to send him a shore at once in a sailing boat. After lunching on shore, Johnson took him down to the shipyard and Mr. Townsend afterwards stated that she was in better condition than he expected. He enquired what price the Company asked, and I informed him £1,000 as the asked. I promised to report progress to him at Sandy Point, but owing to the condition of the doctor, and especially the horse, I have not much hope that I shall be able to report her as being affected by the next mail. You may rely upon our doing our utmost towards effecting this.

3. 29th-30. The freight on F.R.C. Fallon was an error which I much regret - unfortunately, I detected it only a long time after the mail had gone, and it was too late to correct it. We are without doubt compelled to hurry on mail day, especially when the mail is somewhat bound - we have to make out list of passengers, P.R.C. to account, attend to Bills of Health and finally Bills of Lading. The errors made have, I think, been in connection with products other than that of clients, the rates for which have not, as you remark in your letters to the F.R.C. Co., been definitely decided upon. When similar cases arose with the Gervin, Mr. Schlotfeldt was able to decide upon a rate and

F.R.C. Co. Ltd.,

and

Managing Director,
London.

had his Company's tariff to make him, but I have not yet been able to persuade the F.S.S.Co. to print another similar to that issued by the Kermadec copy of which I gave to Mr. McCook when here. On August 20th. 1903, I sent a letter of mine to the F.S.S.Co., Liverpool, suggesting that they might have some printed - on October 6th. of that year I was informed that the matter would have attention, and promise that they are at the end of it. I enclose a list of cargoes which I would propose should be charged at outside rates. For coal the F.S.S.Co. would receive 32/- measurement against 30/-, sugar 70/- weight against 64/-, and tallow 40/- against 38/6. Judging from their letters they do not seem keen on getting much extra freight from outsiders, and I do not see why we should not pass for our schooners whatever benefit there is to be had. The policy is, I think, to retain the power of giving better terms of clients consign to us, that is to say, if we keep the extra freight for ourselves, we are always able to say - "Consign to us and we will see your produce through for as much lower". and as the F.S.S.Co., as I have said, do not seem to concern themselves so long as they get not less than the present standing rates, we may as well get all we can for ourselves. I shall be glad to know if you agree to my proposed rates. The F.S.S.Co. have asked me to forward them a manifest by each steamer stating against each lot the rebate, if any, due to the F.S.S.Co. Islands Company. If the freight on V.S.C. Tallow per Antwerp has not been notified at your end, I will send Mr. Bennett an account for the difference.

4. Par. 6. I fear from what you say, that Mr. Buchanan will have to pay for the Islands, which means that the Company has to advance the funds.

5. Par. 7. The Governor has never mentioned the subject of bringing coal to me, and now that he has received a copy of your letter to Lloyd's, I do not fancy that he is likely to mention the subject.

6. Par. 8 I have read Messrs. Jacobs & Gutteridge's letter.

Yours

but I cannot believe that the rust in the bunkers, a sample of which I have before me, can have formed in 17 months. I thought of sending a piece home, but did not wish to bother you with it. I am certain that had you seen it yourself, you would agree with me. As to the main stay, if the Engineer surveyors are right in saying that it is quite likely these may have deteriorated $\frac{1}{2}$ " or more in 17 months, it follows that we might expect to be continually renewing these in all our boilers, for if they corrode at the rate of $\frac{1}{2}$ " every 17 years, they would be half gone in about 6 years. I am not an expert, and it is difficult for a layman to argue the point. What we are really concerned about is the fact that she does not tow in a moderate breeze in the Harbour, and that we are constantly renewing something. I do not say repairing breakages, but renewing actually worn out parts, for instance steam pipes (two), telegraph chain, back and stays and main stays.

7. Par. 46. I am very disappointed that you have not sent me back the Sissie's boiler. I particularly noted that it might be returned quickly and in my 187-20, the paragraph to which you have just replied, I said that until she was running again the Samson had to be in readiness for every mail. Just before the arrival of the last two steamers, I have had the hull of the Sissie brought in to the jetty so that no time should be lost and have put a special lighter alongside the steamer to receive the boiler, but we have been disappointed awaiting. Until she is running again we cannot tackle the work on the Samson's boiler in earnest - to do this one requires to be certain of a three week's stretch, but we must have her ready for homeward steamers as well as outward, and I am sure that whatever expense may be saved by sending the boiler by the Arctic will be more than stamped by the expenditure of coal and wages on the Samson, not to mention the loss of time in getting to work on her boiler. The question of coal will be serious if H.M. ships took all the 1200 tons - in that case we shall have none by some means for ourselves and Mr. Hayes. If the mail
steamers

steamers will bring bricke at 27/6 for the Government, I should think they would bring 100 or 200 tons of coal for us at 25/- at most, as the discharge of this would be a very easy matter. At the end of last month the stock was 416 tons.

8.Feb.10. I do not think that any general memorial will be sent from the Colony. We know that the Colonial Office has written very strongly about the expenditure on Government House and has instructed the Governor to complete it as economically as possible. The general feeling here is that the building cannot be left in an unfinished state, and that there is not much to be gained by memorializing the Colonial Office as to the cost so far. I think that when the total cost is known, it would be well to draw the especial attention of the Secretary of State to it, and ask that no more work shall be allowed to be undertaken by the Governor again. It is most difficult to get anyone to move in the way of memorials - if one had to be sent I should probably have to write it myself and send it round.

9.Feb.12. The Thetis had her kentledge on board when she was lost. I think we can gather up enough old chain and iron for the cannon.

10.Feb.14. I must admit that the Chinese have accepted the situation as to stopping purchases on credit much less readily than I thought they would. In speaking of William taking over Kitchener's debt, I meant the whole including Mr. S. H. Dean's mortgage, but since that I have heard since I do not think there is much chance of this now. I am told that L. Williams has been giving outrageous credit to Stanley people and that L. Williams himself is positively in tears about it, one of the men in our labouring gang owing him \$100 for stores. It has been a puzzle to me how a great many people here manage to live, but if it is really true that Williams's book debts amount to \$312 I can understand it better. L. Williams has just sent out enormous consignments of goods much to the disgust of his father who is very wisely, so far as he is concerned, selling them for cash.

3.

merely a fraction of profit.

11. Some par. I think there are three or four clients who would be glad of the chance of shipping produce home by sailing vessel, if we can manage to collect it and have it ready. Could any be shipped in the Annie this time? She will hardly get away before April or May, and if you could arrange with the Owners for a freight of say 18/- per ton for 500 or more bales we could send a schooner to convey wool from Fox Bay, and place it alongside in Port Howard at 27/6. I think Baillou & Stanger and Facke Bros. would jump at such an offer - in fact a year or so ago Valiron approached Facke Bros for their Fox Bay wool for the Port Howard vessel. Captain Tjensvold of the Annie last year told Captain Ross that the homeward freight was 18/- per ton - of course I do not know if this is true or not. I am told that Tjensvold has been replaced, and it may be that he talked rather too freely.

12. Par. 12. I have informed Mr. F. S. Williams of the extension of the credit from £1,000 to £1,200. As regards the management I cannot of course form an opinion, but compared with other stations the wages bill is moderate. Judging from what I saw at Weddell, a good deal of money must have been spent on buildings there at different times.

13. Par. 31. I will briefly answer your question as to Mr. Capt. Thomas called from Portland. He told me that on arrival there he found no reply from me (due, as I have explained, to my not having received his letters in time) - he was asked to take home a vessel, the Captain having died, and to make quite sure that his appointment home was alright as ordered to you. Had there been any hitch as to his coming home, he would have accepted the offer, which was an advantageous one.

14. Par. 33. You may have observed that our flour imports have diminished very much - Brown & Blanchard's shipment in the Rippling was affected the sale, but the falling off is accounted for very much more by imports from the River Plate by private people here. It is quite true that wheat is being im-
ported

imported to Chili, as Captain Jenks of the Inca saw two large sailing vessels from Australia with wheat on the coast. You might send us about 100 bags from Liverpool, but care should be taken that it will be delivered in good order. Flour bags are as a rule very flimsy, and unless the Australian bags are stronger the bags of flour might be packed in barrels which can afterwards be utilised for tallow.

15. Feb. 27. The Probate Ordinance has not yet been introduced. I will ascertain from Mr. Vere Packer on his return to Stanley whether probate was paid twice on the late Captain Packer's property.

13. Feb. 28. I am glad to have your remarks as to Swan Island in case the Governor mentions it again.

17. Feb. 29. I have let the Butcher's house at 30/- per month, it is in a very dilapidated condition and Vatas had been promised repairs for some three years.

18. Feb. 30. My 182-9 gives you a very full explanation as to our financial relations with the Government. I have now withdrawn all the money we had deposited in the Savings Bank with nearly 2 1/2 per cent interest, and even this has not been sufficient to keep us in funds owing to heavy disbursements in wages due to the French ships. It appears that the Savings Bank deposits were at the end of September much more heavy than I anticipated - in fact, for the month they totalled up to £2500. I shall have to purchase money from William, as our cash balance has quite disappeared.

19. March 1. I am glad to learn that commission will be due upon the freight per ton on the Marguerite Mirabaud's cargo. I took the Governor a press copy of her accounts and have obtained from him, in the absence of a French Consul, a certificate to the effect that he believed the signature to be that of Captain Beauregard of the Marguerite Mirabaud. I trust that this will satisfy the Owners. Seeing that the cargo was consigned to us and that you hold the Bill of Lading, I assume there will be no difficulty in recovering the expenses on the cargo

B.

20.10.90.

20. Oct. 90. I will write to Mr. Buchanan Stickney informing him that the produce must be consigned to the Company next year that is to say that the Directors insist upon their business being conducted in accordance with proposal No. 1 in your letter of December 27th. 1890 to Mr. J. A. Baillon, who will I presume be informed accordingly by you. You will have learned that 110 bales of wool were lost in the Thetis, and that the remainder of their produce went forward by the Inca.

Mr. J. A. Baillon did not return by the Oravis. His debit increased in 1890 by some £550, the bulk of which is accounted for by his invoice for Thetis and Annie. The account at present shows a debit of £1250 - no cheques for wages have been drawn during Mr. Baillon's absence, but even if we advance this, the account after allowing for the value of this season's produce, which will be consigned to you, about £400 to £500, should show a fair reduction. I have seen Mrs. Hobson and explained to her that the expenses on her station should be limited so as to extinguish the debt. The advances in cash and stores are much less than in previous years and even allowing for the low price of produce, her Antares at the end of 1901 will show a decrease as compared with 1890. She hopes to go out to Port Louis herself, and her requirements would not exceed £500 per annum. In that case the debt would be paid off at the rate of £500 per annum, and would most likely disappear in three years.

21. Oct. 90. I think before censuring me for not furnishing the Directors with full information the receipt of my despatch might have been waited. I could not give more information by telegram, and on the departure of the Yorkshire, I knew no more than when I telegraphed per Iberia on September 5th. Until the Herald had made a search, I did not like to say any more about the crew, as there was just the possibility that they might have drifted to one of the outlying islands or possibly Peble Island. The Richard Williams was in Stanley during the gale

sale of August 2nd, and sustained some damage, hence I knew
 that had they escaped to Peble Island there was but little
 probability at that time of their being able to communicate
 with Stanley. It can hardly be said that you were entirely
 without information as to what cargo she had on board, for in
 my despatch per Antigua 183-2 I stated "Capt. Thomas wrote me
 from Port Stephens that she had 550 bales on board, and would
 be able to take 250 more at Fox Bay. I replied that he had
 'better bring Sullivan & Stickney's, as he had to bring them
 there, but regret to find that he has only brought 110 of them.'
 You knew by the specification per Antigua that the 550 were
 shipped by that steamer, and as I stated in that paragraph that
 Sullivan & Stickney's wool would go home in the Thetis, it would
 naturally follow that they were on board her. Would it occur
 to anyone to send a statement of cargo on a vessel bound to a
 port only sixty miles distant? It has never been considered
 necessary in previous years to make any mention of it, and I
 have shown above that I did furnish information indirectly.
 In 188-12 I gave the fullest description - the Colonial Secre-
 tary asked me for a list of the crew, but these of course I did
 not know. I could only say that the second officer, named Rogers
 I think, was transferred to the Samra, the boatswain, W.H. Williams
 had gone home in the Antigua, their places being taken by two
 sons of Mrs. Betton; and that the steward Percy had died and been
 replaced by a man named Curline. After this, a number of let-
 ters arrived for the men, and I was able to telegraph four names
 out of the remaining seven, Riordan, Whitwick, Puggent should
 be, I find, Higgins and Taylor. I cannot understand the Lon-
 don officials applying to you for the names of the crew ac-
 cording to instructions issued to Shipping Masters, crews al-
 ways sign duplicate articles, one set printed and one black,
 the red set to be retained at the office at which they are
 signed on. The whole procedure is laid down most clearly in
 the Merchant Shipping Act, Sec. 115, Clauses 3 & 9. I have never
 seen the articles myself, and it is certain that no list of the
 crew

8.

crew was kept at the Wharfing Office here, or Mr. Bennett would not have applied to me. All records were lost with the vessel. The accounts sent herewith show the amounts drawn by Captain Thomas.

22. Feb. 35. I am writing to Mr. Mathews about the bale of damaged wool- at present I do not know whether he has sent it forward to Stanley or not.

23. Feb. 38. Mr. Mathews wrote me a note saying that he had intended giving Murdoch Bethune a letter to the Company in London to the effect that if he wished to return he could be re-engaged, but that he had omitted to do so. I find that when this information reached me, I had closed my despatch, and I mentioned this in a private letter dated June 23rd.

24. Feb. 39. I will make known to clients and to the masters of the schooners the reports that many bales have reached home in a dirty condition. They certainly are well taken care of on the Great Britain, which is kept in perfect order. Some three years ago, McLachlan spent a long time cleaning, chipping, and painting in the lower decks, and the deck is excellently clean.

25. Feb. 40. I am afraid that I am to blame for not calling attention to the gunmetal propeller sent in the Samoa. I went round with McLachlan when gathering up scraps for shipment, and told him to send it. I do not know of any other than that sent, as we searched all scrap heaps.

26. Feb. 41. I did not know of the arrangement as to Mr. Norton's credit, and have now noted that it is limited to \$350.

27. Feb. 43. I am sorry to hear that the Samoa's cargo is turning out so badly, and I regret now that more was not retained here. The Board will, I hope, forgive my pointing out that I have all along advocated keeping the bulk of the cargo here, and it was at their express wish that we did not retain more. As to the goods having been damaged by salt water, I repeat my assertion in 183-17 that they have never been touched by salt water. In connection with this I enclose copy of letter from Mr. Curtze as to salt water damage to the barbed wire and

and a copy of my reply. I mentioned in 185-3 that I feared we might have to make an allowance, but Mr. Curtze's claim is rather a "stall" one. You ask if I can explain how it was that the wholesale robbery of the liquors was not suspected in Stanley. I am absolutely certain that the cases were not breached here, for I made a point of being present with Mr. Horton, when the cases were taken out of the bonded store at the back of our West Street yard. Their removal did not occupy more than one hour, and I purposely watched the whole operation myself. Many of the cases I handled myself - they were checked as they came out of the shed, and I made the men stack them on the truck according to their description, in order that the shed tally might be checked before the truck went down the jetty. McLaughlin will corroborate my statement that they were put on board in excellent condition - we were all most careful, more especially as you had sent special instructions that the cases should be kept in "merchantable condition". We have kept a lot of the cases of Gilbey's Port and Cherry and cases of Brandy, and so far have not had a single complaint from anyone. You will recollect that I said in 171-23 that the cargo had been badly damaged on the voyage out etc. - we took care that all defective cases were kept back and re-shipped only sound ones. I can safely assert that the breaching of cases did not occur after leaving here, but only after being discharged in London, as I assure that had it been in such bad order then it would have been reported to you.

22. PAR. 44. The Cases afforded such a good chance of sending away freight free goods that were of no value here, that it seemed as well to try and get something for them at home - I thought it better than actually throwing them away.

23. PAR. 45. Atherton has always used zinc in the Samson's boiler - we had a supply in the Store and he has just used the last for the boiler of the Great Britain. We are indenting this mail for a fresh supply.

30. PAR. 47 I trust that Sparring & Waldron have fixed ventilators

ventilators in the Annie, as we ought not to be put to such a loss again from damage to goods by sweating. I mentioned this to Captain Tjensvold who, I hear, has since been replaced. If you give them cargo for their Port Howard vessel I hope there is a distinct understanding that they do not carry goods for anyone else. Last year the Annie had a package or so for Hardy, and I learned incidentally from the Governor that he had advised the Crown Agents to apply to Spearing for a freight by sailing vessel, and failing them to apply to you. The question arose by my mentioning to the Governor about his bricks being shipped by Mail Steamer, --- he knew nothing of it and was, in fact, telegraphing to know if they were coming or not. He is disgusted at their being sent by steam and hoped the Crown Agents would have been able to find room on Spearing's or our sailing vessel. Next year he will probably try again and we must, if possible, forestall him.

31. I have given C. Williams a draft for \$500 as we shall require more cash this month.

32. I beg most respectfully to apply to the Board for leave of absence next year. In April next I shall have completed nine years continuous service with the Company, and I need hardly say that after so long a spell here one really wants a thorough change. As Mr. Mathews will be leaving the Colony next year I assume that if the Directors agree to my taking a holiday it will be better for me to leave as early as possible in the year, and return about October or November.

Now that Mr. Oswald has become accustomed to the work I am sure that Mr. Girdling will be well able to conduct the management.

33. The "Girton" was got off on October 22th and towed up the Harbour, but I regret that owing to the illness of the Captain we have not been able to get the ship away. Captain Doust can use only one eye for taking sights, and since his arrival has suffered from very severe inflammation in that eye.

and the

(11)

and the situation is complicated by the fact that he is the only certificated officer on board. But for this he would have appealed to his owners to relieve him and allow the first officer to take the ship to Calata Buena. He has had a good deal of cleaning up to do on board and there is a little repairing necessary to the stanchions. Owing to the inflammation the Doctor has not been able to give any definite opinion as to when his eye will have recovered sufficiently to allow of his leaving, but stated last evening that he quite hoped that in 8 or 10 days it would be well. A good deal depends upon whether the Captain carries out his instructions. Unfortunately he does not seem to pull very well with his officers and the men seem an unusually discontented lot.

I advised him last mail to inform his owners that it would probably be necessary to discharge some of the cargo and that a credit of about £2000 would be required. We feared that owing to the hold having been flooded so long the dead weight in the ship might have become too much and consequently some few tons of coal would have to be left behind. The water has, however, drained off well and I think the Captain will be quite agreeable to take the whole of it on. He says that on homeward voyages he has been loaded almost as deep with nitrate and ~~described~~ provided that he has no trouble with the crew he will proceed as soon as his eye is well.

I received a telegram from Lloyds to the effect that the Fore-~~seas~~ Underwriters, who are the insurers, have requested them to look after their interests. I am not altogether sorry that the ship has been detained at any rate until the arrival of the Orpère as I have not received any message from you as to the ~~financial~~ question.

34. Atherton has examined the boiler of the Great Britain and says that we ought certainly not to attempt to do more than another season's work with it, in fact he rather doubts

if we

(13)

if we shall even do ^{that much} a season's work with it. He finds it defective in the bottom just above the circumferential seam; Rivets leaking badly; the shell of the boiler about the hand hole doors is eaten away inside. The tube inside the smoke stack is badly corroded; outside shell is badly pitted. The galloway tube at the top has fallen in flat. He will now give it a cold water test. I have instructed him to then carefully examine the Robey boiler on the Egeria to ascertain if it is worth while to utilize this on the Great Britain, and as soon as this is done will report the result.

I am, Sir,

Your obedient servant,

RECEIPTS.

RECEIPTS. Originals per 1801 October 28th.

Register No. 121.

Store Indents No 222.

Remarks on Stores.

Stanley Vague Receipt, September 30th.

Account of expenses on Cargo "Marguerite Hirschman".

Statement by Philip Stange re "Photia".

Remarks on Accounts.

Statement on Accounts.

Specification of 117 Sales G.C. Sheepskins.

Specification & R/L Shipment per Inch.

Letter to F.C. Cobb Esq. October 28th.

RECEIPTS.

Copy of Stanley Cash Book & Journal for September.

Cash Vouchers, Sept & Oct Stores.

Stanley Index Balances, September 30th.

Store Indents No 222.

Remarks on Stores, & Replies to Remarks.

Mrs. Vague's Receipt, Sept 30th.

Stanley's Receipts, October.

Enc. "Photia" Accounts.

Verified Copy of "Marguerite Hirschman" Accounts.

Copy of Correspondence with Nathan & Co.

List of Receipts proposed to be charged for produce.

Copy of Invoice Freight Leaflet.

Mr. Mathews' Report November 8th. & enclosure.

Shipping Report.

Remarks on Accounts.

Statement on Accounts.

193.

CARELINA

10th. December 1901.

Sir,

Mr. Harding desires me to acknowledge receipt of your despatch No. 922 per Lake Negantio, which arrived here only on December 1st., also your letters of October 31st. and November 1st. and telegram CIRCZ DWADUANO HENRY BATH SON LONDON DES-SELATAN. His last despatch to you was No. 192 per Oropesa on November 12th.

2. 938-3. We note that you think it likely that the Arris will load 200 tons of steam coal in London. This will tide us over the difficulty of our short supply, more especially as the Swedish Antarctic Expedition may want a certain quantity.

3. Par. 4. Mr. Mathews has not found it necessary to go over to Sandy Point. Several men have been picked up in Stanley to supplement those sent from here, and I understand he has sufficient now.

4. Par. 5. Mr. Mathews will reply later on the general questions you raise on the subject of the Government Expenditure. With regard to the payment of the Export Tax, I might say that a liberal allowance is made for tare. Any delay in paying this tax arises either from the fact that the shipper does not at once forward specifications, or because on some stations there is no weighing machine, in which case we wait until the Account Sale is received. As we postpone settlements with the Treasurer until the end of the month, it sometimes happens that the tax stands over for three or four weeks, but this is a matter of private arrangement with the Colonial Treasurer.

5. Par. 6. When your instructions arrived, the South American Missionary Society's accounts for the March and June quarters

F.M. Cobb Esq.,

Managing Director,

London

quarters had already been sent in the usual way to Mr. Whaits for his signature, and as Dean Brandon's instructions to sign drafts were not understood by him to date back beyond the current quarter we naturally forwarded them to you. In your 934-12, you say that it was arranged that "in future" drafts would be signed by Dean Brandon, and naturally this was understood to refer to the September quarter account. We admit having made out the account, which consisted of debit items only, on a half sheet of Account Current paper, with the idea that the postage might be less, but we sent this sheet intact to Mr. Whaits, who himself tore off the bottom portion.

6. Par. 12. To note that, in the main, you approve of our ideas about the wholesale supply of stores. Probably it will be found unnecessary to give any discount off these prices, and if quarterly transfers are made of Store Accounts those clients who are in credit will enjoy better terms than those who will pay interest on these transferred amounts. We quite understand the general principle as regards purchasing goods on commission: such goods as we have in hand or usually stock you will not purchase for clients, but special articles such as weepucks, kip etc., of which we keep no supply will be sent out from home.

7. Par. 16. To the shipping by the Grallana 8 casks of Seal skins for account of Mrs. Hunter. The full quantity of 500 skins has been taken this season, and her account sales will this year be supplemented by the 180 skins of last season, which we have not been able to ship until now.

8. Par. 22. The wholesale price lists arrived by the lake Megantic and were circulated around the West immediately. In asking you to have 250 copies printed, we of course did not know you would have them done in pamphlet form, and thought the cost would be practically the same whether 100 or 250 were printed. We anticipate that the 100 will soon be distributed, and in a year or two clients will want their copy replaced.

9. Par. 23. We understand your wishes with regard to Dr. Jameson's agreement, viz:- that he shall be paid the same salary

salary as Dr.Foley drew, but not entitled to passages home. With regard to the latter, I think Dr.Jamson was aware that he would have no claim to it. Your interpretation of what is meant by a first-class passage is valuable, and in the main I agree with you; though, as there is a great difference in boats, it becomes a matter of luck whether one is made very comfortable on the more modern boats, or only not uncomfortable on the older ones.

10. Par.25. Since the breakdown of the Samson's pumps, we have not been able to do anything with the Glengowan. Captain Thomas is very anxious to get her afloat, and as there is now only about 5 feet of water in her we propose, as soon as we have a chance, to put some men to work with hand pumps. A certain amount of chipping and painting has been accomplished, and this has not been lost as Mr.Townsend was the more impressed. The very objectionable smell has passed off to a great extent, we think it arose from decomposition of ship's stores.

11. Par.27. Mr.Packe is disposed to have the bales shipped as they are, and have the damage assessed in London. The cost, too, of taking back to his shed and re-baling would be heavy, and would increase the compensation which we have to pay. I gather that bales of skins are not insured against all risks, like wool, from the sheep's back to London warehouse, but as even Mr.Packe does not know what risks are covered I should be glad if you would give us a specific statement.

12. Par.33. The Swedish Antarctic Expedition has not arrived here yet. When he does come, Dr.Nordenskjold will find us anxious to do anything for him. I am told that the Commander of H.M.S. "Nymph" has been instructed by the Commodore to render Dr.Nordenskjold every possible assistance, and that he is to be allowed to draw on the stock of coal reserved for H.M.Navy.

13. Par.35. Your wish to be supplied with four carbon copies of the despatch is noted, and given effect to by this mail.

4.

14. Mr. Harding will reply later to your Pans. 10, 11, 14, 17, 18, 20, 26 & 28.

15. The bricks ex "Lake Megantic" appear to have turned out very well. They seem good hard bricks, and but little chipping has taken place. The handling of them has been a big business, as they were discharged into four lighters, and they are not all landed yet.

16. The carpenters and blacksmiths have completed their work on the Circe, and she is ready for sea. Captain Doust's eye does not improve, and he finds it impossible to proceed in her. He accordingly telegraphed to his owner, via Colonel, for another Captain to be sent here to replace him. It is possible that this will be done at Monte Video through the French Consul, in which case he may arrive by the "Liguria".

17. The British Ship "Wynnstay" from Caleta Buena to Hamburg with Nitrates put in here on the 7th. instant, with the Captain ill. Mr. Hamilton is of opinion that he is in a bad way, and that it is unlikely that he will be able to take the ship to her destination; as the Mate holds a master's certificate it is probable that the ship will get away in a day or two, leaving Captain Thomas to follow by mail steamer. He will give a draft on W. Thomas & Co. of Liverpool for all expenses incurred.

I am,

Sir,

Your obedient servant,

Duplications. (Originals for Groena, November 12th.)

Despatch No. 102

Stanley Journal and Cash Book for September

Stanley Ledger Balance, September 30th.

Store Inventories No. 203

Remarks on Store

Complaints & Indemnities - October

Mr. Theils Accounts

Mr. Hall's report, November 8th.

Statement on Accounts

Remarks on Accounts

Letter to F.R. Cobb (Private)

Letter to F.R. Cobb, November 12th.

Classification & Bills of Lading per Groena.

Originals.

Letter to F.R. Cobb

Cash Stanley Cash Book & Journal for October

Cash Vouchers No. 1 & West Store

Store Inventories No. 202

Mr. Theils' Inventory for Groena etc.

Remarks on Store, and Replies to Remarks

Complaints & Indemnities - October

Statement on Accounts, No. 20

Bill of Lading No. 217 on Kleinwort Goods y Sea

Mr. Theils' Inventory of Groena vined by the Governor

List of Groena Crew

Mr. Theils' report of 10th October and enclosures

Shipping Report

Remarks on Accounts and Replies to Remarks

Statement on Accounts

Specification	WOOL.	SKINS.	TALLOW.	HIDES.
IF	6	21		
A & B	2	4		
I		32	31	
Groena		1		
F.R. Cobb	32	16		

H.W.
W.P.
H.P.O.
H

4

7

5

7

15

8 Casks
(Sealskins)

184

ISERIA.

7th. January

02.

Sir,

Mr. GILMAN wrote to you per Gueliana on December 11th. and I have received your letter on the 28th. with your despatch No. 939, letter of November 28th, and telegram MACHILLAN SARDONIA TRIBUTIO NEGOCIATA LIGURIA TRATAMIS SCOTIA 220 JACOBUS SARDONIA NEGOCIATA.

2. 939-6. I send my copy of the Estimates for 1902, which were passed a few days ago. The Revenue is estimated at £14820 and the Expenditure at £14823.11.8. Of course, you know only too well that Estimates have no practical value as regards keeping down expenditure, and I hope that the C.C. will adopt your suggestion that all accounts should be scrutinised before the funds are sent out, as this curbs most of the waste of money. For instance, the Government have imported some "Clinometer", an instrument, I understand, for measuring slopes, and it is difficult to see to what use the Government can put them.

3. 940-10. I have procured Mr. Moir's Agreement from Mr. Mathews, and find it reads: "Mr. Moir of the third line of the printed form of Appointment, then in the blank space, after stating the salary, the following is inserted "it being further understood that the said Alexander Moir undertakes the duties of principal Storekeeper to the Company at Larnach Harbour." When a question to Fraser was asked for you wrote (936-6) "We want a certificated master, if we can get one, as we cannot lose sight of the responsibility that rests upon us to provide what recreation we can for the rising generation in the Camp. Mr. Moir knows perfectly well what his duties are, and carries them out to the satisfaction of Mr. Mathews and myself, - at the same time

F.E. JOBBE Esq.,

Managing Director,
London.

time, looking to the wording of your Agreement and your Remark above quoted, I think it is a justifiable interpretation that he is supposed to be Schoolmaster primarily and Storekeeper afterwards. What I wish to convey is an opinion that if more clerical work is expected from Mr. Hoir, something else will suffer. I would also suggest as one means out of the difficulty that in assessing the value of goods on hand at the Farm at the end of the year, we should deduct 20 % of the value, which would reduce them to about cost price.

4. Par. 11. The wood sent by steamer turned out in very good order, as we were able to discharge it through the ship's coal ports. The damage generally occurs in the slinging from the hold, and smashing against the sides when passed up. Mrs. Turner has resumed work in the Millinery Store under the supervision of Mr. Gorton. Mrs. Burnell declined to remain there any longer.

5. Par. 14. Perhaps it will be as well for me to recapitulate the whole of the circumstances relating to the loss of the Thetis. On July 2nd I reported (185-2) her arrival from Fox Bay on the 27th. June with Wool and Skins, namely 550 bales, which had been taken on board up to the time of her completing loading at Port Stephens, and 110 belonging to Messrs Baillon and Stickney, remarking that I was disappointed that he had not been able to bring more of the latter. From the specification of the shipment per Antisana, it would be seen that the 550 were shipped by that steamer. On July 19th. (186-12) I reported that the repairs, occasioned by damage on the voyage from Fox Bay, were not much, that she had been delayed in Stanley by these and by calms and N.W. winds. Writing four days later in the same despatch, par. 23, I explained that I fully expected that she would have left on the 20th., but was further delayed by the death of the Steward Dovey or Dorey. On August 20th. I wrote in 187-5 that I was much concerned that the Thetis, which left for Salvador on July 27th, had not arrived there. On August 11th. and later in the same despatch, having heard that

3.

that up to the 16th. August she had not arrived, I said I feared there must have been a disaster. By the same mail, I wrote to Lloyd's as follows:- "The Barquentine "Thetis" left here for "Port Salvador, about 80 miles distant, on July 27th. last, and up to the 17th. instant had not arrived or been heard of. She is "very much overdue." On August 31st, as reported in 188-18,

I received letters from the West Falkland, reporting the finding of the wreckage of the Thetis, which news I cabled to you and to Lloyd's by the first chance, and by the first homeward mail, the Yorkshire, leaving September 16th, I gave all the information in my possession, with lists of cargo signed separately by myself, as representing the Owners and as Lloyd's Agent. You have said that I gave no information as to the cargo on board when she left Stanley, that I forwarded no Bills of Lading, receipts for the cargo, or Certificate of the same as Lloyd's Agent. Further, that I have not sent a list of the crew when lost, a statement of advances to the crew, or of the advances to the Master, and finally that I did not cable my apprehensions to Lloyd's. To take the items in order:-

CARGO ON BOARD. I have pointed out that in the ordinary course of my reports to you, I mentioned that Captain Thomas had loaded 550 bales of produce up to the time she was ready to leave Port Stephens, that he hoped to take 250 more at Fox Bay, that I had instructed him to take Pailton & Stickney's, and that I regretted to find that he had not been able to bring 110. The 550 were shipped per Antioana, and it therefore followed that she had these 110 left on board. You say that "although "the ship had left Stanley, we are entirely without information "as to what she had on board in the shape of cargo". I cannot help saying that in view of the reports I have quoted, it can scarcely be said that you were entirely without information. I repeat - would it occur to anyone to send a full statement of cargo shipped on a vessel bound to a coasting port barely 60 miles distant? I have simply followed the practice of the last seven years in furnishing you with general information as to

to movement of vessels, without sending minute details of cargo on board, and by the very first opportunity after learning of her loss I sent you a full statement of all cargo, and if my memory serves me aright I forwarded two statements, one signed by myself as representing the Owners and one as Lloyd's Agent. Bills of Lading. Again I have been guided by precedent - we have never made out Bills of Lading, until the loading has been completed - the practice has been, when cargo is taken on board in Stanley, to first check the Mate's tally with the Overseer's book, or if at an out port with the numbers tallied in by the Owners of the cargo. In 1900, as soon as the loading was completed at Salvador Captain Thomas rode to Stanley, Bills of Lading were signed, the ship was cleared and sailed direct from the Port, and it was my intention to have followed the same course this year.

MATE'S RECEIPT. Immediately that I knew of her loss, I wrote to Mr. Bernard Stickney (September 3rd.) advising him to send home all particulars - I suggested that he should send through me the statement giving the numbers of the bales and weights, as I would verify it and send it on. I did this by checking off the numbers of the bales that were awaiting shipment in Stanley, certified to it, and as requested posted it on to Messrs John Moore & Co. I assumed that Mr. Stickney would send the Mate's receipt direct to his Agents in London. As the produce was neither consigned to us nor insured by us, I could not ask him to send us the receipt, which was the only documentary evidence he possessed that his cargo had been shipped. I do not know whether it is suggested that Captain Thomas should have given him a Bill of Lading at Fox Bay for his 110 Balec - if so, I can only say that this has never been considered necessary on any of our schooners. If either of these should be lost and we cannot recover insurance without the production of a Bill of Lading, we had better have proper forms without delay. I presume that Mr. Stickney has been asked to send his receipt, but will write and remind him. I cannot see how I am to blame for

5.

for not sending it - to begin with I never had it in my possession, and should not of thought of asking for it, especially from a man of such a suspicious nature. Mr. Stickney's wool is consigned to and insured by his own Agent, and surely it is his business to send proper papers. I think that by advising him to do this and by certifying to the numbers of the bales on board, I carried out my duty in the matter.

CERTIFICATES. I think it will be found that these were sent.

LIST OF CREW. According to Sec. 115 of the Merchant Shipping Act, clauses 3 & 4, articles are signed in duplicate, one going with the ship, and one being retained by the Shipping Office, at which they were signed. On arrival here, it is the Master's first duty to deposit his copy at the Shipping Office, where it is retained until he leaves, and I can safely say that I never even set eyes on it. Immediately that the loss of the vessel was known, the Colonial Secretary sent to me for the names of the crew, to which I replied that I knew nothing of them. Now, to my great astonishment, when the question of the Enquiry came up, I learned that the Articles were in the Shipping Office all the time, although this is quite contrary to the usual practice. I recollect once, when I was Shipping Master myself here, that Mr. Baillie was much annoyed that one of the Schooner's Captains had left his articles at the Office, instead of having them on board, and I had great difficulty in inducing them to keep them, they always remarking that they were safer in the Office. According to the Act, the Master should not go to sea without them, and I naturally assumed that Captain Thomas had his, - this view was confirmed by Mr. Bennett asking me for the names of the crew, and I must say I think they might at least have let me know that they had kept the articles. It was by a mere accident that I learned it, and am now able to send you a copy of the entries.

ADVANCES TO CREW AND MASTER. Captain Thomas did not hand in any account whatever of advances to the crew - He drew various sums from the office as shown by the accounts, but did not mention

6.

mention for what purpose. I admit I might have sent an incomplete account of the ship's disbursements earlier, but some years ago I recollect that instructions were sent to send the account complete in the first instance. It could not be closed in time for the Yorkshire mail and was sent afterwards. The Cash Book, of course, showed cash advances to Captain Thomas, but there was a Store Account to be added. No goods were purchased by the crew at our own Stores in Stanley. Lastly, the suggestion of the average adjusters that I ought to have cable-d my apprehensions to Lloyd's seemed extraordinary, but is now quite explained by your 938-15. Do the Underwriters realise that there is no telegraph or telephone across the Islands and that the only communication is by schooner? The following is a statement that I made at Mr. Bennett's request to be attached to the evidence given at the Official Enquiry:-

"On July 31th. the Thetis left Stanley for Port Salvador, and the Fair Rosamond for Chaitres River, the Fortune, Hornet, Allen Gardiner and Richard Williams being in Stanley. On August 8th. the Estrella arrived from the West Falkland and on the 8th the Allen Gardiner left for Boy Cove. On the 20th. the Fair Rosamond returned from Chaitres River, coming South about, and reported having passed the Thetis off MacBride's Head the day after they both left Stanley. No other Schooner came from the West Falkland until August 31st., when both the Estrella and the Allen Gardiner returned bringing news from all parts on the North of the West Falkland of the wreckage.

"Writing on the 20th. August to the Secretary of Lloyd's I mentioned the Thetis as missing, saying that she was much overdue.

"If the above dates are examined it will be seen that:-
 "The Thetis was seen going westward the day after she left Stanley - there could be no communication from Pebble Island as the Richard Williams was here for repairs - the fact that the Estrella brought no news on the 8th. indicated that nothing had happened at any rate up to ~~that~~ the 2nd. or 3rd of August

7.

"August - it was known to me that on a previous voyage Captain Thomas had gone very far to the Westward and had the intention of anchoring in Port Egmont - the Fair Rosamond's news was good so far as it went, and as she came along the South Coast, the Master would not have learned anything about the Thetis. I therefore considered that I had reasonable grounds for assuming that the Thetis had gone too far to the Westward, had been blown off, or might have put into some outlying port to refresh or re-fit. I did not think the circumstances warranted my calling an apprehension that the vessel had been lost."

With these facts before me, I did not consider that I was called upon to cable my apprehensions, but the correspondence as to insuring the freight which you have now sent puts the question in a different light. May I be excused for remarking that in matters of insurance at any rate, it is only within the last two or three years that the Stanley Office has been informed of details, see for instance your remark in 884-6, when you wrote "I should have added that it is not necessary to inform you as to how our vessels are insured," showing that the information was somewhat grudgingly. In your letter of Novr. 18th to Messrs Barksorth & Co. you say that the insurance is a detail which does not concern me, but as your Manager here holds Lloyd's Agency it appears to me that he cannot be too fully informed on these matters. The whole question turns upon whether I knew or did not know that you would be insuring freight at that time. Of course, I knew absolutely nothing about it, and in fact it is only since the vessel has been lost that I have known what she herself was insured for. I find that I did not say definitely in despatch No. 186 that the Thetis was leaving for Salvador, but in par. 12, said I hoped she would have better luck in getting round and loading than the previous year, and referred again to it in par. 22. Seeing that this was written on July 23rd., it could only have referred to Salvador as it was manifestly too late for her to make another coasting trip at so late a date in the year. I will allude

later

later to the Official Enquiry, the verdict of which is not yet given.

6. Par.18. I think the new houses had been practically taken in hand by Mr. Mathews before we were aware of the wool slump. I was out at Darwin about the end of November, and saw the Teal Creek House which he proposes to demolish together with that at Norton Inlet, building a new house at the former place with the old material. He was anxious to do this, as Stirling, the new shepherd at Teal Inlet, is a very promising man and had about the worst house. We also went over to the Darwin slip - Mr. Mathews is anxious to improve this, but will have a talk with Mr. Allen about it.

7. Par.26. I have referred back to your despatch as to drawing for the disbursements of the Marguerite Kirchband, and I think that you will admit that there is considerable ambiguity. In 938-2 you wrote "We find that the Owners are a substantial firm, having as Agents in London Messrs Langstaff, Ehrenberg & Pollak, and we have arranged with them through the latter that you are to take the Captain's draft on them, which they will cash in London." Your cable was to take Captain's draft on Owners, and but for the above paragraph I should have so done; still, the fact of your introducing the name of Langstaff, Ehrenberg & Pollak raised a doubt in my mind, and after reading the paragraph several times I came to the conclusion that by the word "them" (take the Captain's draft on them) you must have meant the Agents. I consulted Captain Beauregard and he certainly thought he was to give a draft on the Agents, not the Owners, and this settled the matter. Again you say "the accounts of every foreign vessel must be signed by the Consul of the country to which she belongs, or if there is no consul by the Governor, some other Consul or even Lloyd's Agent." I have been in the Company's service now nearly 9 years and every ship's accounts has passed through my hands and in one case only, that of the "Pallas" in 1897, do I recollect that the account was signed by the Consul. Take the number

S.

number of Norwegian and German vessels we have financed both for repairs and in the ordinary way. I do not call to mind a single instance of the account being signed, except the one I have quoted, and my recollection of this is emphasised by Mr. Baillon's amusement at the time at the persistency of Captain Jepsen of the Falles, who insisted on having the Consular seal on every voucher. We had a French ship in my time, the Alexandre (1899) - there was no Consular endorsement or vise of any kind on her accounts, and yet they were paid. After settling up the Marguerite Hirabaud accounts, Captain Beaugregard said the Consul ought to sign them - I replied that there was no French Consul and suggested that I should sign them as German or Italian Consul, but the Captain thought this would be of no use, and declined my offer. Therefore, as regards the draft, you tell me to take the Captain's draft on the Owners by cabling the usual word, which I have generally regarded not so much as a specific instruction but more as an indication that arrangements have been made for providing funds. This is confirmed, but the name of an Agent is introduced in a way that left it quite open for me to think that the draft would be on the Agent. The Captain's correspondence indicated the same course, and he gave a draft accordingly. And, as to actual accounts, the Captain knew that they should be signed by the French Consul, but as there is no Consul here it could not be done. If the rule is, as you say, that all foreign ships' accounts must be signed or vised by the Consul or some other authority, why has this rule been a dead letter for years? That is to say, why has the question never been raised before, and when it is raised, it is in the case of a country not represented by a Consul on the spot? I returned you the set of accounts signed by the Governor.

8. 939-2 3 4. I am glad to learn that there would be no difficulty in sending a small lot of steam coal in one of the P.S.N. Co cargo boats; but this will not be required if, as proposed in your 939-3, you have sent an extra 200 tons in the

Annie

10.

Annie. There is the chance now that H.M.S. "Cambrian" might have to remain at Monte Video, as there are rumours of war between Chile and the Argentine. If this should unhappily turn out to be the case, H.M. Ships will not take anything like 1200. H.M.S. "Nymphe" sailed on December 31st. 142 tons of old stock, leaving 207 tons more to be paid for at the 72/6 rate.

9. Par. 5. Mr. Allan and his family arrived by the Liguria on the 26th, and have put up at the First and Last Hotel, where we succeeded in getting them comfortable rooms. As the Fortuna was leaving for Berwin on the 28th, Mr. Allan took the opportunity of getting out so as to be with Mr. Kathers as much as possible.

10. Par. 7. I hope that this steamer will carry the remainder of our sheepskins. I could not collect all for the Inca by the end of October - in fact they were not all baled, as at that time the Fortuna was hard at it bringing in the produce from Salvador. In case Mr. Allan should wish to treat them with arsenic, we could get plenty of it from Mr. Packe.

11. Par. 8. We will certainly keep our stock as low as possible, but we must be careful to have enough in the way of provisions to keep stations supplied. When the stocktaking is finished I will reply to your question as to the value of material kept solely for ships. Your estimate of \$7,000 would, I should think be under, rather than over, the mark.

12. Par. 9. I very much fear that however one might act as regards shipping, the very fact of holding the dual position of Manager of the Company and Lloyd's Agent would always afford some chance of a suggestion of impropriety. This is not the only instance of the clashing of interests - some time back Mr. Bennett thought it very awkward that I should represent both Lloyd's and the P.S.N.C. as some damage had occurred to Government cargo, and it was necessary to decide whether the ship was liable or whether it was a loss payable by the underwriters. And again, as Manager of the Company and Agent of the P.S.N.C., one has to hold the balance and weigh their respective interests

interests. Further, the holding of so many Consulates is
 also apt to complicate the position. In so small a place as
 this, the multiplication of offices in one person cannot be
 helped, and is not confined to the commercial community. I
 think it is just as bad, if not worse, that the judicial and
 executive functions should be combined in the hands of the
 Governor and Colonial Secretary, who are Chief Justice and Mag-
 istrate respectively. With regard to my assisting in the sur-
 vey on the Círculo, you may recollect that some time back you
 said that what Lloyd's wanted was an honest opinion, and that
 I have given. I thought the matter out carefully before sign-
 ing the report myself and this is how it presented itself to
 me. Six years ago the Glengowan came in to Port William in
 an almost precisely similar condition. I was out to her my-
 self and on account of the obstinacy of the Captain was practi-
 cally compelled to see which her burn away. Now in this
 case, the Cannon's pump would not have put the fire out with-
 out extinguishing the vessel as the fire was near the surface, and
 the ship would have sunk before it was extinguished. In the
 case of the Glengowan, the Captain would not listen to the Sur-
 veyors, and lost the ship; and had Captain Bonet acted similarly
 the result would have been the same. He declined to act until
 I had signed the report with the Surveyors, in the cabin of the
 ship before she was grounded and sunk, and rather than risk the
 certain loss of the vessel I wrote the original myself on the
 Sunday morning in the cabin and signed it. After all, Lloyd's
 want an Agent here,-- even though the Manager of the Company
 has interests that pull the opposite way to theirs the Commit-
 tee of Lloyd's must know perfectly well that having a position
 to lose he will not jeopardise it by jobbery. If they wished
 to appoint an outsider in preference they can only get a shop-
 keeper who would gain more by robbing them than by acting hon-
 estly by them. Even if your Manager were not Lloyd's Agent I
 think the Company would earn just as much out of ships and the
 fact

12.

fact of his being their Agent is the best guarantee for fair dealing that Lloyd's can have. I assure you I thought it all out before acting myself on the survey - nothing but my signature with those of the other surveyors would satisfy the Captain, and there was but little time to be wasted in arguing, so I took the responsibility, for with the example of the Glengowan before me I knew what had to be done, and that quickly.

13. Par. 10. We tried the Hanson's pumps in May and found they acted very well throwing water from the sea, - in the reverse action however the water is pumped through the bottom of the tug, and unless you have a body of water in a lighter or barge you cannot possibly tell what the pumps are doing. I reported in 188-7 that we had pumped at the Glengowan, and that the first day she reduced the water by 2 feet, the subsequent two days by 6 inches per day, and after that nil. Seeing that the Glengowan has a quantity of coal in her it was impossible to gauge what the 2 feet represented, and as the performance on the second and third days was in comparison unsatisfactory we could only then assume (as I said) that the first day's work must have been on a confined body of water. The arrival of the steamer and alterations of the tides stopped the work on the Glengowan, and the next work of the pumps was the flooding of the Siroe, on which occasion we could see that the pumps were acting well, the water being thrown from the sea into the ship. You say that our examination of the pumps etc. must have been very satisfactory for we find that the hoses were rotten "that a spindle was so worn as to break on the first hard work and the plungers were out of order." When we first tried the pumps they worked well throwing the water from the sea, and have so continued. The spindle did not break on the first hard work, for the pump had been going continuously for some days both at the Glengowan and the Siroe before breaking, and after all one would hardly take out a spindle and hammer it to see if it was likely to break. Having worked all right for some days we did not expect it to go. Now as to hoses, the first
test

test of the suction hoses was at the Glengowan, and having reduced the water by 2 feet we assumed they were all right, and I believe they were, but afterwards the water was reduced only 6 inches and eventually nil. We blamed the pumps, overhauled them, concluded that the plungers were to blame and improved them. At the next trial on the Cince we found the same result, namely, that although the pumps worked apparently all right the water in the ship was not being decreased. We then ran the pumps the other way throwing water from the sea, and found they acted well. It was then practically certain that the hoses were at fault. When those hoses were first looked at they seemed all right, and the first day or so that they were used they acted well, but now we know that the rubber was perished and hard. After about 15 or 20 hours' work it split, the inside lining gave way and choked the passage of the water. It is not fair to us to assume that when we found things not going satisfactorily, we did nothing to rectify them - I purposely gave a detailed statement of the proceedings to demonstrate the difficulties we had to contend with, so that the Board might have the fullest information. If I had not, or did not now, give details of these hitches which have entailed a lot of expense, I should expect to be asked when the accounts are presented, what is the reason for the extra heavy expenses, and then when the reasons were explained you would naturally enquire why the Board were not to be told at the time.

14. Par. 12. I regret to say that in spite of the excellence of Jameson's Whiskey our customers here will not purchase in sufficient quantities to enable us to guarantee 300 cases per annum, so that there is nothing for it but to drop the Agency.

15. Par. 13. When Mr. S. Stickney accepted our offer to ship Baillon & Stickney's wool home per "Thetis" it was quite understood that it could not leave the Islands until about August or September. I reported on July 2nd. in 185-2 that on arrival at Fox Bay Captain Thomas found he could not bring in all the wool in the "Thetis" and had on board 110 bales. The

remainder

remainder was sent for as soon as possible, 63 bales arriving at Stanley per Hornet on September 1st, and the rest on 24th of September. This was all shipped home per Inca on October 29.

16. Par. 14. We have learned with much regret of the death of Mr. Montague Dean. Mr. J. K. Dean informed me that his Executor Mr. William Carpenter would arrange with you as to the Port Stephens business. The complaint as to getting away the produce from Port Stephens is an old one and has been the subject of correspondence for years past. I know it was referred to in 1885, and writing in 1894-5 in March last I explained that in the previous 8 years Mr. Hennah had employed an outside schooner to get in an early load, but in 1901 he had none ready in February at either station. Everybody is well aware that we cannot collect from so distant a port as Port Stephens so early as January, and Mr. Dean has more than once remarked that he disliked small shipments, and preferred the wool to remain until the Vistas could bring it all.

15. Par. 16. The Magellan arrived at 8.30 p.m. on December 26, and the Liguia just 4 an hour later. We had to attend to the Liguia solely the next day, and on the 28th were able to get to work discharging the Magellan. I obtained the Governor's permission to work on Sunday and she left on December 31st. Under the circumstances I think the work was got through expeditiously, as the two steamers brought 740 tons of cargo between them. I might mention that in telegraphing the amount of cargo shipped by a cargo steamer it will not be necessary to give the date of sailing as I can get this from "The Times".

16. Par. 17. Mr. W. K. Cameron informed me that he had been in communication with the War Office as to shipping sheep to St. Helena, and when he left England the matter was not decided. At Monte Video he received a telegram saying that the offer could not be entertained. I enquired of Mr. Lingham how he proposed to pay for any sheep purchased, and was told in reply that he would pay cash down as soon as the sheep were on board, or by a draft on the London and Brazilian Bank at Buenos Aires.

17. Par. 18. Provided, you are able to send 200 tons of house

15.

Coal in the Annie we shall get through next winter allright. Mr Hayes has asked for 50 for Navy Peninsula.

16. Feb. 19. As Dean Brander is still in the West Falkland, I am not able to send him draft on the S.A.M. Society for advances to December 31st.

17. The Vega arrived on the 17th. December.

18. The British Schooner "Beatrice L. Gorkum" of Halifax, Captain Salomon, put in here on the 22nd. on her way to the South Shetlands on a sealing cruise, Mr. P. M. West, the late Master of the "Uncle S.", having been shipped as Mate. Captain Salomon stated that another schooner was at present sealing at the Shetlands and both would return here to ship their catches by the steamers. He has money orders for £ 500. which he left with us for collection - his representatives are Messrs Edward Bonshaw & Son, 55 Buckingham Street, Halifax, N.S.

19. The "Antarctic" arrived on December 31st. and left the next day without having purchased any steam coal. Dr. Nordenskiöld informed us that he had a small balance at a Bank in Sweden on which he would like to draw here, and after discussing the matter he wrote to the Bank to arrange that the balance might be transferred to the Credit Lyonnais, London. The Credit Lyonnais would then arrange to accept Dr. Nordenskiöld's drafts up to a certain amount, of which they would inform you.

20. We have been compelled to patch up the Fortuna's old rigging, as there was not time before the wool season to thoroughly re-fit her.

21. I spoke to Mr. Mathews about the bales of wool damaged at Darwin. He had not kept any account of the expense of re-baling, but said it was only trivial, so that it is not worth while to put in any claim.

22. I regret that in discharging the Liguria, one of the Chilota laborers met with a serious accident, which will result in an operation on his foot. We shall not be able to get any further work out of him, I fear.

23.

25. Mr. George Packe returned in the Lake Hegantic, but will not join in partnership with Mr. Vere Packe. Mr. Vere Packe sold about 4 acres of land just South of the Dockyard, and realized \$1000 gross for it. He has paid in the net proceeds of \$215 to the credit of his account.

26. We posted by last mail the Government Gazette containing the draft of an Ordinance empowering the Government to acquire land for public purposes, which has since passed the Legislative Council. I stated that I had no doubt that the Company's land on the North side of the Harbour would be the first to be acquired, and this was not denied; and then took the opportunity of informing the Governor that the Directors had expected that the land would be required, but did not anticipate that it would be taken compulsorily until negotiations for its purchase had failed. The Governor said that the late Mr. Craigie-Hollett had been "permitted" to approach the Company on the subject, but the unfortunate occurrence of his death had ended those negotiations. I pointed out that that occurred over two years ago, and said that the pretext for breaking off negotiations was in my opinion, at least, an unfortunate one, and that I felt sure that the Directors would regard the action of the Government in introducing such an Ordinance without attempting to reopen negotiations, as to say the least of it abrupt. The Governor then said that the Ordinance had been under consideration for two years, and in the discussion of the clauses relating to the time allowed for production of title etc. stated that any negotiations under the Ordinance would certainly be conducted by the Government in the most amicable manner, and that sufficient time would be allowed for a Representative of an Owner of land to consult his principals at home. The Ordinance was passed as it is printed in the draft. We drew attention to Section 6 of Clause 23, and elicited from the Governor that the disinclination to part with land would be held to mean a sentimental disinclination. Should there be any attempt to negotiate here, I shall refer the Government to ~~you~~ you. I have not been able to get measurements of land sold

sold, and send you a list herewith.

27. Mr. Bennett, representing Cooper's dip, has been round the Islands, and has apparently received fair encouragement. I explained that we did not wish to lock up money in holding a large stock, but would not be averse to receiving some on consignment, payments for sales being made quarterly. I am writing Mr. Mathews on the subject of dips - we shall not order any Cooper just at present, but I mention this in case Messrs Cooper should approach you as to sending out any.

28. We are glad to have the Sissie's boiler back, for when she is running again we shall not need the Samson for homeward bound steamers, and shall have a better chance of executing the necessary repairs to her boiler etc. Unfortunately, you have not sent the Sissie's safety valve and gauge cocks. The former was sent home in the Samoa under Captain Ree's special charge, as you will see from our remarks dated May 28th., and latter left in the boiler as we thought whoever undertook the repairs would overhaul these at the same time. They have been taken out and kept - the case of "fittings" contained only the steam valve and blow down valve. The only spare gauge cocks we have are too small, and as we must have these and the safety valve I have added to my telegram a request that they may be sent.

29. We are now completing the pumping of the Glengowan by a hand pump - I have arranged with the Captain of the Vega to take some of her coal as ballast instead of stone, and he will pay 4/- per ton for 150 tons. I hope that with the discharge of this cargo she will float when pumped out.

30. Mr. Mathews accepted Mr. Blake's offer to sell one of the eleven pans per Lake Megantic and I got Robertson, the Stock Inspector, to select one.

31. We are not keen on taking over the Robertson's dip and sundries at present stored by Mr. Lewis. It is old stock and we do not know for certain that clients would use it. If Mr. Robertson chooses to sell us the dip alone we might purchase at

12.

at not more than £ 80, but the other articles are quite useless to us here.

32. Captain John Thomas, late of the Wynnstay, leaves by this steamer. I enclose his draft on Messrs William Thomas & Co for £ 88.3.3.

33. I regret to say that Captain Douet cannot possibly proceed with the Circé, as his eye is so much worse, and he proceeds to Monte Video for an operation. His owner telegraphed last mail that a new Captain had not been found, but he might if possible arrange with the Consul at Monte Video. I sincerely trust that a Captain will arrive without delay as the coal may heat again- besides this, it is most unfortunate for the reputation of the port. Had the Captain not fallen ill, the ship might have been at her destination long ago, and the delay is due simply to the Owner's short-sighted policy of sending a vessel to sea with only one ^{certificated} man on board capable of navigating, and that man with the sight of one eye affected. The sound eye became inflamed, and he is consequently completely incapacitated. Had it been a British vessel, Captain Thomas might have taken her round, but I understand that according to French law a French subject must be in command. We have made out all accounts to date, and taken Captain's Douet's drafts on Messrs Henry Bath & Son for £ 2000 and £ 199.3.7, the former being the limit of the credit opened. As this has been exceeded, I have called to you to obtain an extension to £3500, as there may be more expenses on the vessel before she leaves her finally. Owing to the breakdown of the Samson's pumps, I was in a dilemma as to the charge. I had told Captain Douet that I thought £ 1200 would have been a fair charge for the whole of the work, but when the pumps broke down he absolutely declined to commit himself to a lump sum. Under the circumstances, I think that the amount we have charged for the Samson should be considered satisfactory, for we cannot disguise the fact that the ship's main pumps did practically the whole of the discharging of the water. I should have added in par.

is on the subject of my having acted on the survey myself that another at any person for my having done so was the fact that I was the only person who had the least smattering of French. I was just able to converse and discuss matters with the Captain who cannot speak one word of English.

34. We are able to remit you a substantial amount by this mail, viz:-

Drafts on the Accountant Gen. H.M. Navy

for coal to "Hympho" £614:15:0

for provisions " 101:10:3

from Mr Hayes, on 1/0 1000: 0:0

Drafts on Messrs Henry Bath & Son. 3150: 5:7

(Girce)

Draft on Messrs. Wm. Thomas & Co. 88: 2:0

(Wynnstay)

Drafts on U.S. Treasury. \$535.76

35. The "Phetia" Official Enquiry was held more than three weeks ago and I have only this morning been informed that the Verdict cannot be given in time for this mail, which is just in. Mr H. Butler was allowed to attend on behalf of Mrs Betts who lost two sons by the disaster, and it was owing to him that no many witnesses were called and so much evidence heard on the subject of the ship. I presume you will not wish to have a copy of this evidence which is very voluminous. I should be glad to know if we are liable for the expenses of the Enquiry.

The approximate date of the loss is assumed to be August 3rd. and I have therefore paid the wages of the two Betts' up to that date. I enclose a copy of the Articles with Endorsements and might point out that even if this had been sent before it would not have been possible for you to settle the men's accounts with the Registrar General of Shipping and Seamen until the approximate date of loss had been fixed by the Court.

I am,

Sir,

Your obedient servant

ENCLOSURES.

Enclosures. (Originals per "Orallana" December 11th. 1901.)

Receipt No. 121.

Letters to P.B. Cobb Esq. (2)

Copy of Cash Book & Journal for October.

Store Indents No. 224

Remarks on Stores & Replies to Remarks.

Coasting Insurances for November.

Insurances on Produce Return, No 29 (20)

Second of Exchange No 2172 on Kleinwort Sons & Co.

List of "Wholesale" Grocs.

Mr Mathews Report, December 7th. & enclosures.

Remarks on Accounts & Replies to Remarks.

Statement on Account.

Specification & B/L of Shipment per "Orallana".

Deliveries.

Copy of Cash Book & Journal for November.

Cash Vouchers, East & West Store.

Store Indents No 225.

Remarks on Stores & Replies to Remarks.

First of Exchange No. 2179 £ 514:16:0

" " 2182 // 500

" " 2183 35.76

" " 2185 £2000: 0:0

" " 2186 199: 3:7

" " 2187 82: 3:9

" " 2188 101:10:3

" " 2190 1000: 0:0

Ship "Circa" Accounts.

Ship "Symmetry" Accounts.

Coasting Insurances, December.

Insurance on Produce Return No 30.

Copy of "Thames" Articles.

Particulars of Land Sales.

Particulars of Draft No 2128.

List of expenses, s/o A.L. Allan.

ENCLOSURES. (continued).

Shipping Report.

Mr Mathews' Report, January 1891. & enclosure.

Statement on Accounts.

Specifications:-

	Wool.	Skins.	Hides.	Tallow.
P.		34		
G.S.		113		
D.H.	310			
F.H.	250			
N.A.	442			
J.H.		50		
S.	53	23		
S.	74		5	8
S-Stanley.		25		
S-Pulley.		11		
S-Paul Louis.		9		

per Mr. Kumphe

637

EXCLUDED

PAID 1888. (ORIGINALS PAC 188814 February 2nd 1904.)

Despatch No 191.

Copy of Stanley Cash Book and Journal.

Store Invoice No. 225.

Remarks on Stores and Supplies to Hagaras.

Second of Exchange No 2170 5. 314 : 15:10

" " 2185 2000 : 0:0

" " 2135 100 : 3:7

" " 2107 20 : 3:8

" " 2185 101 : 10:10

" " 2150 1000 : 0:0

Particulars of Draft No 2150

Ship "Circus" Accounts.

Ship "Gymstay" Accounts.

Boasting Insurance, December.

Insurance on Produce Return No 50.

Particulars of Land Sales.

List of Mr Allan's expenses.

Mr Mathews' Report, January 3rd and enclosure.

Specifications:- Wool. Skins.

F. 2 28

F. 1 100

D.H. 310

G.C. 250

H.A. 141

J.B. 50

Statement on Accounts.

Specification & R/I per Hagaras.

Originals.

Store Invoice No 225.

Mrs Teal's cheque on London Joint Stock Bank Ltd. 250.

Stanley Teal's Return to December 31st.

Camp Hagaras Return to December 31st.

Vouchers for cash drawn by Captain Thomas.

Letter from F.S.S. Co. Sept 7th. in original. (to be returned.)

Shipping Report.

Remarks on Accounts.

Statement on Accounts.

Account Current:- Port Stephens.
Pebble Island.

190.

H.B.E. "MILK".

January 25th.

C2.

Sir,

My last despatch left for the "Iberia" on the 21st inst and the departure of H.B.E. "Milk" for home via the same vessel as to acknowledge the receipt on the 22nd inst of per express of your original letter of January 20th, and telegram COMMERCIAL TRADING CO. LTD, the latter part of which has been communicated to Mr. G.A. Cobb.

I had every for the Iberia 1200 bales, which included the Green Green Sheepskins, but I regret to say that the steamer took only 700, leaving 500 bales here. I asked the West Coast Wharfedale to receive some for 1200 bales, and Captain Rice arrived with room for 700 tons. The Iberia is the slowest vessel for steaming cargo, the Captain refused to wait longer, but even so I do not think she had room for such more. Captain Rice was very annoyed that we did not work right through the night - I told him that our experience was that there was nothing gained by so doing, as the men cannot work continuously for 24 hours, and do nothing like justice to the work. They worked until midnight and resumed at 4 o'clock next day. Capt. Rice said he would report the matter to Liverpool, - and if he does, I trust you will explain that the other Companies all agree with us that nothing is lost by having a spell of 8 hours. We have also to consider the fact that we do not get any more out of the men during the next day and are much out of pocket by it; and in this case, if anyone has reason to complain it is ourselves, I think, for we have over 500 bales left on our hands for a month. The Great Britain is engaged, and if we

P.E. Cobb Esq.,

Yours

Managing Director,

London.

2.

More than 1200 bales or more we have to put some in the lower hold. Captain Kite also found out that the day before he arrived I discharged the Fortuna's and Hurnet's cargo onto the Great Britain, and complained that I had not kept these schooners to go alongside the steamer. The Fair Reasoner did discharge direct. If the steamers were in the habit of arriving up to time we would keep the schooners, but we cannot afford to keep them waiting on such a slender chance. We have to recollect that now the Thetis is lost the schooners will have to collect some 1200 bales more than formerly, and irrespective of this it is much better that they should be kept away from the steamer for the risk get demoralised and there is a great risk of a bump which may do \$10 damage to the schooner. I may mention as a proof of the advantage of discharging them at once that on the 8th (the Florida sailed at 1 p.m. on this date) the Hurnet left at 7 a.m. and the Fortuna at 2 p.m. with a fair wind for North Arm and Darwin respectively. Had I kept them to discharge into the steamer they would have lost quite three days each. I might put some coal into lighters for the crew. If the Great Britain's wooden decks are full as this would be a convenience to us as well as to the steamer.

3. The services of the station were requisitioned for the Virginia and the Iberia. If the service required were a simple turning of the steamer's head \$5 would be a fair remuneration and in the case of the Virginia we turned her head right on towing until she was abreast of the Harbours, turned her head again, and the Iberia did not cast off until she was right out in Port William. A charge of \$10 for this would be by no means unreasonable.

4. I asked Mr. Peck what Probate duties were paid on the late Captain Peck's estate, but he cannot tell me for certain without referring to his Solicitor in London.

5. We are not able to send the S.A. Missionary Society's accounts as Dean Prandon is on the West Falkland.

6. H.M.S. Cambrick came down on the 11th inst. I do not know what

what

3.

what the Commodore's movements will be but think he will remain until some time in March.

7. We have continued the pumping of the Clongower by hand, and the water is now reduced to three feet. I expect to say that Captain Thomas reports that the mainmast has been badly burnt, and is in fact only just starting. This was only detected when the coal was moved in order to continue the pumping. The Vega has taken 150 tons of the coal as ballast, for which we were paid to get 4/- per ton. I confidently expect to be able to report by the next homeward mail that she is all right.

8. 840-2. I note that we are not liable for the expenses of the official survey into the loss of the Thetis. On going through the letter books here, I find many letters to the Colonial Secretary applying on behalf of the Captains of wrecked vessels for an enquiry into the loss of the vessel, and summing up the cost of the survey. The Court has not yet declared the Verdict in the case of the Thetis, though possibly the Board of Trade will be informed by this mail.

9. Mar. 3. & 35. I thought it better to keep the cases of the injured workmen away from the Court. I told Kelsey it was his own fault that he lost his finger, which he admitted and nothing has been paid. As Lewis, who is a labourer, not a cooper, has served me with a notice under the Employers' Liability Act, I thought it as well to settle privately and I paid him £1 per week for 8 weeks, and his Doctor's bill. He is now at work again. Bell was engaged with others as an extra hand for the loading of the lumber, and I paid him the amount he would have earned or wages had the accident not happened, that is the same as the other extra hands. The Compensation Acts are applied to the colony by Section 51 of Ordinance No. 1 of 1898. I am glad to have Mr. Macdonald's letter, the points of which I could discuss at home.

10. Mar. 7. I discussed with Captain Newnham the question of the recovery of the expenses on the cargo of the Marguerite McDonald, and he read me a telegram saying that the cargo

4.

office was assigned to us, so that we had the matter in our own hands. I assumed that the London Agents had conferred with you before sending the telegram, that some arrangement had been made with them as to charges, and consequently sent you the account without any charge for commission. I much regret the loss of commission, but mention that I charged for our labourers' work at ship's rate, 8/6 per day, whereas we paid them only 3d. per hour.

11. Par. 8. I am sending you the original letter from the P.S.N.C. of Sept. 7th, with reference to the freight on the ore at Marquardt Mine, which you remark that I did not understand, as the 30/- less 5% meant 28 1/2 to us, and that I have been saved from a blunder over it. I think there is small wonder that I did not understand the freight, seeing that the P.S.N.C. in one paragraph of their letter quote it as "30/- less 5%" and in another as "30/- per ton". As to the 5% commission, if the 5% meant anything at all, this 5% was for Messrs Langstaff, not ourselves, as the copy of their letter to Langstaff dated September 2nd. As the P.S.N.C. quoted two different rates, I naturally clipped the ore at the higher, and if I have been saved from a blunder, I presume I saved myself. The claim for cartage potatoes will, I suppose, be taken into court. The weak point in this case is that the potatoes were overcarried to Sandy Point - had they been landed here by the Lusitania in the ordinary way, the Carters would no doubt have accepted the delivery without question, but by the overcarrying a fortnight elapsed, the potatoes were huddled into lighters and back to the steamer, and consequently any tendency to delay must have been much accelerated. The P.S.N. plead the clause on Bill of Lading as to non-liability for overcarrying, but the Carters argue that the P.S.N. failed to carry out their duty to land the goods, and did not take ordinary care of their property in this special case.

12. Par. 10 & 11. I much regret the errors in stating the freight on Tallow at 29/6, for which I take the entire responsibility

5.

responsibility, but must say that the question has never been really stated before clearly. I think that it was not an unreasonable interpretation of your 220-3 to assume that the Flour would be taken to Liverpool for 28/6 per ton. The Bills of Lading per Antimara were consequently made out for Liverpool only at that rate, to which you replied in your 238-4 to the effect that it was not my function to say where produce was to be sold. Had the question been stated then as clearly as you have now done, the mistake would not have been made. I have always thought it better to pay the P.S.N.C. as little as possible, making up any deficiency afterwards, rather than paying the full amount, trusting to obtain a refund from them. If 28/6 were paid to Liverpool and you decided to have the produce in London, the additional freight would of course be paid. I can only say that we will do our utmost to avoid any further mistakes.

13. Par.13. Our Store debts may have exceeded in the gross those of G. Williams but if my information was correct his totalled to £3500, which included some very heavy accounts due by people here who have not the remotest chance of ever paying up. Our list of debts at the end of last year is not quite as good as the previous year, but there is no cause for alarm.

14. Par.14. I note all you say as to the charter of the Annie. I have not yet received any enquiries as to the possibility of sending wool home by sailing vessel. On the whole I am sure it is right to stick to the P.S.N.C. as much as possible, especially if they are willing to send cargo boats occasionally for homeward cargo, so as not to leave it lying in the dock for an indefinite period.

15. Par.15. I think the Flour from Liverpool will turn out a success; the bags stood the journey very well.

16. Par.16. I got enclome, as desired, Captain Thomas's receipt for cash drawn by him, which have been seen by the Auditor.

17. Par.17. I have not heard anything from Mr Curtze in reply to my

3.

to Mr. Letter, but understand he is likely to be here before long. I will carry over about \$300 from the Sisco account to next year, as I fear we shall have to make some allowance, Mr. Gutzke having written me a letter when in Stanley that he would hold us responsible for any salt damage.

18. Par. 19. I beg to express my thanks to the Board for the grant of leave this year. Owing to circumstances which I have already explained, I am most anxious indeed for the sake of my wife's health to leave not later than March 4th., by which time the annual accounts will be ready - in fact, if a gunboat should leave for Monte Video about the third week in February I think we can send them by that opportunity.

19. Par. 20. I was relieved to receive a telegram by the Cambrian from Mr. Le Quellec saying that the new Captain of the Sisco would arrive by the Oropesa, and also to hear that the credit had been extended. Captain Jousenjer, who had command of the Atreco, one of Le Quellec's vessels just lately lost from fire on the West Coast, has now arrived and taken charge, and hopes to leave about the 28th. instant. He will require a few provisions previous to sailing.

20. Par. 21. I will go into the question of the boiler on the Great Britain, and report to you later.

21. Par. 22. I will procure a bag of the mineral and forward to you when possible.

22. Par. 23. We are glad to learn that you have been able to make such good arrangements to send us out all that we require in the way of stores, though I hardly anticipated that the extra steam coal and house coal would be here so soon. I fear we shall have some difficulty in providing hulks and lighters, as so far the ships have taken only 142 tons of coal from our stock, and the Cambrian will certainly not coal before the Oropesa arrives. I quite agree as to the advantage of shipping by cargo boats in preference to sailing ships, which do cause a lot of trouble at your end, and an amount of uncertainty here.

23. Feb. 26. Mr. Martinez, who called here with a quantity of useful supplies, was told that the orders which we were willing to give would be for arrival here about March. You will have received our incents now.

24. Feb. 27. Some of the lengths of iron piping are very chancy, but we may be able to repair them here. My remark was made by way of letting you know that we might have to ask for them, but I trust it will not be necessary now we have the extra length of flexible hose.

25. I enclose the account current, with these copies, for Port Stephens and Pebble Island for the half year ended December 31st. I have not sent those as usual to Mr. J. M. Esch, as I do not yet know whether he has definitely discontinued the conduct of the financial affairs of those stations.

26. The Governor sent for me yesterday to inform me that he received a telegram from the Colonial Office instructing him to take immediate steps for the acquisition of land on the North Shore of the Harbour for a Naval Range, if not already done; also, if necessary, to institute arbitration, settling the extent of the award before March 31st. He admitted that this was a surprise to him, as not long ago the Commodore told him that he did not think it necessary to acquire the land; but I gather that owing to the work on the Naval Depot not having cost anything like as much as was estimated, the Admiralty deem it a good opportunity for devoting a portion of the money vote towards the improvement of the Rifle Range, which has been reported to be very necessary. Unless this money is expended before the end of the current financial year, it will lapse to the Exchequer, and they may not have so good a chance again of acquiring the land. It seems at first sight somewhat extraordinary that after allowing the question to remain in abeyance for 2½ years, the Admiralty should suddenly desire to rush it through in a month, and this might possibly be to our advantage for if they are so keen to settle it without delay, they may prefer to pay a little more rather than let the matter go to arbitration.

arbitration. I informed him, as instructed by you, that I had no power to deal with the company's freehold, and that if an offer were made ~~that~~ I could not pledge the Company to accept it. He replied that the Government could under the Ordinance enforce arbitration, but at the same time he agreed with me as to the difficulty of finding arbitrators and an umpire here. I said that if arbitration were instituted I should have to protest, that in view of the Ordinance in front of him would no doubt disregard the protest, and I should then look upon the acquisition of the land as confiscation, adding that all this could lead to an acrimonious correspondence, whereas the whole difficulty might be avoided if the negotiations were conducted at home. The Governor suggested that I should ask what was the lowest figure you would accept and this led to our discussing the price. I said you had mentioned £ 5000, and he informed me that he understood that £ 11,000 had been suggested by the C.O. I said that the land had cost us nearly £ 2000, which the Governor could not understand, the fact being, I think, that he based his calculations on the original purchase money, forgetting that some of the land has been acquired by the Company by purchase at auction or from Messrs. Leach & Sons. The upshot was that I said I would cable you, and I begged the Governor to cable to the C.O., suggesting that a reference to you would expedite a settlement. This I think he will do, and I hope to hear that you have opened negotiations at home, for I think you will get a better price from the Admiralty at your end than I can get from arbitration in the Colony, more especially if they are in a hurry to settle the matter before March 31st. I have therefore cabled you somewhat fully in the following terms:-

COLONIAL OFFICE TREASURER GOVERNOR GOVERNMENT LAND AND ADVERTISE HERE CABLEING EITHERHOW BEFORE MARCH 31ST 1900.

27. I must ask you to excuse my having written this despatch hurriedly. I was anxious to reply by this opportunity as it will afford us a little extra clear time in which to attend

9.
attend to the annual accounts.

I am,

Sir,

Your obedient servant,

188.

GLFSSA

9th. February

C.

Sir,

My last despatch left per S.S.S. "Dunbar" on the 20th. ultimo.

2. The Vega sailed on the 20th. January.

3. The Ciro was ready to sail on the 20th., but was delayed the whole of that day clearing her anchor, which had fouled the old moorings of the Charles Jones, which we have picked and hope to recover. The Saxon towed the Ciro out early the next morning. I enclosed Captain Jamieson's draft for £246.14.1.

4. The S.S. "Atlantic" arrived on the 28th. January for a stay of about 10 days. We have secured her provisioning but I fear that owing to her large coal capacity she will not purchase any coal here.

5. I enclose a copy of correspondence with the S.S.S. as to the possibility of competition from Saxon Point in the freighting of produce home.

6. I am glad to report that we have received five of the dock and store in the Saxon's notice, containing a good deal of the iron work on dock, attached to the hoist, and thoroughly shipped and painted all ironwork. There is, however, a fair amount of work ahead of us - new ventilators for one thing.

7. The large coal shed at the Naval Dock is now approaching completion, and it is quite possible the Admiralty will be sending out their stock of coal before long. If they charter large sailing vessels, they would scarcely be able to load any.

F.B. Cobb Esq.,

Fifteenth

Managing Director,

London.

2.

sufficiently day to avoid demurrage, and we might get something out of them by way of bulk hire. It occurs to me that the P.S.N. might be able to bring out their coal in cargo boats as cheaply as sailing vessels, and this method should be more advantageous to the Admiralty as being more certain, and also affording a more regular supply. I think it would also be to our advantage, as they would be quite dependent upon us for hulks to receive the cargo from the steamer, after which they could land it at their leisure. Freight by sailing vessel would perhaps be cheaper, but in the long run they would be put to a lot of expense for demurrage, or if they save that, for labour landing the coal quickly. Instead of paying for demurrage or labour they might just as well pay us bulk hire. Do you think it worth while to sound the Admiralty? They might employ the P.S.N. to freight the coal out, and make an arrangement with us to receive it and store it at so much per ton, or they might even feel disposed to place in our hands both the shipping and storing. For receiving from a steamer or sailing vessel and storing, $3/6$ or even $2/-$ per ton would pay us well, for which we could receive the coal into hulks and anchor the same in a position as near their wharf as they could lie with safety, the coal to be discharged at the rate of say 50 tons per day, or in default of this demurrage to be charged. I have lightered Mr. Hayes' shipment per Antares and Hugallion at $3/6$ per ton. Now that we shall no longer supply H.M. Ships with coal our hulks are thrown on our hands, and we must try and make something out of them.

3. Shearing was finished at North Arm on January 28th., and the Buenos Aires shearers arrived in Stanley on the 2nd. instant, in readiness to leave by this steamer. I enclose a copy of the account with Messrs Daniel Lean & Company, for the balance of which I have drawn upon you.

4. A Meeting of the Legislative Council was held on the 1st. instant to pass a Resolution under the Public Lands Ordinance

3.

Ordinance to acquire the Company's land on the North shore of the Harbour. I had drafted Minutes of the previous meeting (December 24th.) to ensure having on record a correct account of what was said when the Ordinance was passed, as the Governor then informed the Council that he did not anticipate that when action was taken under the Ordinance there would be any desire to rush it through, and that in each case as much time as possible would be given for a Manager or Agent to consult his principals at home. I enclose a draft of these minutes as corrected by the Governor. At the meeting on the 1st. inst., at which the Commodore and Navigating Lieutenant of H.M.S. "Cerberus" were present, the Governor in moving the resolution admitted the difficulty of an arbitration here, and reverted to the subject of the informal negotiations with Mr. Craigie-Halkett. He said that the Government had offered the Company £1,000, but the price asked was so largely in excess of that amount that negotiations were not resumed. That figure, namely £5,000, was he might say "preposterous", for the Government had parted with the land for about £140. I said that it did not follow that the Company had acquired possession of the land for the same price as the Government sold it for, that although I had no information as to the actual cost, I had been informed that the cost to the Company was, after adding interest at 5%, nearly £1500. The Governor interposed saying that the question of interest should be excluded. I said, even so, the land had probably cost £1500, and if the figure of £5000 were preposterous, I thought the Government offer of £1000 for property that had cost us £1500 was equally preposterous, adding that this was the first intimation I had had that the Government had made any offer at all. In the course of further discussion, the Governor said that after consulting the records he thought £700 was about the outside price that the Company had paid for the land. I said that they certainly had had to purchase sections 33 & 34 at a cost of nearly £17 per acre, and would be quite satisfied if the Government paid them at that

that rate for the sheep stock they wished to acquire. After the Resolution was passed (I abstaining from voting), the Com-
modore said he thought the Company might continue to graze
sheep on the land, which would be only used as a Rifle Range
for two or three months in the year. I replied that this
would be a great advantage to us, and would assist very mater-
ially in the settlement of the question. I have learned from
the Governor that the Naval Establishment will be a very small
affair- the number of men permanently stationed ^{will} not exceed ten,
so that the question of a branch store near the depot might be
dismissed at once, as not being worth the expense. I enclose
a copy of the Resolution of the Council, and of a notice which
has been served upon us, calling for the production of evidence
of title etc. to the land before February 22nd.

10. The Almgewall was well afloat at the last Spring tides
but the wind was so high at the time that the Surgeon could not
row her away from her position. There is now about 3 feet of
water in her, and during neap tides Captain Thomas has raised
the anchor and laid it well out up the Harbour with some 75
fathoms of cable. We shall therefore have no difficulty in
getting her out at the next spring tides, about the 3th. inst.

11. I mentioned in 184-25 that the British Schooner
"Hewson Bay" was expected here in January. She arrived on
the 28th. with 634 Seal skins, which will be shipped by the Com-
modore for consignment to the Hudson Bay Company and Messrs J.M. Lamp-
son & Co. I am shipping them at 75/- per ton weight, of which
20/- is returnable to us.

I am,

Sir,

Your obedient servant,

EXPOSURE.

Supplies: (Originals for H.M.S. "Nymphe", January 25th. 1932).

Despatch No. 123

Store Indent No. 396

Stanley Jones Return to December 31st

Remarks on Account

Statement on Accounts

Originals:

Store Indents No. 397

Remarks on Report

First of Exchange No. 2195 for £ 149.14.1

Shipping Insurance - January

Large "Vols" receipts

Account Current: Mrs. J. Bonner

Minutes of Legislative Council re Land Ordinance

Notice from Colonial Secretary re land to be acquired

Shipping Report

Statement on Accounts

Copies of letters from F.M.S. to H.M.S. 25th. Decr. '31, and reply, January 30th.

Specifications:

	Wool.	Sheepskin.	Sealskin.
N.I.	386		
V.C.	74	7	
D.H.	380		
IS	180		
J.B.	113		
S	108		7
W.R.			8
"			

187

U.S.S. "ATLANTA".

February 9th 02.

Sir,

My last despatch left New Orleans on the 5th instant.

A U.S.S. freight returned from Monte Video on the 8th. Mr. Norton informed me that he had not received any telegram from you.

5. The departure of the U.S.S. Atlanta for Sandy Point early to-morrow morning affords me an opportunity of sending a small mail to catch the steamer on the 10th instant. Provisions have been supplied to the Atlanta to the value of about \$50, which will be paid in cash.

6. I am glad to report that the Glenlivet was towed off and anchored up the Harbour early this morning. I am communicating this to Mr. Ingham by this opportunity.

7. I have heard nothing further on the subject of the arrival of the schooner's boat, and shall await the arrival of the schooner mail in the hope of receiving a message from you by cable.

I am, Sir,

Your obedient servant,

W. L. Loring
Manager

P. B. Cobb Esq.,

Managing Director,

London.

ENCLOSURES

VERIFICATION. (Originals per "Crisis" February 1934.)

Receipts No. 1934/35.

Store Receipts No. 1934.

Receipts on Stores.

Receipts of Receipts No. 1934.

Receipts, Insurance, January.

Receipts "Tide" Receipts.

Receipts "Tide" Receipts.

Receipts "Tide" Receipts.

Receipts on Receipts.

Receipts on Receipts & Bill of Lading per "Crisis".

Receipts on Receipts, Company's Bill of Lading.

Letter to P. J. Smith Esq. (Feb. 1934)

ORIGINALS

Specification, Bill of Lading Receipts.

108

H.M.S. "Seymour"

21st. February

08.

Sir,

I enclose the Profit and Loss statement, Balance Sheet and other returns for the year 1901, showing that our business for that year in the colony has resulted in a net profit of £ 16,844. 5. 0, the lowest, I regret to say, for many years. The decrease is of course mainly due to the low prices of wool.

1. Farm Account - £11,410. 7. 11 against £22,000. 5. 8 for 1900. The decrease of £10,589 is due simply to the decreased value of produce with the exception of £400. I enclose an usual statement of the Farm account, which will enable you to form a comparison of the various items with 1900.

2. Store Account - £5513. 5. 7 decrease of £ 1473. 11. 7. I must admit that I am disappointed with this, for although I quite anticipated a diminution of profit, I did not think the falling off would have been so great. Our sales and deliveries are about the same as in previous years, but as already pointed out we have to be satisfied with less profit on these sales. This is especially the case with respect of those sent from Hill and the River Plate. The number of small consignments continues to increase, and every outward steamer brings several mixed consignments which are disposed of. Sales of wool to N. S. Whips, on which there is a substantial profit, were somewhat fewer, and these will disappear altogether after the current year. It will be seen that the stock of stores actually on hand at the end of last year was lower than in 1900, the only 1901 in which wool was sent to the colony. During the year we were compelled to materially overstock the stock at that store, and wrote down

Yours faithfully,

The

Managing Director,

10021.

2.

the value to a somewhat larger extent. This of course helps to account for the further diminution of profit - and although the writing down of stock is perhaps to be deprecated in a bad year, it is only right that we should estimate our stock at its real value, more especially as there is at present no certain prospect of our making larger profits in the future. There has been no time for the new arrangements as to supplying a clients to come into operation, as most had a good year's supply on hand, sometimes more, for they had laid in stocks sufficient to supply the number of people they had employed. This number is now decreased on the stations as each farmer is keeping as few men as possible. Out of the £5000 worth of stores taken over from the same cargo, we have only £2500 left, showing that we have disposed of more than half.

4. Company's Shipping, - £172. 4. 10. During 1901 we had but few receipts from ships compared with 1900. It is true that 1901 benefited to the extent of £200 brought forward from 1900 but against that should be set the large expenditure on the repairing of the hull "Charles Cooper" £350, the whole of which was borne by this account. I had thought of suggesting the capitalisation of a part of this sum, but leave the question to the Directors. I think that at the end of 1901 there was a larger amount due than usual for the storing and shipping of produce not credited. It has not been customary to estimate this and credit it to the account, and if as I think it is larger than usual, it will help towards the repairing of the "Charles" this year.

5. Sappan - £236. 12. 10. In view of the heavy expenses on this leg, I think we are fortunate in being able to show this profit. We have undoubtedly spent a great deal on her, and may congratulate ourselves that she is now in good order. Current expenses on a tug are very high, insurance especially, and unless we secure some good credits for towing and salvage work, we cannot expect her to pay her expenses. The charge of

3.

\$5 for assisting P.S.M.C. steamer is far too little.

6. Mail Agency- \$307. 8. 2. This profit is not commensurate with the extra work entailed upon the Company. It is true that the Account has contributed \$435 to the Samsen and \$900 to Company's Shipping, but these accounts have to provide and maintain appliances which enable that Agency to earn its receipts. It is quite certain that we could not land cargo under 6/8 per ton, although the P.S.M.C., I think, when offering us the Agency, estimated that 4/- ought to pay.

7. Schooners- Have again been run at a loss, and I sincerely hope it is the last time I shall have to so report. The Hornet was hove down and repaired at a cost of about \$250, all of which was borne in 1901 - The Fair Rosamond was repaired in December 1900, but the cost of materials, about \$120, was not charged out until January. The Fortuna's new rigging (\$45) was paid for by the Schooner last year, though not yet set up. Therefore during 1901, repairs to the schooners amounted to over \$400. We hope this year to earn a little more local freight for conveying stores out to clients. So far this year the schooners have been making good trips and the whole of our own wool will be in Stanley by the end of February.

8. Interest & Commission. \$1046. 8. 6. An increase of nearly \$200 as compared with last year.

9. Consumption and general Charges. Together show a decrease of over \$100 as compared with last year.

10. Stanley Wages - \$2879.10. 8. As I anticipated when sending the accounts for 1900, this account shows an increase of \$1200. With all the mail work, the Samsen, the Salaries of the Marine Superintendent and the Head Storekeeper (now passed through this account) the amount disbursed must necessarily be very high. I feel certain that we have reached the limit provided we do not have any extra work to undertake. I am glad to say that by now we seem to have got up most of the arrears of work, such as the attention to hulks and lighters, the Samsen, Changan and other work on shore.

11.

4.

11. You will notice an item of £24. 7. 6 on the credit side of the Profit and Loss statement for bad debts recovered. The amount is small, but will, I hope, be taken as an indication that we do not lose sight of the store debts.

I am,

Sir,

Your obedient servant,

ENCLOSURES.

Balance Sheet.

Profit and Loss Statement.

London Office Cash Account Balance.

Statement of Items in Deposit Account.

Inventory of Stores at Darwin Harbour.

Inventory of Stores at North Arm.

Summary of Stock - East Store.

Summary of Stock - West Store.

General Summary of stock of stores.

Balances due to and from Camp Men.

Consumption Stores on hand in Camp.

Building materials on hand in Camp.

Fencing materials on hand in Camp.

Statement of Subscribers' earnings not credited.

Copy of Stanley Cash Book for December.

Cash Vouchers for December, East and West Stores.

Copy of Stanley Journal for December.

List of Store Debtors.

List of Auxiliary Debtors.

Remarks on Store Debtors.

List of additions to Furniture.

List of additions to Plants.

Abstract of Farm Account.

190.

F.R. 11. "Cable".

February 1890.

02.

Sir,

My last letter left for L.S. "Atlantic" on the 11th inst. and I have received your S.S. "Corcovado" on the 18th inst. your dispatch No 941, and your "Atlantic" last evening your dispatch No 942 and letter of January 18th. As the mail by S.S. "Corcovado" opens this morning I have not time to do more than acknowledge these dispatches.

R. The Anna arrived on the 11th inst. but as the Corcovado was here and the mail steamer was due I did not call the Captain what we could do without trouble discharging the cargo (except the explosives) until the steamer had been shipped off. All these things arriving together make it very awkward indeed, in fact that is nearly the difficulty with the cargo boats, which are the only vessels here practically with the mail steamer. I had to wait for the Corcovado for the Atlantic, otherwise we could have given the Corcovado a quicker dispatch.

S. I have not received any telegram from you in reply to mine on the subject of the acquisition of the Argentine land. It is very rarely that Mr. Morion does not write to me and I am sure that a letter from him containing a telegram may have disappeared. I am in some doubt as to whether I ought to write him now or not, but I do not imagine that there would be much advantage in doing so. Seeing that the steamer are however bound at this time of year are completely full I took the precaution not to book of having berths reserved at

Valparaiso

F.R. 11. 1890.

Respectfully,
Director.

London.

(2)

Valparaiso in the Oruvia. If now I do not leave by that steamer it is very doubtful if I could get passages in the Lake Negundo whose accommodation is limited, and I have therefore decided to leave on March 4th.

I am,

Sir,

Your obedient servant,

P.S. Since writing the above I have seen the Governor who told me that he had received a telegram asking if there were any land to the South of Stanley which could be given to the Company for grazing. The question, however, is not urgent as we are allowed to keep our Butchery sheep on the land until, at any rate, next December.

INVENTORY.

First of December: No. 2197 value 2 8015:0

" " 2198 " 415: 5:0

" " 2199 " 400: 0:0

Cheques as follows:-

Wm. H. H. H. H.	510:0:0
Land & C. H. H. H.	13:0:0
Wm. H. H. H.	50: 0:0
F. H. H. H. H.	5:0:0
do.	8:0:0
Wm. H. H. H.	3:0:0

Barque "Higgin" Accounts.

Letter from Mr. Secretary of "Dover".

Shipping Report.

Statement on Accounts.

Specifications of Co's Tools:-

D.M. No. 501-010

W.C. " 350-400

Inventory, Originals per "Atlanta" Feb. 1901.

Despatch No. 107

Specification of 10 Below D.M. Specifications.