

139/37	1 3 9 / 3 7
75/35	

(Formerly)

SUBJECT:

OPERATIONS OF FALKLAND ISLANDS AND DEPENDENCIES
SEALING COMPANY.

CONNECTED FILES.

See Inside.

C.S.

WHALING & SEALING.

(Sealing)

193 7.

No. 139/37.

C. S. O.

SUBJECT.

193 7.

19th July.

Previous Paper.

75/35.

OPERATIONS OF FALKLAND ISLANDS AND DEPENDENCIES
SEALING COMPANY.

MINUTES.

Letter from Mr. G. Brechin of 8/7/37.

Y.E. submitted for information

*of
Pres.
19/7/37*

Hon. C.S.

Seen

MCH

20.7.37

(3) Letter from Mr. G. Brechin of 10/8/37.

Y.E. submitted for information

*of
Pres.
10/8/37*

Y.E.

*— Capt. Watson applied today for an interview
with Y.E.*

- 2. I asked him his reasons and he stated:*
 - (a) To ascertain the position regarding the licence for his company to take seals & whales*
 - (b) That the Elephant season be extended as previous years as weather conditions be*

Subsequent Paper.

extremely bad so far - this season.

(c) To ask that a telegram be sent to Sir H. Hemmiker - Heaton regarding enquiries to be made in London.

I informed Capt. Watson that regarding (a) there was no further information than that which is stated at rec(232) in 75/35.

with regard to (b) - please see T.E.'s minute and Sir H. Hemmiker's approval on the back of sheet 14¹⁴ in 75/35. I gave no answer to his request pending the interview.

The request made in (c) was left for T.E.'s decision but I do not know that any useful purpose would be served in sending a telegram - However if Capt. Watson wishes to pay the cost & share in working what he requires T.E. may agree to send a telegram.

3. In the main Capt. Watson appears to be after a license to take whales.

4. Capt. Watson has been notified that T.E. will see him tomorrow at 11 am.

Res
13/8/37

Letter from F.I. Reform League 4-5

From C. I saw Captain Watson and informed him that the question of granting his Coy a longer license would be discussed at the Co. by Sir Henrich Heaton, and that we might hear something next mail. That meantime I was not prepared to send a telegram.

2. I pointed out that his Coy had no authority to take elephant seal but that if they so desired they could make application and the matter would be referred to the S. of S.

3. I spoke to Capt. Watson regarding the letter from the Leaguers. He explained that the 4 men he got from the Camp were free but apart from this they were experienced in Sealing work. He stated further that many of the men in Stanley were not suitable for the work.

4. The Leaguers might be informed that although the Sealing Coy. were requested to employ men from Stanley and not from the Camp the conditions of the license provide only that the Coy. shall employ H. labour and that they have complied with this condition. If you see no objection we might add that consideration will be given in any future license to inserting a condition that the Company is not to take men who have work on Camp Stations.

5. Capt. Watson further

stated that two men who came
in from Camp Stations asked
for work but he replied that he
already had more than sufficient
men.

McH
14.8.37

Letter to Manager, F.I.C., of 15.8.37. (6)

Letter from Sec. Sealing Co. of 18/8/37. (7)

PP/101/37

T.E.

Submitted for approval.

J. S.
21/8/37

Hon. C.S.

I cannot authorize the Sealing
Co. to take elephant seal. The
matter must be referred to the

S. of S.

2. In the previous letter
believe Mr. J. Hamilton recommended
that not more than 500 elephant
seal should be taken and that
no elephant seal should be taken
after the 30th Sep^r. Would you
please verify. If this correct a
telegram can go to the S. of S.
stating that the H. Sealing Co.
have applied for permission to take
seal elephants until the 30th Sep^r
(1937) and that it is recommended

March 1938
to
Bo' Dept.
ref (138)
ref. 45/35

that they be authorized to
take not more than 500.

MCH
25. 8. 37

act
telegram.
S/S

(181)
75/35

Your telegram No 82 of 1st September The Falkland
Island Sealing Company have applied for permission
to take seal elephants until 30 September it is
recommended that they be authorized to do so
subject to limit of 500. Approved

J. G. C.
24/8/37

(8)
(9-12)
(13-14)

Telegram to S. of S. no. 59 of 24/8/37.
Letter from Mr. J. Brechin of 23/8/37.
" " Mr. W. R. Watkin of "

Y.E. Submitted for information. For the moment no
action appears ^{to be} necessary.

J. G. C.
25/8/37

Hon. C.S.
Secy. No action appears
called for. I do not think
the Agric. Adviser should employ
any of the "Strikers" if they
apply for work.

MCH
25. 8. 37

Agri. Adviser

To see H.S. minute

J. G. C.
26/8/37

Hon Col Sec.,

Submitted His Excellency's minute 25/8/37 seen and noted.
Are these men to be considered for whaling?

J. A. Ken
Agricultural Adviser.
27th August, 1937.

Report from Mr. G. Brechin of 21/8/37.

(15)

Y.E.
Submitted
Res
28/8/37

Hon. Col.
Seen.
MCH
28.8.37.

Y.E.
W.r.t. Y.E.s minute of 25 August. The Agric. acts if the men referred to have to be considered for whaling? I take it that they can be considered with others in the notation of applications recd.

Res
30/8/37

Hon. Col.
Certainly.
MCH
30.8.37

aa. To see above minutes of 30/8/37 & yours of 27/8/37. Res
31/8/37

H.C.S.
Seen
BAW
A.A. 4/9/37

PA
6/9/37

16. Telegram from S. P. S. No. 74 of 6. 9. 37.

Hon. Secy.
Seen. Sealing officer may
be informed. McH
8. 9. 37

17. Telegram to Sealing Officer, Akbemarka 9. 9. 37
Red 9/9/37

18. Letter from Manager, F.I.C., of 20. 9. 37.

19. Telegram from Huberson, Buenos Aires of 19. 9. 37.

Ag. Gov. Naturalists

Please report Red (19) & furnish any
recommendation Red may wish to offer.
21/9/37

Hon. Col. Secy:

Re (19) Red. It seems to me to be
unsafe to assume anything from this wire.
The skins desired could mean Hair Seal,
& equally could mean Fur, for both are
subject to the process of tanning.

2. The G.O. Sealings be alone handle seals.

3. Perhaps a wire asking if the skins
of the Sealion are implied & the price
offered, could be sent.

Ag. Gov.
22. 9. 37.

Y.E. Red (19) and minute by Ag. Gov. Naturalists
submitted.

Doco Y.E. with a telegram despatched as in
para 3 of Gov. Naturalists minute. Red
22/9/37

Hon. C.S.

No. Tell him to communicate
with the S.I. Sealing Coy.

McH

22.9.37

ad
Telegram:

Hudsonson

Buenos Aires

You should communicate with the Falkland
Islands Sealing Company. — (20)

C.S.

23/9/37

Y.E. I regret ref. to red (18) was omitted.

In this connection Y.E. will observe that at red (8) the S.I.S.
was asked to approve the taking of Elephant Seal up to
2 1/2 tons the number stated was 500. This application was
approved vide red (16). The F.I.C. now asks, on behalf of the
F.I.S. Co., that they be permitted to take Elephant Seal
between 15 Nov 1937 and 31st Jan 1938.

2. In this connection please see 'A' on (138) in 75/35 & the
Gov. Naturalist.

Red
23/9/37

Hon. C.S.

Better inform H.S. Coy that the
question of taking elephant Seal
was referred to the S. of S. who appd

the taking of 500 by the Ft.
Sealing Coy up to the 30th
Sep^{br}. Add that the dates
recommended by Mr. J. Hamilton
B.E. for the taking of elephant
Seal commenced on March 1st
and end on Sep^{br} 30th.

2. I notice Loweres from
"A" of vol 138 that Mr. Hamilton
did not oppose the taking of
this species during the month
of December. I fear I had
overlooked this previously. In
view of Mr. Hamilton's opinion
do you consider we could allow
the taking during that
month? If so, the Ft. Coy
could be told that the
taking of the 500 elephant
Seal authorized by the S. of S.
can only operate to the 30th
Sep^{br} and again during
the month of Dec^{br} and
that it is regretted no authority
can be granted for taking
this species during October,
November and January.

Y.E. Red (21) submitted for approval before issue.

JCS
25/9/37

Hon. C.S.

Approved, but before issue please verify that the taking of seal elephants in December was not subsequently modified.

It would be as well perhaps to refer the matter to Mr. A. G. Bennett, Esq. Naturalist, for his views.

JCS

28.9.37

Esq. Naturalist

In your observations before the issuing of (21)

JCS
28/9/37

Hon. Col. Secy:

My personal knowledge of the Sea Elephant is rather scanty.

Red (138) in 75/35 'A' is Mr. J.E. Hamilton's suggestion as to open seasons. I cannot find that these times have been changed. The first close season relates to breeding, & later to a presumed period of poor condition.

It is undesirable to kill animals in either condition.

A.G.B. as Nat
20/9/37

Y.E. Submitted.

JCS
1/10/37

Hon. C.S.

I think we shall be
Sap in following the suggestions
put forward by Mr. R. Hamilton
B.Sc. regarding the periods during
which Seal Elephants may be
taken.

MCH
1. X. 5)

PA
1/10/37

(22) Telegram from Mr. Brechin, Sealing Officer of 4.10.37.

Y.F. submitted. Please see (2) + (3).

P.S.
5/10/37

Hon. C.S.

Seen.

MCH
5. X. 3)

PA
6/10/37

Note

Capt Watson called to see me today. He
suggested that perhaps I had mentioned about
going out in April a way of each year. I told him
that I had never made any such suggestion. He then
suggested that it might have been HE, the ex Gov. had
have since verified that HE did not make any such
statement to Capt Watson.

2. Capt. W. put forward that the young of the D.I.C.
could do nothing about re-organisation until he
knew about the issue of a licence to take whales. I
informed Capt. Watson that something may come by the
next mail on 10/10/37 + to call again on 17/10/37.

P.S.
7/10/37

Hon. C.S.

Thank you. I am afraid!

Know nothing about sealing operations
in April or May. The Secty H.
and D. Sealing Coy had better put
his request in writing.

2. We may by the incoming
mail hear something about an
extended period of license and the
question of whaling on W. I.
If nothing comes we can send
a telegraphic enquiry.

B.M. 12/10/37
J.B. 12/10/37

MCH

Letter from Sec. J. Brechin of 7/10/37.

(22)

ask the Secy of the I.D.S. & Co when the returns
of oil etc. may be expected.

Res.
12/10/37

PA
19/10/37

Y.E.
C

Letter from Sec. G.S. & Dep. Sealing Co of 20/10/37.

(23)

Y.E. Send a telegraphic enquiry to his
Honourable Station.

Res.
21/10/37

Hon. C.S.

I do not know what repeated
applications the H. Sealing Coy refer
to.

2. Yes, we can send an
enquiry through the S. off.

MCH
21. 10. 37.

PA
21/10/37

24. Telegram to S of S. No. 72 of 21.10.37.

24A. Letter from Mr. W. Watson of 19.10.37.

26-30. Sealing Officers Report on Sealing Operations June 15
Oct. 1937.

Y.E. Submitted.

I think the ag Govt Naturalist should give his comments and then a copy maybe sent to the Company.

2. I suggest for Y.E.s approval that the Sealing Officer be granted a weeks rest as he has been in hospital - through no fault of his work as far as I know - & that he remain on full pay until 6 Nov. after which - if nothing further transpires he will revert to the P.W.D.

Red
30/10/37

Hon. C.S.

1. Yes.

2. Approved.

h.c.w.

30.10.37

The ag. Govt. Naturalist

To see (26) (30) & for your observations & recommendations

Red
1/11/37

(31) Letter to Mr. G. Brechin of 1.11.37.

Hon. Col. Secy:

I consider this to be a good & fearless report, I visited this station some nine years ago & then adversely reported on the management. No Govt. officer should have to experience such filthy conditions as is stated to exist on this boat. Whaling was once almost as bad until compulsion was insisted upon. It seems obvious, from this report, that the "Port Richard" is not only a menace to health, but a grave danger to life of those employed upon her. The final paragraphs of the report seem to indicate wilful obstruction of Govt. officers.

(Page 3) A 2 1/2 mile drive should be instantly stopped as being gross cruelty

I would suggest that the management is bad & incompetent, amounting in fact to exploitation & that a future licence should be most seriously reviewed before being issued

AGB
ag: Govt. Nat
3.11.37.

Telegram from S. of S. No. 44 of 3.11.37. (32)

Letter to Sec. F.I. & Deps. Sealing Co., 5.11.37. 33.

Minute from a ~~Committee~~ Naturalist
V.E. and (33) + (34) submitted for information before issue.

Ref
5/4/37

Hon. C.

Approved. But surely the Sealing Coy were informed in 1934? that "driving" must cease. I recollect making reference to the cruelty involved in driving seals. So far as I recollect this was in a despatch to the S. of S. in 1935.

in CH
5. XI. 37

16/11/37
5/11/37

- (35) Minute to Director of Public Works of 6.11.37.
- (36) Letter to Secretary, F. Es. & Weps. Sealing Co. 15/11/37.
- (37) " from " " " " " " 16/11/37.

Y.E.
(37) Submitted.

The report of the "Workman" was to my mind in keeping with the views of Mr. J. Hamilton & the of Gov. Naturalists is certainly in agreement with the views expressed.

2. Y.E. will observe that I called for a formal application for a licence vide (34).

3. I should be pleased to receive Y.E.'s instructions.

Ref
17/11/37

Hon. C.S.

In view of recd (32) I cannot see that any good purpose would be served by my seeing the Directors of the Sealing Coy.

2. I consider that they should be informed that we have been instructed to forward to the S. of S. as soon as possible any application they may put forward. It is very desirable

that the application should go by
the "letter" mail.

3. What we require first
of all is a concrete application
from the Coy. of what they
require. When this comes in
I would be prepared to see the
Directors with you regarding
any points they may wish to
raise.

4. In my opinion Mr. Brechin
satisfactorily performed the duties
of Sealy Officer here the
exception taken by the Sealy Coy.

MCH
19. XI. 37

Letter to Sec & Man. Director, F.I. & Dep. S. Co., Ltd. 20/11/37 (38)

Letter from Capt. W.R. Watson of 23.11.37

P.H.
23/11/37
39-41

T.F. Submitted.

With the exception of an expert such as a fencer - F.I.
labour should be employed

2. The capital should be British - I consider.

Hon. Es.

P.H.
30.11.37

I enclose.

2. There has been a good deal
of correspondence (see original file) re
the failure of the Coy to carry out
certain matters at their Sealy
Station. I believe the question
of a whaling transi was referred to the
S. of S. before.

MCH
20. XI. 37

4243

Letter from Sec. Sealing Co. of 1/12/37.

Y.E.

Submitted.

Please see Y.Es minute of 2/6/37 on sheet 36 of mlp. 75/35 para 2 of Y.Es minute on sheet 37 of the same mlp. of 2/6/37 and also the certificate of fitness issued by the Hon. Secy. - read (233) in mlp. 75/35.

2. Mr. Bredin was in regular employment in the P.W.D., and was engaged fit by the Secy. - it is wrong therefore to say that Mr. Bredin was an out of work & unfit

3. It seems obvious that nothing can be done until a decision is arrived at on the question of the issue of a Sealing & Whaling licence for a period of years but then if a licence is granted having conditions of the employees must be protected as well as the method of producing the oil.

Ref. 1/12/37

Hon. Secy.

The Sealing Coy advise there is room for improvement at their Sealing Station. It would seem therefore that the criticisms of the Sealing Office are based on facts. It is for the Coy to show, if they can, that those criticisms are exaggerated or groundless. In my opinion it would have made little or no difference had some other person been sent as Sealing Officer. In short

in its more or less bankrupt position
the Sealing Coy cannot carry
our improvements and as time
goes on the condition of the
Station will become worse.

2. The Sealing Coy had every
opportunity of protesting against the
employment of Mr. Brechin as
Sealing Officer before the Expedition
went out. Please ack. their
letter and say with regard to
the points raised therein that the
Coy were fully aware that Mr.
Brechin was to accompany the
1937 Expedition as Sealing Officer
but that no representations were
made by the Coy against the
employment of this person.
We might add that this person
was in regular employment in the
P.W. Dept.; that for a time he
served on the Unemployment Relief
Committee and was thanked for his
assistance, and that prior to his
temporary employment as Sealing
Officer he was medically examined
and certified fit to proceed
with the Sealing Expedition.

MEH

6. XII. 37

Letter to Sec. & Man. Director, F.I. & Deps. Sealing
Co., Ltd., 7.12.37.

(44)

----- 9. 11. 37.
----- from ----- 16. 11. 37.

45.

46-50.

Copies of Minutes extracted from sheets 4 and 5
M.P. 148/35.

Hon. Col. Sec.

Until I know the policy which Sir Henniker Heaton wishes pursued I do not consider it advisable to put forward any detailed recommendations regarding Albemarle. There are several similar places and we must have an agreed policy if we are to depart from the practices of the past.

(Itld.) Geo. K.

S.M.O.
22/11/37.

Hon. S. M. O.

To which policy in particular do you refer ?
Please furnish full details.

(Itld.) M.J.S.

Ag. C.S.
29/11/37.

Hon. Colonial Secretary,

The policy to which I refer in my minute of 22/11/37 is that which relates to environmental hygiene. There are certain basic principles related to this subject which govern what can be accomplished in this field by the Medical Department.

Now, on many farms, as at Albemarle, the cook houses are unsatisfactory in size, in design and in the manner in which they are conducted. The cook in charge is frequently unsuitable in type, untrained and unkempt. One cannot escape the conviction that food and lodging has sometimes been provided as cheaply as possible and in such a manner as to impose the least possible burden of responsibility on the resident manager or owner.

I notice that Estate Managers experience

difficulty/

difficulty in securing and retaining the help which resides in these cook-houses. Conversely I notice an unemployed population of young men in Stanley unwilling to accept employment in "the Camp" because residence in Stanley has accustomed them to environmental level which makes life in a cook-house unattractive. It seems to me that we should have a long term policy calculated to iron such an anomaly and correction of environmental conditions at some of these cook-houses would be one factor in accomplishing this.

There is no point, however, in putting forward schemes and programs to bring this about if we accept the viewpoint so suavely and persuasively reasonable, presented by Mr. Duncan Watson in his letter at red 41.

Environmental conditions throughout "the Camp" have existed for many years. The Albemarle Sealing Industry began in 1928. It may be that, having regard to all the circumstances, Government desires the maintenance of the "status quo" without any changes save those initiated by individual owners or managers.

Before working out and submitting detailed plans I feel that I have a right to know that they are in harmony with basic policy.

I would specially draw your attention to my predecessor's report dated August 20th, 1935, Red 19 - a splendid constructive report with which I largely agree. When submitted, Mr. Craigie-Halkett in his minute (para. 2) advocated the suppression of the report in so far as it affected "the Camp". The Governor in his minute says the report is "interesting", "thorough", but goes on to say that the best results will be secured by co-operation. I am a firm believer in co-operation but there comes a time when "sweet reasonableness" must give way to some element of coercion if we are to depart from the practices of the past. That time, after the lapse of two years, may or may not

have/

have arrived, in His Excellency's view.

(Sgd.) Geo. Kinneard.

Senior Medical Officer.
30th November, 1937.

Y.E.

Submitted.

Perhaps Y.E. would consider this when the future of the F.I. & D. S. Co., is settled.

(Itld.) M.J.S.

Ag. C/S.
6/12/37.

Hon. C.S.

Please Acknowledge. Reference to this had better be made in the Sealing Coy's. file so that it will not be overlooked if the Coy. is granted a licence over a term of years. When the time arrives the S.M.O. can furnish conditions for sanitation &c., the Company should carry out.

(Itld.) M.C.H.

6/12/37.

(51) Letter to Sec. F.I. & Deps. Sealing Co., Ltd. of 9.12.37.

Your Excellency, *less (39) - (4) + Y.E.s minute of 30.11.37*

With regard to the application for a Licence for Sealing and Whaling received from the Falkland Islands and Dependencies Sealing Company, Limited I have gone into this matter and submit the following comments on the operation of this Company for the past six years. The following references are to M.P. 589/27 attached.

2. In Red 116 it will be observed that Sir Arnold Hodgson appreciated the force of the contention that insecurity of tenure was in itself a deterrent to possible investors and in Red 115 it was recommended that a licence should be granted for a period of 5 or 7 years.

3. Red 124 in para. 3 of this despatch the Secretary of State asked that the Company should furnish an account of their plans for the working of a whaling licence and produce evidence of adequate capital forthcoming.

4. It will be observed from Red 130 that the Company found it difficult to produce definite evidence that they would be able to attract adequate capital unless they had the assurance that a licence would be granted to them and it was then recommended that a licence should be granted.

5. Eventually, Red 133 - The Secretary of State on 8th January, 1932, authorised this Government to inform the Company that if they applied for a Whaling Licence within the next two years Government would be prepared to grant it, provided that the then Governor was satisfied that adequate capital, skilled personnel and plant would be available and that the licence could be renewed annually up to the end of the season 1936/37, subject of course to the compliance of the usual conditions. The Company was so informed vide 135.

6. The Company then applied to dispense with the supervision by a qualified Sealing Officer, but the Secretary of State could not see his way to do so in view of the irregularities reported by Mr. Hamilton, the Government Naturalist. Even in the last report irregularities are still being mentioned.

7. Sufficient evidence of the Company being able to produce the necessary capital for the successful operation of whaling and sealing licence has never been produced to Government and the same cry continues that they will be unable to do so until they have an assurance that a long term licence will be granted. What the Company want is an exclusive licence for 7 seasons, but what the Secretary of State will grant is a licence to operate up to say 1944, the licence being renewable yearly. The yearly renewal stipulation is no doubt due to the irregularities of the past.

Inside Minute Paper.

8. It is my opinion that we are "flogging a dead horse," and no matter how this Company tries, I am doubtful if they will ever be able in their present circumstances to attract the necessary capital.

9. In 1928, Red 44, the deficit of the Company was £1,500, to day it is more in the region of £12,000 and it appears to me that the present shareholders have no hope of ever recovering the amount of capital invested.

10. I would recommend that Government abandon any hope of successful operations by the present Company and that tenders should be called for in London for the operation of the Sealing and Whaling in this Colony by a new Company, and that Government should ^{also} communicate the information to other operating Companies with a view to attracting such firms as Messrs. Salvesen & Co., who have capital, equipment and experience. I appreciate that the question of arranging a land Station may be difficult, but I think that difficulty could be overcome.

11.. Perhaps the matter should be left until the return of Sir Henniker Heaton and in any case if the recommendation in para. 10 is not accepted, the F.Is. & Deps. Sealing Co., should furnish information on the following points :-

- (a) A detailed description of the plant they intend to use on the land Station and in vessels.
- (b) The amount of new capital aimed at.
- (c) Description of the vessels to be used in Sealing and Whaling Operations.
- (d) Description of the quarters for labourers employed, wages to be paid and conditions of service.
- (e) The accommodation available for a Sealing Officer.

Acting Colonial Secretary.

Hon. C.

It is Sir Kenneth Heaton's wish that the Sealing Industry in the Colony should be kept going. In my opinion there would be little hope of any Company in the M.H. taking up Sealing and the comparatively small amount of whaling which could be carried out here. We are bound to transmit the application of the Coy to the S. of S.

2. At this stage it would be difficult for the Coy to give answers to (a) (c) (d) and (e). The Coy should be asked to give a.s.p., information regarding the amount of Capital raised at. It seems to me with reference to (a) (d) and (e) that the terms of the license would require the installation of up-to-date plants; the erection of suitable quarters for workers and the provision of suitable quarters for the Govt. Office.

3. The S. of S. might be prepared to approve the grant of a license for a term of seven years subject to the Company satisfying the Governor that it has been properly re-organized and that sufficient capital is forthcoming; that the Coy is prepared to put in up-to-date plans for dealing with seals and whales in accordance

with the regulations, and erect suitable quarters for its workers and the Sealing Office.

4. I understand that the Coy can obtain sufficient Capital if they can obtain a licence for a period of years. I understand further that the I.L. Co. Ltd is prepared to take an interest in a re-organized Company.

5. I should very much like to get the application away before Sir Kenneth Keaton returns - See vol 32.

M.H.

14. 12. 37

Y.E. I have seen Capt. Watson the Secy of the I.L. Co. Ltd and the figures and particulars are included in the despatch as I received them from him but the despatch should not go until the Secy of the Co. confirms the figures given in writing & this he has promised to do so. The written confirmation will reach me by am. tomorrow 16/12/37

2. I have thought it better to prepare the drafts for approval ^{subject} ~~subject~~ to the figures being confirmed in writing before the despatch is finally typed.

3. The debts of the Company have been reduced to £6000 as the result of the payment of insurance money for the Port Edgar which amounted to £5689.7.0

J.G.
15/12/37

Hon. C.

Yes, the Sealing Co, must verify in writing the figures supplied. Evidently the loss of the "Port Edgar" came as a windfall. The Company had been trying to sell the vessel. Let despatch go on.

MCH
16. 12. 37

Letter from Sec. Tack. Is. & Dep. Seal. Co. of 16/12/37.
Despatch to S of S no 177 of 17/12/37.

(52-54)
(55-56)

Y.E. Desp. for signature.

2. The figure submitted by Capt. Watson differ somewhat from those mentioned during the interview & I have amended the desp. accordingly.

JG
17/12/37

Hon. C.

Liquid

MCH
17. 12. 37

Letter to Secretary, F.I.S. & Dep. Sealing Co., Ltd, 18.12.37 (57)

Y.E. to see (57) before issue.

JG
20/12/37

MCH
20. 12. 37

P.A.
21/12/37

Minutes from Hon. S. & C. of 1/2/38.

(58-59)

Hon. S. M. O.

Improvements to buildings
 re: as Albenash is contingent
 on the approval or otherwise
 of the application of the
 Coy. for a license for seven
 years. If the application
 is not approved then presumably
 the Coy. will not be re-organized
 and will probably be wound
 up. On the other hand if
 the Coy. can reorganize to
 continue dealing your
 requirements will be brought
 to their notice and naturally
 no license will issue until
 they have carried out the
 requirements of the B. of H.

2. Re para: 5 of your
 minute this can proceed.

W. H. S.
 C.

2.2.35

H. C. S. O. Noted. State if no further
 action is required by this Dept.

③ I am not clear as to what
 you had in mind in referring to
 para 5 of my minute.

W. H. S.
 S. M. O.
 2.2.35

Hon. S. M. O.

No further action at present
Please. Inspection of "Port
Richard" can wait until
we know that the vessel is
likely to be used again for
Sealing.

MCH
es.
4. 2. 58

H. B. S.

Seen. Post
Sms
5. 2. 35

f. B.
5/2/38

Minute from Agricultural Division of 2. 4. 38.

60-61.

1. Submitted. Apparently the Hs. Coy
is only prepared to finance the Coy
if a price of £20 to £21 can be
guaranteed. Mr. Weir informed me
this morning that the Coy could
work if they could get £16 per ton.

2. We could telegraph the C.A.'s
re the price of Seal Oil. They
would no doubt require to refer to
Messrs. Geddes who handle the Seal
oil from here.

MCH
es.
4. 4. 58

Yes please. I very much fear
that the price of it will be too low.
I understand that whole it is done to form

H.H.H. 4/4/38

Inside Minute Paper.

62. Telegram to Crown Agents of 5. 4. 38.

A.A.

To see Red (62).

a.s.f.
for c.
3/4/38.

Hon. Col. Sec.

Seen

~~Bar~~

A.A. 8/4/38

63-70. Letter from Mr. D.R. Watson of 6. 4. 38.

N. No reply has yet been received to red (62).

2. Letter submitted from the Sealing Coy. transmitting accounts.

MCH
c.

(70A) Telegram from Crown Agents of 8. 4. 38.
Please see draft put up for a letter to Captain Watson
A reply was received to (62) and a copy sent to me

11/11/38 29/4/38

71-73. Letter to Captain D.R. Watson of 2. 5. 38.

P.A.
2/5/38

H.

Submitted.

WCH
es

6.5.58

Please ack. for his letter which clarifies the relations between the Government and the Sealing Company as I regard his exposition as a fair and acceptable statement of the position.

Adding that I can quite understand that there must be resentment at the need for reference to the Sec. of State ^{exercised} but that the measure of control is doubtless regarded as necessary having regard to the past history of sealing in the Antarctic. It is however the policy of the Government to surmount the difficulty, as indicated by my previous proposals, as a monopoly of 7 years duration with conditions that would subsist without reference to London for the full term of the licence.

In returning please attach the file containing the correspondence with the F.I.C.

WCH 9/5/58

77 Letter to Capt. D.R. Watson of 9.5.38.

J.R.

Files attached.

W.H.
cl.

10.5.38

Thanks. Will you please have enclosed personal letter to W. Young typed for my signature

~~W.H.~~ 2/5/38

78-80. Letter to Hon. L.W.H. Young, J.P., of 14.5.38.

J.R.

Letter submitted.

W.H.
cl.

14.5.38

~~W.H.~~ 17/5/38

81-83. Letter from Brown Agents of 12.4.38.

P.A.
19/2/38

84. Letter from Secretary, F.I.R.L., of 16.5.38.

Minute from Agricultural Adviser 17/6/38. (84)

Agric. Adviser.

The Secty Sealing Coy informed me of this. He informed me further that he was consulting his Directors. I advise him strongly to send a telegram to the brokers to ascertain the present day offer and if favourable to make every effort to commence Sealing. He promises to let me know in due course of what has been decided.

Mest
C.S.
17.6.38

Hon. Col. Sec.

Seen

Draw
A.A. 20/6/38

V. No reply has been received ^{P.H.} 21/6/38 to recd (56). The Secty of the Sealing Coy has informed me that his Coy is anxious to join or make some arrangement with Captain Nilson who was recently granted a Whaling license for the S. Shetlands.

Mest
C.S.
22.6.38

A reply can be drafted by telegram saying that reorganization of the Coy is essential and that no progress can be made without

a franchise of an annual
renewal of the license for a period
of not less than 7 years.

~~tttt~~ 22/6

P.S. If Norwegian interests obtain
control it will be necessary to stipulate
for I. I. labour to be employed.

met 85. Telegram to S.P.S. No. 26 of 22.6.38.
~~Letter received by B.R. Watson, Esq. of 23.6.38.~~

Y.R.
Captain Watson handed
me the attached letter with
the request that it should
be sent Y.R. to see. The
contents has come from the
London office of the H.C. Coy

met
23.6.38

Seen
~~tttt~~ 24/6/38

Letter returned to Captain
Watson.
met
25.6.38

P.A.
24/6/38

Yr. Submitted.

MCH
CS

22.7.38

ttttt 22/7/38

PA
22/7/38

S. of S. Despatch No. 67 of 27. 7. 38.

87-96.

Yr. Submitted together with C.S. 250/33 brought up on Yr's instructions.

2. The reply of the S. of S. is favourable and it now remains with the Sealing Coy to show that they have been able to raise the necessary capital.

MCH
CS
31.8.38

Yes but we should inform the Sealing Coy. of the favourable view taken of the application and of the fact of the reply fr. the S. of S. An essential point is that the Govt. must be satisfied of the financial position of the Sealing Coy. as a per organization. A copy of the letter to the Sealing Coy. might be sent to the F. I. C.?

ttttt 20/8/38

Inside Minute Paper.

Yr.

Draft letter submitted.

MCH
CS
2.9.38

MCH 2/9/38

97-98. Letter to Secretary, F.I. & Deps. Sealing Co., 3.9.38

99. Letter to Manager, F.I. Co., of 5.9.38

MCH
5.9.38

SA
6/9/38

100. Letter from Manager, F.I. Co., of 7.9.38.

P.A.
7/9/38

101-102. Letter from Secretary, F.I. & Deps. Sealing Co., of 13.8.38.

Yr.

Submitted. I understand from Captain Watson that his Coy are endeavouring to get Captain Nilsson of Sandeford interested.

MCH
CS
14.8.38

MCH 14/8

Letter to the Secretary the F. Is. & Dep. Sealing Co of 14.10.38. 103

W. 20/2/38
C. 20/2/38

of. 30/3/39.
288. 31/12/38

Letter from Hon. R. W. N. Young of 22/12/38. 104-105.
Minutes from H.E. the Governor of 12/1/39. 106.

H. Submitted with 250/33.
MCH
15. 1. 59.

Can you let me know
how many ^{hair} elephant seal were
and elephant seals were killed in
each of the years mentioned
1920 ~~to~~ to 1931 and 1935 to 1937?

Obtain information ~~from~~ ^{14/1/38} from
Sealing Officers reports.
MCH
14. 1. 58

ACS.

Figures are given below:

<u>Year.</u>	<u>Har. Seal.</u>	<u>Elephant Seal.</u>
1928	3167	739
1929	2065	623
1930	5867	1150
1931	Did not operate.	
1935	9255	76
1936	9086	633
1937	7285	-

MA
C. Ad.
16/1/39

Jh.

Submitted.

MCH

16.1.39.

Will you please attach the files containing reports on the operations in 1935 and 1936

I wd. also like to see the 1930 file on sealing

17/1/39

1935 recs 110-116 in 75/35

1936 " 186-203 " "

1930 file on Sealing

See C.S. 589/27

J.R.

Files attached.

mtH

18.1.39.

Will you please reply to
Mr. Young in the draft enclosed

18/1/39

Letter to Hon. W. H. Young of 19.1.39.

107-109.

J.R.

The Secretary H. Sealing Coy
informed me today that he had
been advised that seal oil was
quoted at over £17 per ton. He
also produced a letter from the
Brokers to the Hs Coy (dated July) in
which they said oil was now
£17 per ton. In the telegraphic advice
received by Capt. Watson mention was
made "at present no market". The
first consideration is for the Sealing Coy
to secure a market and a firm quotation.

2. I gathered from Capt. Watson
that he had been sent here by the
Hs Coy who are anxious for the Sealing
Coy to resume operations on the
increased price for oil, but not to
finance the Sealing Coy unless they
can get some guarantee presumably
in the shape of a Govt. subsidy should
£17 per ton result in a working loss on
the seasons operations.

3. So far as I understand it the
present position gives nothing definite
to work upon. If the Sealing Coy

can show that they have received a definite offer of so much a ton then the question of assistance could be considered.

4. I consider that every possible effort should be made to assist the Coy to resume operations especially so in view of the present labour burden carried by the Govt., but at the same time I think it would be inadvisable for Govt. to agree to such a proposal as that put forward in para: 8 of (60). If the Landing Coy can obtain a firm offer of £17 per ton, Govt. might perhaps consider a guarantee of £1 per ton to bring it up to £18. Last year however the Coy refused to finance operations without a guarantee of £20 - £21 per ton.

5. Employment of 30 men for 4 months would save approximately £1320

6. Captain Watson felt positive that his Coy could work without loss on a price of £17 per ton but apparently they can do nothing without the consent and financial support of the Hs. Coy.

WCH
ed.
24.5.59.

H.Cs.

I agree generally ~~but~~ ^{but} consider
that the Govt. would be justified
in granting a subsidy of £2 per
ton when the price of ~~whale~~ ^{seal} oil is
less than £18 a ton and on a
production of up to 350 tons.

If you agree with you please
send for Captain Watson and tell
him that the Govt. is prepared to
consider favourably an application from
the Company for such a subsidy if
they will operate with not less than
30 employees for Stanley. The sanction
of the Dept. and of the Govt. will of course
be necessary

W.H. 30/3/39

Captain Watson informed. He
stated that his Coy is telegraphing
to London to endeavour to arrange
for the sale of up to 350 tons of
Seal oil and that he will
communicate further with Govt.
when he gets a reply.

W.H.
30. 3. 39.

B.U. 5.4.39
W.H. 30. 3. 39

Sealing Coy have had no
reply from London.
W.H.
5.4.39.

~~B.H. 8.4.59~~
~~met 8.4.59~~

~~B.H. 11.4.59~~
~~met 8.4.59~~

Nothing further heard from the Sealing Coy. met

14.4.59

The Agric. Adviser informed me today that Capt. Watson had told him no answer had been received to a telegram sent by the Sealing Coy to the Lt. Col. London, a fortnight ago and had asked if the Govt. would assist in informing the Lt. Col. that if the Sealing Coy had any request it should be sent to this office, or that Captain Watson could come and see me.

met

14.4.59

Captain Watson came to see me. He stated that the local manager Lt. Col. had informed him that he expected a reply from his London office by air mail due by the 18th inst. In the meantime no telegram arrived or no air letter was received the Coy would immediately telegraph their London office. Captain Watson asked for no assistance from Govt., indeed he stated that he preferred to carry out arrangements through the Lt. Col. met

14.4.59

B. F. Allen mail arrives met. 14.4.59

H.

(110)

Captain Watson handed me the attached memo, from the Hs. Coy. Ltd., at the same time he informed me the Hs. Coy. would not finance operations under £20 per ton. This would mean a subsidy of £3 per ton. In a normal season production would be about 350 tons, but anything over 250 tons would have to be sold in the open market at perhaps a much reduced price. In the circumstances a subsidy could only be considered on 250 tons.

MCH
17.4.39.

271 tons were produced in '37
How many men were employed and for how long? What would be the saving? Sub: in wages if a subsidy of £750 were made

30
4 1/2 months
£1353 14/11

~~MCH~~ 17/4/39

1937 Season

Number employed 30.
 Period 4 1/2 months
 Cost of employing 30 men at full time for 4 1/2 mos equals £1495.
 If subsidy of £750 is made saving to Gov. will approximate £745.

MCH
18.4.39.

J.R.

Submitted.

MCH
—
Ed
18. 4. 39.

Will you please arrange to see me with Captain Watson at my room tomorrow 20:00

19/4/39

Captain Watson informed.

MCH
—
Ed
19. 4. 39.

H.O.

I put up a draft-telegraph to the S.O.S. which embodies the result of our discussions this morning.

Will you please write to Captain Watson saying that w.r.t. his statement to you that the Govt. is not prepared to finance sealing operations without a guarantee of the price of oil, I am prepared to ask the S.O.S. to approve of a subsidy of £3 a ton, that is to say that if it is shown at the end of the season by Govt. Audit that the cost of operations has exceeded the sale price of £17 or more

a subsidy will be paid to
cover the loss within the
£3 limit. It is earnestly
hoped however that the
~~market~~ marketing costs will not
be higher than the £17 or
higher price procurable. The
guarantee would cover an output
of up to £250 tons and would
apply to the maximum of £20
in respect of price per subsidy.

3. Will you please write also confidentially
to the manager of the F.I.C. stating
that I am seeking the approval of
the S.I.S. to a Govt. subsidy on the
real oil for marketing in order to bring
the price to a level in respect of which
it is understood that the Coy. will
finance operations. I have no doubt
that the Coy. appreciates fully the serious
labour problem with its reaction and
I trust that they will do what lies
in their power through reasonable means both
and the charges to ~~market~~ enable the
Sealing Company to produce oil at a
cost not exceeding the market price, without
having to call on the Govt. guarantee as
Govt. resources are being strained to meet
current demands

 20/4/39

- 111. Telegram No. 27 to S.S.S. of 20. 4. 39.
- 112. " " 28 " " " " " "
- 113. Letter from Hon. L.W.H. Young of 24. 3. 39.
- 114. Letter to Secretary, F.I. & Deps. Sealing Co., of 21. 4. 39.
- 115. Letter to Manager, F.I.C., of 21. 4. 39.

H. Red (113) Submitted.

MCH
C.S.
21. 4. 39.

Will you please send the enclosed reply to Mr. Young

W.H.M. 22/4/39

I understand from your telephone message this morning that (114) and (115) will not satisfy demands of the F.I.C. (114) is in strict accordance with what Captain Watson asked and the agreement as taken down verbatim and read to him is repeated. However we are prepared to go the full length i.e. guarantee £20 so a further telegram can be sent to S.S.S. saying W.I.C. etc. F.I.C. which is financing Sealing Company now at the

unconditional guarantee of £20 a
 ton. As the cost of producing the
 oil in 1927 last year of working
 was £23-15 a ton I advocate
 consenting to payment of £3 a ton
 in full unless a higher price than
 £17 a ton. can be obtained in
 which case the subsidy would be
 limited to amount necessary to
 bring total receivable by the
 Sealing Company to £20 a ton.

H.H.H. 22/4

Telegram No. 29 to S. of S. of 22. 4. 39.

(116)

Letter to Hon. H.W.H. Young of 22. 4. 39.

117-118.

Letter to Mr. R.W. Roberts of 24/4/39.

(119)

Minutes from Ag. Adviser of ~

(120)

H.

Red 120 submitted.

2. Does H. wish the
 Sealing Coy to get men
 through the Agric. Dept?
 The Secy of the Coy apparently
 takes some exception to
 this. It seems a matter

Yes

for mutual arrangement between the Agric. Adviser and himself. If he objects to certain men presumably Y.H. will not wish him compelled to take them. Our stipulation for the subsidy was that the Coy were to employ 30 men.

MCH
cl.
24. 4. 39.

Yes: the 30 to be from Stanley.

The stipulation was not made that the workers must be supplied by the Agric Dept and it w. be difficult to enforce. I see no reason for trouble; the A.A. can handle the matter

24/4

Agric. Adviser.
To note.

MCH
cl.
24. 4. 39.

Wm Col Sec
noted.

DAW
AA 25/4/39

(1207)

HA

Early

Hon. Treas.

Please see recs 111, 116
and 121 herein.

2. I should be glad to have
your advice on what is meant in
(121) by "maximum possible loss to
Govt in 1 year".

3. The subsidy of £3 is
limited to a production of 250
tons oil. The total subsidy
will therefore be £750. The
Season lasts 4 1/2 months.
As a set off against the £750
Govt. will save on labour about
£1500. In addition the
duty on 250 tons oil will be
£112-10-0 and the licence
fee £33-6-8.

It seems to me that if the
saving on labour is taken into
acc. Govt. will save £895.
If it is not taken into acc
then £750 subsidy, less duty
and licence fee (£146), would leave
a loss to Govt. of £604.

M.H.
et.

29. 4. 39.

Hon. Es

Submitted, with reference to your minute & our conversation of your date.

① I beg to confirm that, it seems to me from the second para of Red 121, the Govt views the project in the light of Revenue spent as compared with expenditure by way of Subsidy, & includes "savings" resulting from the transfer of labour costs. If, however, the latter are brought into the vista a "loss" is transformed into a "gain" as the following figures indicate:—
On the basis of 250 tons, with a subsidy of £3 per ton

	<u>Revenue</u>	<u>Expenditure</u>
Revenue	33-6-8	Subsidy £750
Duty	112-10-	
<u>Total Receipts</u>	<u>145-16-8</u>	
Less	£604-3-4	
	<u>£750 - -</u>	<u>£750 - -</u>

Savings in labour charges:—
 30 men for approximately
 20 weeks, @ £2-12-6 per man
 per week £1575.
DEDUCT Less as above 604-3-4
Net gain = £970 16 8

② Similarly, on the basis of 300 tons production & a subsidy of £1 10/- per ton on 250 tons

See correspondence culminating in Red 122 (Letter from Capt Roberts 28/4/39)

	<u>Revenue</u>	<u>Expenditure</u>
Revenue	33-6-8	Subsidy £500
Duty	135 - -	
<u>Total Revenue</u>	<u>168 6 8</u>	
LOSS	331 13 4	
	<u>£500 - -</u>	<u>£500 - -</u>

Savings in labour costs
based as in (1)

£1575 —

DEDUCT. Loss

331-13-4

NET Savings to Govt

£1243-6-8

~~Receipt~~
Receipt
20/4/39

Letter from Mr. W. W. Roberts of 28. 4. 39

123.

Telegram No. 33 to S. of S. of 1. 5. 39.

124.

Telegram from S. of S. No. 30. of 5. 5. 39.

P.H.
21/5/39.

(125)

Letter to Sec. of S. of S. Sealing Coy of 6/5/39. (126)

On Saturday 6th May 1939 the Reform League held a meeting at which 130 men were present to:-

- (a) Protest against the dismissal of certain men because they refused to go Sealing on the terms offered by the Sealing Coy.
- (b) To demand the re-employment of the dismissed men until the labour for the Sealing Coy was settled.

On Saturday night soon after his return from the Camp the Home Adviser informed me by phone that the Chairman of the League had asked him to meet the League Committee on Sunday morning.

I told the Home Adviser not to see the League Committee until I had seen him.

On Sunday morning Captain Flewce

informed me that the Chairman of the League had been to his house and had asked that I should see a deputation from the League that day as he the Chairman said that the meeting on Saturday was stormy and he was worried about the temper of the crowd (I was informed from another source they threatened to damage property). I informed Captain Hencer that I would see three of the officers of the League at 3.15 p.m. In the meantime I saw the Pyre: Adviser who accompanied me to the meeting.

At the meeting the deputation said that the dismissed men had not refused Seeling work but had refused to go for the wage offered, namely £8 per month and 2^d per barrel bonus. The League members of which 130 were present at the meeting on Saturday considered the terms offered inadequate having regard to the nature of and conditions under which the men had to work.

The Deputation asked that pending settlement about the

wages that the men dismissed
should be re-employed.

I made it clear to the
deputation that the Agric. Adviser
had acted in accordance with
the policy laid down by the
Govt, namely that if surplus
labour carried by Govt was
offered work in the Camp,
whaling or Sealing at reasonable
wages the man was put off,
if he refused the work. I
pointed out that for some
years past a man applying
for Govt work had to sign
a form on which was shown
what work he was prepared to
take either in the Camp,
whaling or Sealing.

The deputation replied that
this was not a case of
refusing the work, it was a
case of unreasonable wages.

I informed the deputation
that I had no power to vary
any Govt policy but as this
dispute hinged on the fact as
to whether the wages offered
by the Sealing Coy were
reasonable or not the men
put off would be re-employed
until the question was
settled and that H.R. the
Governor^{had} decided whether the
men should be dismissed
or not.

The League then alleged that certain men had been boycotted from obtaining work with the Sealing Coy. I replied that there must be some misunderstanding as to this as I had made it clear to the managers of the Sealing Coy that the Gov. was not interfering with employment by firms.

I concluded by informing the deputation that the matter would be referred to the Governor on Mr's return.

MCH
Ct.
7. 5. 39.

(127) Letter to Sec. G.S. & Dep. Sealing Coy of 8/5/39.

MCH
Ct.
7. 5. 39.

128-129. Letter and Memo. from Sealing Coy of 8th May 1939

The Agric. Adviser informed me at 11 a.m. today that the manager Sealing Coy and a representative of the G.S. Coy were with him and had pointed out that as the Sealing Coy had 200 tons of coal on the "Lafonia" settlement of the labour question could not be

postponed and the Sealing Coy
should know if they were to
get labour or not.

Accordingly arranged to meet
at 5.30 p.m. representatives of
the Sealing Coy, the Reform
League and the F. L. Coy. There
were present:

In the Govt:	Col. Peety
" " "	Ag. Adviser
In the Sealing Co.	Capt. Watson
	Mr. J. Robertson
	Mr. E. Crawford
In the F. L. Coy	Mr. J. D. Creaner
In the League	Mr. J. Barnes
	Mr. S. Lusston
	Mr. W. McAtamney

See notes attached. (Reel (134)-138)

mch

CS
9.5.39

Letter to Sec. Sealing Coy. of 9/5/39.
Minutes from Ag. Adviser of 8/5/39.

(131)

(132-3)

Confirmed.

mch

CS

9.5.39.

Submitted. The back of sheet 24 and onwards contains a note concerning an interview a deputation from the Reform League had with me regarding the terms of employment offered by the Sealing Coy. A further meeting was held on Monday 8th May when representatives of the Sealing Coy, Reform League and Sh. Co. Ltd were present, vide notes of meeting attached, refs 134 - 138.

2. At the interview Captain Watson had with me, I understood him to say that better terms would be offered the workers than formerly. Actually the terms offered are identical with those in 1937. At the meeting held on the 8th inst. the Sealing Coy said they were not in a position to offer the workers better terms.

3. It was suggested at the meeting that the Govt. might perhaps be prepared to consider a small amount to the wage offered. Prior to the meeting the Agric. Advisor also made such a suggestion and mentioned 10% a month. Captain Watson

told me some days earlier that if there was any difficulty he would consider raising the bonus by $\frac{1}{2}$ d per barrel. Had his Coy been able to do this there would not I think have been any difficulty over labour.

4. The position is that while the men have not refused sealing work they refused to go at the terms offered which they and the League consider insufficient. I agreed that the men should not be discharged until the question of wages had been settled and a final decision taken as to whether the terms offered were reasonable or otherwise.

5. Having regard to the representations made, I was not prepared in J's absence to give a definite decision that the Govt. considered the terms reasonable. In my own view and having regard to the fact that the majority of men employed by the Agric. Dept. are on relief work I consider the terms not unreasonable especially as the average earnings if production is good will exceed full time wages of £2-12-6 in Stanley. I understood from the Agric. Adviser that he agrees with this view.

A note on the average earnings on the terms offered will be seen in 129 A.

6. In the first instance Captain Watson was most misleading. He stated that in 1937 wages of £7 a month were paid. I discussed this with the Agric. Adviser and suggested the Coy should increase to £8 as men could not be expected to go for less than their earnings in Stanley. Captain Watson afterwards stated he had

made a mistake and that the men received the same terms in 1937 as now offered.

7. It is essential that the League and the men should be informed at the earliest possible moment of the decision of the Govt. All men then refusing to go will be discharged in conformity with the policy laid down by J.R.

MCH

10. 5. 37

I have received this today on my return from the West.

Mr. Weir and you have discussed this matter with me this afternoon and Mr. Watson attended for a time.

There is no doubt that existing conditions are arduous and living arrangements far from good; the effect of the additional work being done in Stanley by Govt. is inevitably prejudicial to outside work.

Mr. Watson for his Company states that the F.I.C. by reducing freight rates had enabled free victualling to be done and produced the scale this Coy is prepared to base this on.

It was agreed at the meeting
that having regard to the increase
to £10 of the price for oil and the
request coming to Govt. over the required
subsidy, Govt. could consider granting a
bonus of 1⁰ per barrel in order not
only the Coy. but the workers might
benefit by direct Govt. assistance.

Captain Watson stated categorically
that if the men would not accept the
addition of free victualling plus an additional
bonus of 1⁰ per barrel, he would refuse to
undertake operations as anything more
would be demoralizing.

It was agreed that no increase in
wage rates ~~should~~ by Govt. subsidy should be
sanctioned, that only men willing to work
under the proposed revised conditions should be
employed by Govt. if there were no realising operations.

I authorized you with your own
and Mr. Weir's full concurrence to make the
offer of 1⁰ per barrel subsidy to the workers
up to a total of 250 tons or 1500 barrels.
Time does not permit of reference to the A.A.

12/5/35

Arranged to meet League
deputation at the C.S. office at
5.30 p.m. ^{Wed}
12.5.39.

Met deputation. The Assoc. Advisor
was present. I informed the
members that the Sealy Coy
were prepared to offer certain
virtually free. Scale offered by
the Coy was shown to the
deputation who expressed themselves
as satisfied. Mr. Barnes given
copy of the scale.

I then informed the deputation
as in A.C.'s minute regarding
the granting by the Gov. of a
1d a barrel bonus to bring the
total bonus up to 3d a barrel.
I made it clear to the deputation
that only men willing to work
under the proposed revised
conditions would be employed by
Gov. if there were no scaling
operations. I also stated that
if men refused to go it
would result in single men being
put on part time again.

I made it clear that the
additional 1d per barrel the
Govt. was prepared to grant so
that the workers might benefit
by ~~to~~ direct Govt. assistance
referred to a production up to
a total of 250 tons or

1500 barrels and that production
beyond this would be at the
Sealing Coy rate of 2^d a barrel.

The deputation appeared quite
satisfied regarding the revised
conditions communicated to them
and the Chairman of the League
(Mr. Barnes) said a meeting of
the League would be called at
the earliest possible moment in
order that the men could be
informed of the revised conditions.
The Chairman stated that he would
inform me of the result on the
termination of the meeting.

MCH
C.
12.5.59.

Informed today by the Sealing
Coy that the labour question
had been settled and that
the expedition would proceed.

MCH
C.
15.5.59.

Captain Watson saw me today and
said the Hs. Coy understood the
subsidy of £2 a ton would be
paid on full production and
not limited to 250 tons. I
pointed out that his Coy had
asked for the subsidy of 250
tons and the authority of the
S. off. had been sought for
that quantity only.

I told him I would explain this
to the Hs. Coy. I thereupon sent
a note to the Managers Hs. Coy
regarding the above.

MCH
C.
15.5.59.

Reds 114
and 126 to
the Sealing
Coy are quite
clear

- 139 - 140 Draft license and conditions
- 141 - 142 Letter from Sealing Coy. 15.5.39
- 143 - 144. Letter from Mr. Roberts, Manager
Hs. Co. Ltd 15.5.39.

Submitted together with
my note of the 15th May on
the back of sheet 29.
Although no mention was
made in rcds 115 and 119
regarding a subsidy on a
limit of 250 tons, rcds 114
and 126 to the Sealing Coy
make the matter quite clear.
The Sealing Coy and not the
Hs Coy were negotiating with the
Govt and it must be assumed
that the Sealing Coy informed
the Hs Coy of the contents
of 114 and 126.

2. What the Sealing Coy
and the Hs Coy is asking is
that the subsidy should be
extended to production beyond
250 tons. Extended subsidy
up to 300 tons would cost
£100 more. If there is a

possibility that the Sealing Coy will carry the extra penny bonus as appears indicated in the concluding page of red 141 then the Govt. would save the 1st bonus as promised on 250 tons to the workers, or a total of £ 187.

3. It seems to me that the whole matter has been mismanaged by the Sealing Coy for the following reasons:-

1. That they applied for a subsidy on 250 tons only.
2. That they were clearly informed both verbally and in writing that the S. of S.'s sanction had been sought for 250 tons.

Despite the foregoing they have apparently lead the Sealing Coy to believe that the subsidy would be paid on all production. When the manager of the Sealing Coy received red 126 he came to see me and asked if the subsidy could not be applied to production beyond 250 tons. I told him it was open to his Coy to make representations.

Wrest

16.5.59

2.45 p.m. Captain Watson has just informed me by phone that the Sealing Coy will not let him proceed unless they are certain additional subsidy will be paid beyond on 250 tons.

Wrest

16.5.59

*

H. C. S.

All most unprofitable factory.

The manager F. I. C. should be informed now that I have no power to authorize the ^{further} subsidy, ~~in the amount of~~ I am prepared to seek the approval of the S.C. to an increase but I feel sure ~~that it is not~~ as from a previous communication from the S.C. on this subject that he would not approve of an unlimited subsidy. I would ask for approval of up to £1000 the cost of 2 a ton on 300 tons plus 1 a barrel on 300 tons with sufficient for £2 on a further 80 to 90 tons on £3 on some 50 tons.

If Mr. R. has any doubts please ask him to see me ~~at~~ 10/5

300 tons @ £2	£600
1d a barrel on 300 tons	£225
£30 men	
£87 tons @ £2	£174
	<u>£999</u>
£58 tons @ £2	

* If more than 360 to 390 tons produced I will approach the S.C. for a further subsidy if necessary

S/O Letter to D. W. Roberts, Esq., of 17/5/39.

(145)

Mr Roberts asked by telephone if he could see Mr. the Governor regarding read 145.

MCH
C.S.
17.5.39.

With draft/telegram which should be today so marked as to ensure early attention

MCH 17/5/39

Letter to Secretary, F. Is. & Deps Sealing Co, Ltd, 17.5.39. 146.

Telegram No. 35 to S. of S. of 17.5.39. 147.

MCH

MCH
17/5/39

Telegram from S. of S. No. 32 of 20.5.39.

(145)

Yr. Submitted. Inform Mr. Coy had ✓ Yes and Sealing Coy?

2. There is difficulty in getting a person suitable as Sealing officer. I am informed that Serge. J. T. Harris of the F. D. F. is an intelligent person who can be fully relied upon to carry out his instructions. He has been employed for some years as a ganger in the P. Works Dept.

MCH
C.S.
22.5.39

Very well. Let him be appointed.

Letter to Mr. J. F. Harris of 29/5/39 155-156.
Letter from Sec. Sealing Coy. of 27/5/39. (157)
Govt. notice no. 35 of 31/5/39. 158.

H.
Red 157 submitted.
MCH
31.5.39.

31/5/39
8A
31/5/39

H. I have been asked by the Sealing Office whether the Coy may take sea leopards. These are a species of hair seal. In 1937 the Coy took 7. I can find nothing against taking leopards and would regard them as coming in the category of hair seal.

2 In condition 11 of red 151 the Sealing Coy is required to fully maintain the Sealing Office. I take this to include the provision of bedding which they do not appear inclined to provide.

MCH
1.6.39.

Secretary Sealing Coy
Suii Shokken regarding
bedding - will arrange
for this. MCH

Let sea leopard be taken
Of course bedding is to be provided

and the Coy. should be informed that the Sealing Office has been instructed to report immediately the occurrence of such conditions of discomfort as were complained of by his predecessor in 1937 through leaky decks and evil smelling bilge. As it is not yet permissible that be allowed to expand to any avoidable hardship or discomfort

~~TTTTT~~ 4/6/35

159. Letter to Secretary, F.I. Depts Sealing Co., of 2.6.39.

pa.
2/6/39

(160) Letter from Sec. I.I.R.L. of 5/6/39.

This refers to ref 132. Certain men were put off because they refused to go at the original terms offered by the Sealing Coy. I asked that they should be reinstated pending settlement of wages etc. The few men involved might perhaps be paid

Department, agreed to go scaling if such employment offered, the agreement necessarily signified scaling at the usual ~~scale~~ wage rates.

Otherwise the agreement is obviously entirely valueless and without meaning.

The Agricultural Department were bound therefore to turn off work such men as refused to accept scaling employment when it offered. They could have accepted and then protested against the ~~scale~~ scale of pay. Their protests would have been examined and I would certainly have decided then as I did when the matter came to my notice that certain increases were justified having regard to all conditions.

I appreciate to the full the feelings of workers affected that if they were accept an offer of private employment at the standard wage it might be very difficult to get an increase in wages subsequently but this risk must be taken when employment is specially provided by the Agricultural Department and accepted. It follows that it is not possible

to pay the men who were fortunate
enough to be reinstated, for the time
when they were off work.

Please add to the letter
that this matter illustrates the
strong desirability of closer contact
between the Government and labour
in order that a better understanding
may be reached. Misunderstandings
concerning conditions of work and wages
may be avoided in future. Certain proposals
will be ~~taken~~ ^{referred to the LEAGUE} with this object during
the present winter season

MCH 9/6/39 ✓

Minutes to Ag. Adviser of 10/6/39.

(161)

Letter to Assist. Secretary, F.I.R.L., of 12.6.39.

162-163.

Informed by the Agric. Adviser
that the 9 men mentioned in
red 132 signed a form
agreeing to go Scaling.

MCH

12.6.39.

Minutes from Ag. Adviser of 12/6/39. 164-165.

Agrie: Adviser.

Thank you. Please
see correspondence herein.

McH
c/s
13.6.39.

Hon. Col. Sec.

Correspondence see.

I have the honour to note with
much satisfaction that H.E. in
minute dated 9/6/39 indicates
the strong desirability of closer
contact between the Government
and labour.

DAW
A.H. 20/6/39

✓
Submitted. A specimen
of the application form
is at recd 164.
McH
c/s
21.6.39.

Thank you

~~tttt~~ 22/6

P.A.
McH

(166)

S. of S. desp no. 53 of 31/5/39.

Jh.

Submitted. The frame of the Govt. of Subsidy and bonus is shown in red 149.

Inform the S. of S. accordingly?

WCH
CS

19.7.59.

I fear that (147) was not sufficiently clear. It can be supplemented to the S.S. the additional amount was to cover the bonus up to 300 hrs N.

~~WCH~~ 19/7/59

Despatch to S. of S. no. 91 of 26/4/59.

(164)8.

Jh.

Draft despatch Submitted.

WCH
CS

27.7.59.

~~WCH~~ 27/7/59

Jh.

Despatch Submitted. May I venture to say that I am not clear as to how the £48 mentioned in para. 4 is arrived at.

WCH
CS

28.7.59.

~~WCH~~
~~CS~~
~~28.7.59.~~
~~WCH~~
~~CS~~

C.S.O. No...139/34.

Inside Minute per.

Sheet No... 36

H.C.S.

The second page of the despatch had better be altered as shown.

(The story about the labour was given me by W. Lowe)

~~ttttt~~ 28 July 29

JH

Despatch resubmitted.

W.H.
et

29.7.59.

~~ttttt~~ 29/7

~~ttttt~~

JH

Mr J. Robertson a Director of the Sealing Coy informed me that his Coy had decided to close Sealing operations as they were working at a loss owing to the poor condition of the Seal.

W.H.
et

15.8.59.

A.A. identified

~~ttttt~~ 16/8/59

Agric: Adviser.

To see.

MCH
CJ

16. 8. 39.

Hon. Col. Sec.

Seen

Jan

AA. 14/8/39

Letter from Managing Director of 28. 7. 39.

(169)

28/7/39

M. Submitted. The information asked for in para: 4 can be furnished.

MCH
14. 9. 39.

Plan

14/9

Letter to h. W. H. Young, Esq. 16. 9. 39.

(170)

MCH
C.S.

P.A

Letter from Secretary, F. Is. & Sepr. Sealing Co, Ltd. 24/1/40 (171)

Inside Minute Paper.

Treasury.

Please check claims with
Correspondence herein.

MCH

26. 1. 40

Steel Co.

Submitted.

Is not the payment asked
for subject to the results of
Govt Audit, please (vide
Red 114 herein).

MCH
26/1/40

(172) Letter to Sec, F. Is. a Deps. Sealing Co, of 29/1/40.

Above sent in error. From
Red 119 the Sealing Co was
to receive payment of £3 a
ton in full unless a higher
price than £17 a ton was
obtained. Question of audit
mentioned in red 114 does
not appear to arise.

MCH
26. 1. 40

Manager F. Is. Ltd spoken
regarding claim made by
Sealing Co in regard to
the price received as shown
by the W. Sales of £18-10-0
and £17-10-0 per ton and
the amounts of £18 and £17

173-174.

Shown in the claim of the Sealing
Co, red (171). He explained
that the difference of 10/- in
each case was for the drums
(90 gallon drums).

The Manager followed this
up with the attached note
and a copy of a letter which
was addressed by him to the
Sealing Co on 13th May 1939.

M.H.

9. 2. 40

Submitted. Claim of the
Sealing Co is in red (171).
do not know that Audit is
necessary - as from (119) the
Company were to receive a
Subsidy of £3 per ton, unless a
higher price than £17 per ton
was received. They have put
in the Account Sales showing
prices realized. It would appear
however that the claim for
oil still at Albemarle should
be omitted.

M.H.

9. 2. 1940

~~Account Sales~~
The outlay
is paid on the weight of oil as shown
in the Account Sales. No pre Audit
is necessary. The Treasury papers bills
for payment in the ordinary way. They
have properly called attention to (114)
but more is said than was intended

~~9/2/40~~
9/2/40

Inside Minute Paper.

Treasury.

To note. A S.W. will be
taken out to cover.
mch
9.2.40

Head

Noted - Thank you.

~~edit~~
14/2/40

(175)

Letter to Secretary, F.I.s. & Deps. Sealing Co., of 19/2/40.

~~17/2/40~~
2cd 148

Sealing Subsidy not exceeding
£1000 approved by the S. of S. in
telegram No. 32 of 20th May 1939.

F.S.

This will have to be met
under a new item Head
XVII Miscellaneous?

mch
9.5.40

N. to S.

Noted.

~~17/2/40~~
9.5.40

P. W. Submitted in
C.S. 5/1939. mch
C.

~~17/2/40~~

F.H.

With reference to your minute in C.S. 5/39, the quantities of oil shown in red 171 were verified in this office and in the Treasury from the Account Sales produced by the Sealing Coy, with the exception of 16 tons which is still at the Sealing Station.

2. If you wish to see the Account Sales, please communicate with the Sealing Coy.

3. In his report, red (178) the Sealing officer states, 122 tons were produced. The Sealing Coy claim subsidy on about 7 tons less. The difference is due probably to difference in quantity as ascertained in the U.K.

4. The S. of S. approved payment of subsidy on the production, vide red 166.

WCH
14 5. 40

H. C. S.

Thank you very much. The point I wanted to raise seems to have been satisfactorily cleared up.

2. The Report - red (182) - is very interesting, and it would appear that if certain weaknesses could be remedied there may be some future for the industry.

WCH
15. 3/40.

Inside Minute Paper.

183. Letter from Penager, F.I.C., of. 14/3/40.

M. C. H.
S.

Govt. Nat. Hist.

P.P.
16/3/40

(167) states a false report with a date to S. of S. - This appears to have been overlooked. ∴ I submit (182) for your remarks to, prior to sending that belated report, due undoubtedly to the law.

A.P. 4/11/40

A.C.S.

Observation herewith please.

(184)

J.P.A.
S.M.

10.071.40

Y.E.

A despatch in draft with to submitted on return of this M.P. in accordance with (183) (166/7/8)

A.P. 11/11/40

~~Handwritten scribbles~~ 11/7

A.C.S.

- J.P.A. A.P. 11/11/40

185. Despatch No. 89 to S. of S. of 19.7.40.

Y.E.

Submitted for your signature, please.

A.P. 19/11/40

I have amended the despatch as it was ~~submitted~~

I now think that we sh. not appear
to overlook what appears to be
a serious mismanagement.

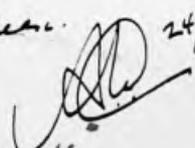
2. The report was furnished
promptly enough and there was
unexcusable delay in not forwarding
it to me at the time. Even at
this late date Mr. Harris should
be thanked for his excellent report.

3. Incidentally the report sh.
have been sent to the Sealing Coy
for any explanation the manager
(Captain Watson) wished to give for
the ^{poor} ~~poor~~ ^{defects} ~~conditions~~ and results.

4. I visited the operation
shortly before they closed down. My
recollection is that Captain Watson
then stated that ~~the~~ all the seals
taken were in miserable condition
— apart from this there is every
indication of bad management.

~~W.H.H.~~ 20 July '40

Y.E. For your signature, please.

P. O. substitute the report
for the last this  24/7/40

 24/7/40

- 186. Letter to Manager, F. Is. & Deps. Sealing Co. of
- 187. letter to Chas. J. J. Harries of 24. Y. L. Co.

P.A

(188)

For L

For purposes of record - The William
 Secresty carried out an inspection
 of the seal rookery islands in the
 Jason Island group & found no evidence
 that the seal on these islands were
 being disturbed by poachers.
See M.S. C/S/44.

Dr.

Note: There is a summary
 dealing with a proposed
 monopolistic licensing
 in 21/45. 7-iii-45

Call

13/44

10th August 1921

The Hon. Col. Secretary
Port Stanley

Sir,

I beg to forward herewith a brief summary of sealing operations up to today's date.

Weather conditions have been adverse and together with the "flee" we have been able to go sealing on 18 occasions since 3rd July.

The total number of seal killed during this season to date are 1,956.

At times seal have been scarce. Other times the state of the Islands prevented the grouping of seal. It was too slipping to get the seal up from the beach & consequently our catch would be small.

Mr Watson has not informed me how much oil has been produced.

I have the honour to be

Sir,

Your obedient servant,

G Brechin

Sealing Officer

refusal was, scarcity of seats.

It is obvious Sir, that if men are engaged as
from Stanley the corresponding number are found
employment by the Government in here, & the members
of the League hope that His Excellency will not allow
his wishes to be ignored in future.

The Hon
Colonial Secretary
Stanley

I am Sir
Your obedient servant
W. J. W. Atkinson
Hon. Secretary

18th August,

Sir,

Red 5

With reference to your letter of the 12th of August, 1937, regarding the employment of labour by the Falkland Islands and Dependencies Sealing Company, I am directed by the Acting Governor to inform you that although the Company were requested to employ men from Stanley and not from the Camp the conditions of the licence provide only that the Company shall employ Falkland Islands labour and they have complied with this condition.

2. I am to add that consideration will be given in any future licence to inserting a condition that the Company shall not take men who have work on camp stations.

3. His Excellency has been further informed by Captain Watson, the Secretary of the Company, that the two men, to whom reference is made in your letter, came in from camp and applied for work but were told by Captain Watson that he already had more than sufficient men.

I am,

Sir,

Your obedient servant,

J
Acting Colonial Secretary.

A. W. McAtasney,
Secretary,
Falkland Is. Reform League,
STANLEY.

The Falkland & Dependencies Sealing Co.Ltd.

7

Kelvin House,
August 13th 1937.

Sir,

I have the honour to report that up to the present the Sealing Season at the Albemarle Station has been a bad one and we have made little Oil compared to other years.

The reason for this is ^Nmaily due to the very rough weather, the scarcity of seal, and finally the time lost with the Flu or influenza.

Under the above conditions I beg to apply for permission to take Elephant Seal up to the end of September.

I have the honour,

to be,

Sir,

Yours obediently,

B.R. Loadson.

Secretary Sealing Co.Ltd.

Honourable,
Colonial Secretary,
Stanley.

DECODE.

8

TELEGRAM.

From His Excellency the Governor.

To The Secretary of State for the Colonies.

Despatched : 24th August, 19 57 *Time* : 15.45

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

No. 59. Your telegram No. 82 of 1st September the Falkland Islands Sealing Company have applied for permission to take seal elephants until 30th September. It is recommended that they be authorized to do so subject to limit of 500.

GOVERNOR.

MCLEOD. Wants overtime. Refused to go sealing on Sundays unless overtime was paid. Likewise wanted overtime for working seal at night.

Contract read to him by Mr. Watson who pointed out that whether contract was signed or not it was binding, and that McLeod has broken same by refusing work. Mr. Watson gave him 10 minutes to get off "Fort Richard."

ROBSON. Not going to work unless paid overtime.

WATSON. You get a bonus in lieu of overtime.

ROBSON. We work on beach for that at the islands.

WATSON. You refuse to go out this morning.

ROBSON. We did not refuse to go out but that did not mean that they would work seal when they went out.

C. ADAIR. I would point out to you that that would be a serious matter and would amount to mutiny.

WATSON. Is this all the greivance.

ROBSON. Yes.

WATSON. It is not in my power to pay overtime for sealing only for work at a visiting ship.

ADAIR. I suggest that the men be given half hour to talk matters over between them.

WATSON. I recognize ship is short handed.

WATTS. Want overtime for Sundays and for working seal at the Station after suppertime.

WATSON. You have worked here two or three seasons and then read contract to him. I wish you to consider the matter whether you have signed contract or not you agreed to come out on same terms as last year. By refusing w you have broken agreement.

WATTS. I have never seen an agreement.

WATSON. You can be sued for a months wages and for the money paid in allotment in Stanley. I reserve the right to do this.

WATSON. What is your greivance. Did you refuse to go out to

ANDERSON. No. I did not refuse to go out.

WATSON. Who asked you to go out.

ANDERSON. The Mate. We thought it best to let the Captain know before we went out that we wanted overtime for working seal on Sunday.

WATSON. Did you refuse to work today under the same conditions you had been working.

ANDERSON. Yes, under the same conditions.

WATSON. Why did you accept these conditions in early part of season.

ANDERSON. I cannot answer that question.

WATSON. You are under agreement whether you have signed or not, and then read contract to him. "What you have done by refusing duty this morning terminates your agreement and I reserve the right to sue you for a month's wages. Watson then went on to explain how seal were plentiful now and that this was their opportunity to make extra oil money and stated that he Watson was prepared to split the wages of the man short between the crew.

WATSON. What is your grievance.

HALLIDAY. I come to see if I could get Overtime.

WATSON. Why not have come and seen me in this manner before now.

HALLIDAY. I went with the crowd.

WATSON. Did you refuse to work this morning.

HALLIDAY. No I would have gone out if overtime had been paid.

WATSON. Who organized this.

HALLIDAY. The Crowd.

JENNINGS. This is your third season and you knew the conditions of work why bring this up now.

WATSON, then explained similar to Anderson and reserved the right to sue for months wages.

After the expiry of Half hour time Jennings went to call the men down again. They asked Jennings to convey to Mr. Watson their decision that they would not work seal on Sundays or after supper unless overtime was paid.

STANLEY,

23rd August, 1937.

Sir,

I have the honour to report that several men have left the "Port Richard" and returned to Stanley.

2. It appears that trouble has been brewing for some time but I felt it my duty as Sealing Officer to leave the matters in dispute between the people concerned i.e. the Employer and Employees as it seemed to me that any disputes of this nature are outside my province.

3. I was asked to attend interviews between Mr. Watson and the men and this I did do. I attach a copy of the questions put and the answers given and on which I offered no comment. I may say that Captain Adair of the s.s. "Fitzroy" was also present.

4. Apart from these answers and questions I have heard the men from time to time complain about the inefficiency of the apparatus and equipment which is supplied to carry out the work and I am of the opinion that through the lack of proper equipment the men are compelled to work longer hours than would be necessary with good and efficient equipment.

5. I may instance that the winch on the "Port Richard" is capable of handling from the sea to the "Gwendoline" about 60 seals per hour whereas the shore winch, apart from doing only 35 to 40 seals per hour, is continually going out of order and I have known an instance when the winch has been unworkable for as long as four days when the Capstan on board the "Port Richard" has been

The Honourable
The Colonial Secretary,
STANLEY.

taken into use. Even when the Capstan was used there was no supply of ~~line~~^{blocks} which meant taking some of the rigging off the "Gwendoline" before operations could continue.

By the time line was secured and some of the blocks which broke had been replaced much additional work was involved.

6. It seems to me that the lack of spare parts for the winch, satisfactory strong ropes and bad equipment such as blocks, etc., contribute greatly to the cause of the dis-satisfaction amongst the men at present.

I am,

Sir,

Your obedient servant,

G. Brechin

Sealing Officer.

Stanley, 23rd August 1937.

Sir,

I regret having to report that, after facing many difficulties in getting the sealing operations started for this season at Albemarle, repairing equipment, being held up by the influenza epidemic, and also to the lack of sufficient seals on the beaches, I had hopes of being able to get operations into full swing this week end, but owing to the influence of an agitator, who I believe is not a native of the Falkland Islands, a certain number of the crew of the s.s. "Port Richard" refused duty yesterday morning, Sunday the 22nd of August.

There were five grown men involved in this strike, and the conditions under which they were engaged by the Sealing Company were as follows:-

Wages. Monthly wage £ 7.--
Plus allowance for victuals 1.-- Total £8.--.--

Bonus. To be calculated at 2d. per barrel of oil produced during the whole of the season, or time worked.
As the company anticipates producing about 1800 barrels, the bonus would run into about £15.- per man, and on a four months season that would represent an extra income of about £4.- per month per man.

Working hours.

The understanding is that the crew are liable to work at all hours, including Sundays, the bonus on oil compensating them for any extra time they may put in over and above a normal day's work. On the other hand when seals are not plentiful, or the shore station has more seals than they can handle, the working hours are automatically cut down, and slack days compensate for heavy working days.

Most of the crew have worked under these conditions previously and they are perfectly well understood.

The men's Demands.

On instituting enquiries as to the reasons

for refusing duty on Sunday morning, each one of the men was interviewed separately by the writer, in the presence of Captain Wm. Adair and of the Sealing Officer appointed by the Colonial Government.

The demands of the dissatisfied men were as follows:-

- a) No work to be done on Sundays.
(In this connections no religious principles were adued.).
- b) Overtime money to be paid in the evenings if they came in late with a load of seals and same had to be discharged.
- c) If any work had to be done on Sundays, overtime to be paid.

Contradictory reports.

I have learnt that a report has reached Stanley that the men have struck work because of extra heavy duty owing to a steam winch having broken down.

It is perfectly true that a steam winch did break down, but it was repaired fairly promptly.

When the men refused duty they said nothing to me about this trouble with the winch.

Names. The men involved are :-

- Walter Watts
- Edward (Ted) Robson
- Ivander McLeod
- John Andersen
- Jock Halliday

The last named has since repented of his attitude and has re-engaged for duty.

This strike has been brought on just at the very time when the company was going into full production, everything on the station is in good working order, and seals, after having been very scarce, are now obtainable in large quantities.

Every hours interruption at this time entails a serious loss to the company, and also entails a loss of bonus to the men who have remained loyal to their employment

ACCOUNTS. I regret I shall be unable to settle the accounts of the men that have struck work - this, I regret, will have to remain over until I return from Albermarle at the close of the season and have the books made up and audited.

I trust that I have made this report perfectly clear, and remain,

Yours faithfully, *E. Watson*
Secretary to F. & D.S. Co. Ltd.

The Hon. The Colonial Secretary
Stanley.

Aboard "Port Richard"
21st August 1937

To

The Hon. Col. Secretary
Port Stanley.

Sir,

I beg to submit herewith a report of sealing operations during the period Aug 11th to 21st inc.

The seal commenced to haul up on the Arch Island group, in large numbers on 12th Aug. Weather conditions, apparently, discouraged the seal from going amongst the tussock, but the beaches were thronged with seal and reminded me of the beach at Margate on a holiday.

Once the snow disappeared, the seal went into the tussock and we made several good catches.

Stephen's Bluff, or 10/- Bay Islands, were visited on Aug 16th but with little success. Only 16 seal were obtained.

The 17th & 18th were rainy days and unfit for sealing.

Aug. 19th & 20th catches of 174 & 189 respectively were made.

No sealing has been done today.

Yesterday, Sandbay Island was visited, and once ashore it was decided that only one end of the Island should be gathered. Seal were to be seen all over the island. We gathered the chosen end & after the seal were bunched together, an operation which took about 1 hour, on looking back to where we had taken the

the seal from, I was amazed to see the seal as numerous as ever. Fresh seal had hauled up as soon as we came away and made room for them.

The Sealing boys are shipping oil by the SS "Fitzroy" this time. The quantity is uncertain, and I cannot inform you in this report. Mr Watson thinks there will be more than 100 tons of oil to ship.

Weather conditions seem to be more favourable for sealing and there is every prospect of the Expedition being successful before the close of the season

I have the honour to be,
Sir,

Your obedient servant
G Brechin
Sealing Officer

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched : 6th September, 1937. *Time* : 21.48.

Received : 7th September, 19 37. *Time* : 1100.

No. 74. Your telegram No. 59 Sea Elephant I agree.

SECRETARY OF STATE.

Red 8

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

Number	Office of Origin	Words	Handed in at	Date
				9. 9. 37.

To

SEALING OFFICER,
ALBEMARLE.

LICENCE HAS BEEN GRANTED FOR COMPANY TO TAKE 500 ELEPHANT SEALS.

COLONIAL SECRETARY.

Time

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

Stanley.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

20th September, 1937

Sir,

Mr. D. Watson, Manager, Falkland Islands and Dependencies Sealing Co. Ltd, informs me that he would be prepared to work sea-elephants if a license could be granted permitting him to take them between 15th November 1937 and 31st January 1938 and he requests me to approach you on behalf of the Sealing Company.

If this is sanctioned, please also grant us a license for Lafonia which I should then permit the Sealing Company to work.

As arrangements have to be made for labour, drums, coal etc., I beg to request that you will favour me with an early reply.

I am,

Sir,

Your obedient servant,

[Handwritten Signature]

Manager.

The Honourable
The Colonial Secretary
Stanley.

DECODE.

TELEGRAM.

From Huburson, Buenos Aires.

, To His Excellency the Governor.

Despatched : 19th September, 19 37. Time : 1730.

Received : 20th September, 19 37. Time : 1100.

Am interested buy any quantity wet sorted tanners seal
skins three to twenty five kilos could your Excellency
connect me with local hunters concessionary.

HUBURSON.

J. H. Sealings Coy.

GOVERNMENT TELEGRAPH SERVICE. (20)

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

Number	Office of Origin	Words	Handed in at	Date
				23. 91 37.

To
HUBURSON
BUENOS AIRES.

YOUR TELEGRAM 19th SEPTEMBER YOU SHOULD COMMUNICATE WITH THE
FALKLAND ISLANDS SEALING COMPANY.

COLONIAL SECRETARY.

Time

139/37.

27th September, 37.

Sir,

Med. 18

With reference to your letter of the 20th of September, 1937, I am directed by the Acting Governor to inform you that the taking of the 500 elephant seals authorized by the Secretary of State can only operate to the 30th of September, and again during the month of December, and that it is regretted that no authority can be granted for taking the species during October, November and January.

I am,

Sir,

Your obedient servant,

[Signature]
Acting Colonial Secretary.

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

DECODE.

TELEGRAM.

From Mr. Brechin, Sealing Officer, Fox Bay,

To Colonial Secretary.

Despatched : 4th October, 1957. *Time* : 2300.

Received : 5th October, 1957. *Time* : 1100.

Sealing Operations closed down. Expect to arrive Port
Stanley Wednesday p.m.

BRECHIN

SEALING OFFICER.

Port Stanley
7th October 1937

Sir,

I beg to report that sealing operations are finished and that I returned to Port Stanley on the 6th inst.

I have not been furnished with the necessary information regarding production of seal oil to allow me to submit my report.

As soon as I get this information from Mr Watson I will forward my report

I have the honour to be

Sir,

Your obedient servant

G. Brechin

Sealing Officer

The Hon. Col. Secretary
Port Stanley.

(23.)
The Falkland & Dependencies Sealing Co.Ltd.

Kelvin House,
October 20th, 1937.

Sir,

My Directors have instructed me to inquire when we may expect a reply to our repeated applications regarding the matter of a Sealing and Whaling license for a term of years.

I have the honour,

to be,

Sir,

Yours obediently,

B.R. Watson
Secretary to board of Directors.

The Honourable,
The Colonial Secretary,
Stanley.

DECODE.

TELEGRAM.

From His Excellency the Governor,
To Secretary of State for the Colonies.

Despatched: 21st October, 1937 Time :...
Received :... .. 19.. Time :..

No. 72. Following for Sir Henniker Heaton Falkland Islands Sealing Company enquiry regarding their application for a licence for a term of years and whaling grateful to be informed of decision taken.

GOVERNOR.

247

The Falkland & Dependencies Sealing Co.Ltd.

Kelvin House,
Stanley,

19th, October 1937.

Oil produced at Albemarle Station during 1937 Season.

June	27 barrels	of 40 galls each	165 Seal.
July	280		1363
Aug.	538		2195
Septr.	768		3313
Octr.	54		244

Total	1667 Barrels	Total	7285 Seal.

The Oil is stored in 759 Drums of about 40 galls each.

Total weight Nett. 277.945 Kilos

Oil is carried for freight at 1000 K's to the Ton - but sold at 20 cwt - therefore there may be a difference in number of barrels when the sales sheets come from London.

L.R. Swanson
Manager for 1937 Season.

30

Report on Sealing Operations of the Falkland Islands
and Dependencies Sealing Company, Ltd., for season June-
October, 1937.

I left Port Stanley aboard s.s. "Port Richard" on 17th June and proceeded to Speedwell Islands, where we anchored about 3 a.m. on the 18th. The "Port Richard" made a run over to the wreck of the "Port Albemarle" during the day and a boats crew boarded the wreck, bringing back with them a lifeboat which was put aboard the "Port Richard". This lifeboat was brought to Stanley when we returned at the end of the season.

Returning to Speedwell Island we anchored for the night, leaving on the morning of the 19th with one man, engaged from the staff of Speedwell Island, more than we left with from Stanley. We arrived at Albemarle on the afternoon of 19th.

The Station was not in working order, although the "Gwendolin" had arrived at Albemarle some 5 days before us. During the next few days, everybody, ashore and afloat were engaged in putting the station into a state of preparedness for sealing to commence.

On June 23rd the "Port Richard" steamed away for Spring Point. The reason for this voyage was for the purpose of ~~careening~~ the vessel to permit of repairs to her rudder, and, to allow the Engineer to examine various inlet valves placed in the bottom of the vessel. Stormy weather and poor tides, however, prevented the work deemed necessary being done. A zinc bar was renewed at the top of the rudder but the Engineer was unable to inspect the valves.

We left Spring Point on 27th June, taking 2 labourers from Farm to work at the sealing station, and arrived at Albemarle the same day.

Sealing actually commenced on June 28th and continued intermittently until October 2nd. Weather conditions were adverse during the first half of the season. The seal did not haul up amongst the tussock, as they usually do, but preferred to lay scattered along the beaches. The catch, during this time, was therefore smaller than in previous seasons. When the weather improved however, the seal became very numerous and the second half of the season produced more seal than in any previous season over a similar period.

The table herewith shows the monthly total of seal taken off each rookery.

<u>Month.</u>	<u>Rookery 1.</u>	<u>Rookery 2.</u>	<u>Rookery 3.</u>	<u>Rookery 4.</u>	<u>Rookery 5.</u>	<u>Total.</u>
June	-	165	-	-	-	165
July	545	499	63	217	39	1363
August	1064	788	287	56	-	2195
September	169	232	67	155	2695	3318
October	-	-	-	-	244	244
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1778	1684	417	428	2978	7285
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Reference Numbers of Rookeries are

Rookery No. 1 The Island known as North Arch Island.

" No. 2 " " " Sandbay "

" No. 3 " " " Rookery Island.

" No. 4 The Islands at Stephen's Bluff known locally as 10/- bay Islands.

" No. 5 The 3 rookeries at Cape Meredith.

The total number of seal slaughtered was 7285. This number includes 18 carcasses lost overboard through ropes breaking and also 22 seal that died on the track during driving at Cape Meredith, the carcasses of which were left laying wherever they died.

In the vicinity of North Arch Island, on three occasions I observed Sea Leopards attack and kill seal. The leopards attack the seal in numbers. It appears to me that their

method of attack is to tear the flippers off the seal firstly, presumably to lessen the seal's swimming powers, and then devour the blubber from the throat of the seal. On two occasions I saw Leopards attempting to feed off the carcass of the seal as they were being towed off the beach to come aboard the Port Richard. On one of these occasions the leopard was hoisted to the level of the vessels' rail before it let go of the carcass.

The driving of seal and method of slaughtering them is quite humane, on the tussock islands. At Cape Meredith however, there are three distinct rookeries and the farthest away one, about $2\frac{1}{2}$ miles from where the Port Richard anchors, is in my opinion rather too far to drive seal unless in small numbers. My opinion is based upon the following observations. On one occasion we gathered about 500 seal in a bunch. Ere we could get these seal started away in the right direction, they were bunched together for nearly one hour, scrambling over the top of each other and all of them facing the centre of the group. After we got them started away they scattered a bit and travelled fairly good. Frequent halts were made and no undue forcing took place. Before we reached the Port Richard 15 of these seal commenced vomiting and died. The actual time of driving this $2\frac{1}{2}$ miles was $4\frac{1}{2}$ hours. From the same rookery on 5 other occasions we took seal varying in numbers from 85 to 198 and although less time was taken in ~~driving~~ driving there was no more than 2 seal died during any of the drives. I do not think it is the long drive that does them harm. It is the milling about a top of each other whilst in large droves that exhausts them. I would suggest that not more than 200 seal should be collected and driven at any one time from the Rookery to the West of Cape Meredith Light.

Very Few sea Elephant seal were seen on any of the Rookeries visited this season. On North Arch Island

I saw 7 male elephants laying alongside each other. At

Cape Meredith on a stretch of beach about 250 yards in length I saw 9 small elephants varying in length from about 5 to 7 feet. These were seen for four consecutive days. Their sex, I was unable to ascertain.

From the 7285 seal slaughtered 1667 barrels of oil was produced, and shipped in 759 drums. The average capacity of these drums is 90 gallons. The method adopted to ascertain the production of oil in terms of barrels is as follows. Each empty drum is weighed in terms of kilos to get the tare. The drums are again weighed when full, the tare deducted and the nett weight in kilos recorded. Tons are calculated at 1,000 kilos. The result in tons of 1,000 kilos is then multiplied by 6 to give the number of barrels to the ton. Mr. Watson informs me that the oil is shipped by the ton of 1,000 kilos, but is sold by the cwt. This may cause a slight difference in the number of barrels as given now and what may appear on the Buyer's returns.

The following table shows the monthly production of oil and the average number of seal per barrel.

<u>Month.</u>	<u>No. of Seal.</u>	<u>No. of Barrels.</u>	<u>Average per barrel.</u>
June	165	27	6.11
July	1363	280	4.86
August	2195	538	4.07
Sept.	3318	768	4.32
Oct.	244	54	4.51
	<hr/> 7285 <hr/>	<hr/> 1667 <hr/>	

Average for the season 4.36 seal per barrel.

I would suggest that these averages do not give an accurate indication of the condition of the seal during any month. The supervision at the station is so dilatory that the oil produced may not be weighed up for a week or more and no record is kept of the daily production. The consequence is that perhaps 2 days oil, about 37 drums, may be

added to or subtracted from any month.

The station at Albemarle, in my opinion, is not as productive of oil as it should be. I would suggest that lots of oil is lost or may be accidentally lost, through discharging the fluid which accumulates in the digestors whilst cooking, direct on to the beach. This discharge should be trapped in a tank and allowed to settle. Any oil it contains could then be recovered. It is also possible for the person supervising the running off of the oil to make a mistake and allow oil to be blown out of the digester under pressure. I have/^{seen} such an accident occur at the whaling station at South Shetlands, in this instance the oil was recovered because all discharges are delivered into a tank or cesspool containing lime water.

There was not any deliberate waste that I could see, but nevertheless the cooking of the seal would not satisfy my requirements. The opportunity to observe the emptying of the digestors only occurs at intervals during the season owing to the Sealing Officer being away with the vessel most days. All opportunities I had to observe this emptying I took and formed the opinion that more oil could be taken off every digester. The scraps at the door of the digester and on the top seemed to be very well cooked, but towards the bottom of the digester the scraps had an oily appearance and felt greasy to the touch. Again I would suggest that after the oil had ceased to flow in the normal way that the digester should be closed up and given at least 1 hour steaming. On opening the oilcock another gallon or two of oil would be produced.

The accommodation provided for the Sealing Officer has been very poor this ~~winter~~ season. On one occasion I had to wring my blankets. There had been a leak on the deck during the night and the foot of my mattress was soaked as well as my blankets. On two other occasions I had to remove my bedding and put tins up to catch the drips of blood and water coming through the deck. At table, one had to keep shifting to avoid

these drips falling on the food. The smell from the bilge water combined with this made things most uncomfortable. When the vessel was underweigh it was almost impossible to remain in the cabin. I had to arise at 5.30 or 6 a.m. as I could not bear the smell. These things could all be remedied if the Sealing Company were compelled to put the Port Richard into proper condition. New decking and caulking would stop the drips. If the hold was likewise made watertight the smell would be overcome as the blood could not then get into the bilges. If these things were done the situation would become bearable.

The Engineroom of the Port Richard is likewise in a very bad condition. The Engineer was afraid to blow down the boiler owing to the rusty condition of the valve. The return pipe from the circulation system is bound with sheet iron and rope to keep the leak within the limits of the discharge capacity of the pumps. To hear him worrying about the condition of these and his not being able to see to the inlets was not conducive to anybody's peace of mind.

I regret having delayed this report so long but I did not receive the total amount of oil produced until the 19th October. Mr. Watson, the Manager, states that he has been too busy to supply we with the figures.

Two shipments of oil^{were} made during the season. The first shipment was by the s.s. "Fitzroy" on the 21st August. The amount shipped I do not know, Mr. Watson, on being asked by me said that he had not got time to work out the amount. A second shipment was made by the s.s. "Fitzroy" on 13th September. Again I could not get the amount of oil shipped.

I have the honour to be,

Sir,

Your obedient servant,

G Brechin

Sealing Officer.

139/37.

1st November,

37.

Sir,

With reference to our conversation of Saturday the 30th of October, 1937, I am directed by the Acting Governor to inform you that your duties as Sealing Officer will terminate on Saturday the 6th of November, after which date you will return to the Public Works Department.

2. A further communication will be addressed to you in connection with your report.

I am,

Sir,

Your obedient servant,

CP
Acting Colonial Secretary.

Mr. G. Brechin,
Sealing Officer,
STANLEY.

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched : 3rd November, 19 37 *Time* : 2350.

Received : 4th November, 19 37. *Time* : 1100.

Reg 214

No. 94. Your telegram No. 72 following from Sir Henniker Heaton begins. Suggest application from Falkland Islands Sealing Company be submitted with covering despatches to Secretary of State with your views as early as possible. Ends.

SECRETARY OF STATE.

139/37.

5th November, 37.

Sir,

I am directed by the Acting Governor to transmit a copy of a report by the Sealing Officer on the operations during the season June to October, 1937, and I am to ask that you will submit any observations you may wish to offer before His Excellency takes any decision on the complaints referred to therein.

I am,

Sir,

Your obedient servant,

Acting Colonial Secretary.

Red 20

The Secretary,
Falkland Islands & Dependencies Sealing Co.,
STANLEY.

139/37.

5th November, 37.

Sir,

Recd 23

With reference to your letter of the 20th October, 1937, regarding the matter of a Sealing and Whaling licence, I am directed by the Acting Governor to request that you will be good enough to submit a formal application giving full details of the licence required by you and any other information that you may wish to submit in support of the application.

2. I am to add that this formal application is required for transmission to the Secretary of State for the Colonies.

I am,

Sir,

Your obedient servant,

J
Acting Colonial Secretary.

The Secretary,
Falkland Islands & Dependencies Sealing Co.,
STANLEY.

No. 139/37.

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

MINUTE.

6th November, 19 37.

From The Colonial Secretary,

To The Director of Public Works,

STANLEY.

Stanley, Falkland Islands.

I am directed by the Acting Governor to inform you that Mr. G. Brochin terminates his duties as Sealing Officer today, and will report to you on Monday 8th.


ACTING COLONIAL SECRETARY.

Stanley

12th August 1937

Sir

I am instructed by the members of the F. I. Reform League to write you further concerning the Falkland Islands Sealing Company Ltd

In your letter N^o 75/35 of 2nd June 1937 we were informed that His Excellency agreed with the views of the League & had requested the Company to act accordingly.

It would seem Sir, that His Excellency's request has been absolutely ignored, as four men have been engaged from different camp stations for Sealing work, this, after unemployed men in Stanley were refused work by the manager.

We also understand that two men were refused work during the last few days, the reason given

139/37.

15th November,

37.

Sir,

I am directed by the Acting Governor to enquire if a reply can now be given to my letter No. 139/37 of 5th November.

Red 34.

I am,

Sir,

Your obedient servant,

cf
Acting Colonial Secretary.

The Secretary,
Falkland Islands & Dependencies
Sealing Company,
STANLEY.

Stanley

Falkland Islands,

16th November 1957.

Sir,

With reference to two communications received this month in connection with the business of this company, to wit:-

- a) Our Pending application for a license for whaling and sealing.
- b) The report deposited with the Colonial Government by the workman who was appointed 'sealing officer' for the 1957 season.

the Directors of this Company believe that it would save a lot of time and correspondence if they could arrange for an interview with His Excellency the Acting Governor, in order to discuss the affairs of the Sealing Company and thereby arrive at some understanding, even though it may be a temporary one pending the return of Sir. H.Henniker Heaton.

The undersigned is the only Director of the Sealing Company at present in Stanley, but he has arranged with his co-Director, The Hon. G.J.Felton of Teal Inlet, that Mr. E.G.Rowe should accompany him during the proposed interview in representation of Mr. Felton. (Mr. Rowe has been an Auditor to the Sealing Company's accounts and holds the proxies of about 25% of the shareholders and has co-operated with the Directors for some years past).

I sincerely hope that this interview will be granted and be the means of arriving at an understanding.

I have the honour to be, Sir,

Your obedient servant,

B. R. Watson

Secretary and Managing Director of F.&D

The Hon.
The Colonial Secretary
Stanley.

139/37.

23rd

20th November,

37.

Obed 37

Sir,

With reference to your letter of the 16th of November, in which you apply for an interview with His Excellency the Acting Governor, I am directed by the Acting Governor to inform you that His Excellency cannot see that any good purpose could be served at present by granting the interview sought.

2. I am to add that instructions have been received to forward to the Secretary of State for the Colonies as soon as possible any application that you may put forward for a Sealing and Whaling Licence, and it is desirable that any such application should go forward by the next mail.

3. On receipt of the application I am to say that His Excellency would then grant an interview to discuss any points you may wish to raise in connection with Sealing and Whaling.

I am,

Sir,

Your obedient servant,

Acting Colonial Secretary.

Secretary and Managing
Director of Falkland Islands
and Dependencies Sealing
Company, Limited,
STANLEY.

(41)

The FALKLAND and DEPENDENCIES SEALING COMPANY, Limited.

Stanley,
Falkland Islands,
23rd November 1937.

Sir,

This Company is desirous of obtaining a License for Sealing and Whaling within Territorial waters of the Falkland Islands proper, and the seas adjacent thereto.

This Company was originally formed in the year 1928 at the instigation of Norwegian Nationals who said that they were experts in Sealing, and a License for Sealing having been obtained from the Colonial Government, local people were invited to subscribe capital, and about £10,000.- was subscribed.

A ship and equipment was brought out from Norway and Sealing operations undertaken by the experts (Chemist, Ship-master, Mates, engineers and crews) all of Norwegian nationality.

The management of the affairs of the company was virtually in the hands of these Norwegian Nationals and we are sorry to relate that their efforts did not prove successful. The whole of the £10,000.- capital and a considerable sum (in all some £14,000.- extra) that was borrowed was sunk in original equipment, wages and other expenses, but no dividends have ever been paid to the shareholders.

Eventually the Norwegian Nationals were dispensed with and sealing operations carried on in subsequent years with local crews and under local management.

Unfortunately, owing the persistent low price for seal oil, no profits have ever accrued to the Company, but by practicing rigid economy a certain proportion of the Company's major debt has been reduced.

This Company has, under Licenses granted from time to time by the Colonial Government, worked a shore station at 'Albemarle' taking and trying out seals, for some seven seasons, during which time, as already stated, no profits have been made for shareholders, but considerable local employment has been created.

The position today is that, with better prices ruling for seal oil, and good prices ruling for whale oil, the Directors desire to entirely re-organize the company, raise fresh Capital, and put the equipment at 'Albemarle' on an efficient and up-to-date basis.

But before fresh Capital can be raised it is essential to have a definite License so as to invite Investors to join the Company.

We therefore hereby formally apply for such License:-

- A) For taking and trying out Seals at such places and in such quantities and at such Seasons as the Colonial Government may see fit to determine.
- B) For taking whales in such waters and seas adjacent to the Falkland Islands proper, in such quantities and at such Seasons as the Colonial Government may determine.
- C) That in order to warrant putting forward a Prospectus to new Investors, and to justify the large expenditure that will be required on new permanent equipment, these Licenses for Whaling and Sealing should in some manner cover the next Seven Seasons (1938 to 1944) and that during such term of years the Colonial Government should undertake to protect the Company against any other interests taking seals and whales within the limits to be assigned to this Company.

This Company would undertake to:-

- 1) Endeavour to raise all new Capital within the Colony of the Falkland Islands, by offering shares and/or Debentures, in small denominations, for public subscription. If sufficient cannot be subscribed within the Colony, only then would efforts be made to obtain Capital either from the London market or elsewhere.
- 2) To endeavour to employ exclusively Falkland Island labourers and seamen, excepting such experts as may be required for special positions (for instance whaling gunner).

5.

Unfortunately my Co-Directors (The Hon. G.J. Felton, and Mr. J. W. Grierson) are not in Stanley at the present time in order to sign this application, but this matter has been thoroughly discussed with them, and the other major shareholders or their representatives, and we are all agreed as to the conditions of this application for a License.

I sincerely hope that His Excellency the Governor may see fit to favour this application with his benevolent support, as the main results to be expected from a reorganised and strongly financed 'Sealing and Whaling Company' will be of considerable benefit to local inhabitants:-

- a) The Company would be enabled to employ local labour with greater regularity and probably at better remuneration and under better working conditions.
- b) Any profits or dividends would accrue, in the major part, to small local Investors.

I have the honour to be, Sir,

Your obedient servant

for and on behalf of the Falkland and Dependencies Sealing Company, Ltd.

H.R. Loutson

Secretary and Managing Director.

To The Honourable

The Colonial Secretary

Stanley

Falkland Islands.

Stanley, 1st December 1937.

Sir,

We have to own receipt of your letter dated 5th November last, with copy of a report made by the Sealing Officer.

This Company would prefer, under existing circumstances, not to enter into any controversy as to the merits or de-merits of the report. We know that there are many points in the working of the Sealing that need re-adjustment and improvement, and it is the earnest desire of the Directors to place everything on a better basis. As submitted in other correspondence we can do little or nothing until fresh finance is brought into the Company, and this again depends on an extended license so as to attract fresh Capital.

We would however point out that, in our opinion the report is in many respects biased and exaggerated, and we submit the following points for the consideration of His Excellency the Governor:-

- a). The report has been made by a man who is not a permanent official of the Government - in fact he may be reasonably classed as an out of work - furthermore he has taken a very prominent part during the past few years in the agitation that has been going on in connection with the lack of employment that has adversely affected labourers in this Colony in common with almost every other part of the world.
- b). This Sealing Company with all its drawbacks and defects is one of the concerns that has created employment, and helped considerably to break the unemployment bogey.
- c). His Excellency Sir H. Henniker Heaton has himself paid a visit to the Sealing Station at Albemarle in August 1936 and inspected the station and saw how the work was being done, and as Sir Henniker is the highest authority in the Colony and he did not adversely criticise the conditions in 1936 (which were worse than 1937 as far as the crews were concerned) we do not care to either admit or refute the severe criticisms contained in Mr. Gregor Brechin's report.

Recd 33.

- (42)
- d). We would also submit that Mr. Gregor Brechin is an invalid, and that therefore any personal inconvenience that he may have suffered while engaged in his duties as Sealing Officer, would affect him (and in consequence his report) to a very much greater degree than a healthy young man.

In regard to his suggestion that "one or two gallons of oil would be produced" if the digesters were steamed for an hour extra, we would state that two gallons of oil, at present prices, would fetch approximately 3/4d. in cash on the London market, whereas the expense to the Sealing Company in steaming the digesters for an extra hour would be £1.- for coal alone, apart from men's time.

In regard to the sealing vessel, the s.s. "Port Richard", her condition and equipment is inspected and controlled periodically by Lloyd's Surveyor in Port Stanley.

I have the honour to be, Sir,

Your obedient servant,

for and on behalf of the Falkland and Dependencies
Sealing Co. Ltd.

J.R. Robertson

Secretary and Managing Director.

The Hon.

The Colonial Secretary

Port Stanley

Falkland Islands.

139/37.

7th December,

37.

Recd 13

Sir,

I am directed by the Acting Governor to acknowledge the receipt of your letter of the 1st of December, 1937, and to state with regard to the points raised therein that the Falkland Islands and Dependencies Sealing Company were fully aware that Mr. G. Brechin was to accompany the 1937 Expedition as Sealing Officer but that no representations were made by the Company against the employment of this person.

2. I am to add that the person in question was in regular employment in the Public Works Department; for a time he served on the Unemployment Relief Committee and was thanked for his assistance, and prior to his temporary employment as Sealing Officer he was medically examined and certified fit to proceed with the Sealing Expedition.

I am,

Sir,

Your obedient servant,

Acting Colonial Secretary.

Secretary and Managing Director,
Falkland Islands & Dependencies
Sealing Company, Limited,
STANLEY.

36
45

148/35.

9th November, 37.

Sir,

I am directed by the Acting Governor to transmit for your information an extract from a report by the Senior Medical Officer after inspecting your station at Albemarle. In this connection I am to invite your attention to a copy of a report by the then Senior Medical Officer which was forwarded under cover of my letter No. 589/27 of the 6th of March, 1934, and to ask you to furnish me with a report as to what steps you propose taking to improve the conditions at Albemarle.

89/27

I am,

Sir,

Your obedient servant,



Acting Colonial Secretary.

Secretary,
Island Islands and
Dependencies Sealing Company,
STANLEY.

CROWN
STANDARD
REGISTERED

The Falkland & Dependencies Sealing Co.Ltd.

Kelvin House,
Stanley,
18th, November 1937.

Sir,

Red 345.

I have the honour to own receipt of your letter dated 9th November (148/35) with extract from the Senior Medical Officer's report on conditions at Albemarle Sealing Station.

We have always known that the conditions at the station left much to be desired, and it is the wish and intentions of the Directors of the company to improve conditions in every way possible, in cooperation with such Officers of the Government who may be in charge of the health etc. of the Colony.

Unfortunately the station was originally erected in a haphazard manner by Norwegian Nationals who were engaged at high wages in 1928 when the sealing company was first started, and much of the original capital of the company (£10,000.-) plus further money that we borrowed was illspent - this coupled with a heavy decline in the price of seal oil (when we started the company seal oil was fetching as much as £35.- per ton , and fell violently to about £10.- - per ton) has prevented our putting the station in proper working order and providing better accomodation for the crews.

When the Hon. Dr. R.L.Cheverton (Senior Medical officer) visited the station during the 1936 working season

he made a number of verbal suggestions for improving conditions, and as much as possible was done to follow out his directions.

The slaughtering of seals, the handling of their carcasses, the cleaning of digesters and the handling of the oil and drums, coupled with the coaling of the ship and shore boilers, is a dirty occupation, and for that reason we should like to be able to improve quarters and living conditions in order to compensate the workmen for the dirt in which they work when actually handling seals coal etc.

However, as already pointed out, the finances of the company were completely ruined in 1929, and the Directors have never yet been able to find new finance in order to remedy the defects that we know of so well.

Nevertheless it is a fact that none of the men ever employed at the Sealing Company have suffered in health. We would estimate that about 100 different men have been employed at the Sealing Station at different times, and none of these 100 men have ever suffered in health as a result of 3 or 4 months work at the Sealing Station, in spite of the dirty conditions of the work. We have therefore no hesitation in suggesting that in spite of the adverse conditions under which the sealing operations are conducted, it is healthy occupation.

Efforts are being made at present, in view of the better prices now obtainable for seal oil, to reorganise the finances of the company, and if we are successful in

finding new finance we shall be only too happy to endeavour to improve the working conditions in cooperation with the Senior Medical Officer's views on the subject.

In fact we shall welcome a full statement from the Senior Medical Officer setting out all of his recommendations in order that we may know well in advance what may be required by him. Whether all can be done at once, or whether it will be necessary to tackle this matter piecemeal, remain to be seen, dependant on how much the Senior Medical Officer may call for as a minimum of improvements, and what resources the company may find at its disposal.

INFLUENZA EPIDEMICS.

The only times when the men suffer in health, is during the times when an epidemic of influenza breaks out. We had a very bad visitation in 1935, and again in 1937 many of the men were laid up by an outbreak of influenza. As this epidemic was general all over the islands, any evil consequences cannot be attributed to the working conditions at the sealing station. Actually the men at the sealing station recovered very easily from influenza and by the end of the season their health, judging it as a layman might judge it, was much improved in comparison with their general appearance and physique when originally engaged at the commence of the season May or June.

It is a fact, that apart from accidents of work, influenza and colds, the men enjoy on the whole VERY GOOD HEALTH, in spite of the filth and dirt in which sealing must be conducted.

I may also state that the men often get small cuts and abrasions, nevertheless it is very seldom that any of the minor injuries turn septic, and I would think that this in itself is a fair indication of their general health.

Boils, sores, and pimples which might be expected as an indication of unsatisfactory living and working conditions are completely unknown among the workmen employed by this company.

WATER SUPPLY.

The excellent spring from which water is drawn for cooking has been covered over with sheet iron and I am myself satisfied that little or no contamination takes place. The spring is situated within the paddock that is fenced off as the sealing company's concession, and no sheep can get at it, and although sheep could come up to the fence above the spring, they are seldom seen anywhere near.

The company is quite prepared to fence it off completely and to lay water pipes direct to the cookhouse. Unfortunately here again, the company being in such dire financial straits, we have been unable to incur the expense,

57
46

but it is certainly an improvement that has and will continue to occupy our attention.

I have the honour to be, Sir,

Your obedient servant,

D. R. Watson

Secretary and Managing Director.

The Honourable,
The Colonial Secretary,
Stanley.

139/37.

9th December,

37.

Sir,

Red 50

With reference to your letter of the 16th of November, 1937, I am directed to inform you that the matter of the conditions at Albermarle Sealing Station will receive consideration when a decision is arrived at regarding the issue of a Whaling Licence to the Sealing Company.

I am,

Sir,

Your obedient servant,

J
Acting Colonial Secretary.

The Secretary,
Falkland Islands & Dependencies
Sealing Company, Limited,
STANLEY.

Stanley,

Falkland Islands,

16th December 1957.

Sir,

We refer to and confirm our letter of 23rd November last in which we made formal application for a license to be granted over a term of years (seven seasons) for sealing and whaling.

In connection with that letter we now confirm that we have had yesterday an interview with the Honourable the Acting Colonial Secretary, at which interview we were requested to furnish certain figures in support of our application of 23rd November last, which we now proceed to do as follows:-

Original Capital. The original capital of this company when subscribed in 1927 and 1928 amounted to £10,250.--- all of which was subscribed in actual cash with the exception of £1,000.--- which was assigned to one shareholder in Norway in part payment of of the s.s. "Bellville".

Present day debts. The total debts of this company at the present time are estimated in£ 7,500.--- all of which is owed in the Falkland Islands itself.

Proposed new Capital Structure.
Provided suitable licenses can be obtained it is proposed to re-organize the company on the basis of a total Share Capital (and/or Debentures) of £50,000.--- of which only £20,000.--- would be offered for immediate subscription, the rest being held in abeyance for possible future expansions.

Part of this £20,000.--- would probably be obtained by some of the present day creditors converting their credits into shares (or Debentures).

Denomination of Shares (or Debentures).
In order to permit small investors to have a stake in the company it would be proposed to have the share certificates (or Debentures if any) issued in certificates of £10.- or multiples thereof.

Term of the Option to be obtained on license.

This is a point that we appear to have failed to mention in our application. In order to organize the new Company on the basis of any Licenses that the Colonial Government may

see fit to grant us, we would require a term of approximately from 12 to 18 months option.

The reasons for requiring so long a term of option are due to the Company's affairs having been so much discredited in the past owing to unfortunate transactions. Such errors cannot be repeated as the Directors have now ten years bitter experience in this business, but it will take a little time to fully canvas possible small investors in the Falkland Islands and to convince them that the Company's affairs will now be conducted on an efficient, and we believe, fairly profitable basis.

New Equipment contemplated.

Provided a long term license is obtainable, for both sealing and whaling, the Company would then be justified in seeking fresh Capital, to be expended more or less in the following new equipment:-

Four digesters with their accessories, and an additional 'catcher' (small steamer), to cost about £ 5.000
(The steamer would be second-hand).

Improved buildings, cookhouse and other alterations to land station £ 2.000

Reserves of fuel, oil drums and other items would absorb about £ 5.000

And a slipway and improvements to jetty, say £ 500

Actually it might be found necessary to eventually build an entirely new station at some other locality, as the present station at Albemarle might not prove suitable for dealing with whales.

New Finance that has been promised.

At one time Messrs The Falkland Islands Co. Ltd. more or less promised that they themselves would take an interest in the reorganized company up to about £5.000.- This tentative promise has now been almost withdrawn owing to the delay experienced in obtaining the Licenses we seek, but the fact remains that if and when the Licenses are obtained their

interest ~~may~~ be revived.

Mr. George Bonner, O.B.E., a gentleman of wealth and high standing has also repeatedly informed us that he would be willing to put fresh money into a reorganized Company.

The Directors of this Company and also some of the shareholders who have already lent money to the Company in order to tide over past difficulties, have also expressed their willingness to convert their present credits into new shareholding.

We have also had many enquiries from small investors in the Falklands who have wanted to invest small sums of from £50.- to £100.- each.

On top of this there have been repeated and very insistent enquiries from Norwegian capitalists desiring to acquire an interest (in fact they would probably like to acquire the control) in sealing and whaling based on the Falkland Islands. In fact all the necessary capital could be obtained from Norway in a very short space of time, but we would prefer to raise it among local residents.

I have the honour to be, Sir,

Your obedient servant,

for and on behalf of the Falkland and Dependencies
Sealing Company, Limited.

B.R. Watson
Secretary and Managing Director.

To The Honourable

The Colonial Secretary

Stanley

Falkland Islands.

(56)

GOVERNMENT HOUSE,
STALEY.

17th December, 1937.

FALKLAND ISLANDS
No. 177.

Sir,

In duplicate.

I have the honour to submit for your consideration and approval an application which has been received from the Falkland Islands and Dependencies Sealing Company, to cover the next seven seasons from 1938 to 1944.

In duplicate.

2. It will be observed from the letter dated the 16th December, 1937, a copy of which is enclosed, that the position of the Company may be summarised as follows :-

- (a) The total original capital subscribed in 1927/28 was £10,250.
- (b) Debts due by the Company £7,500.
- (c) It is proposed on the reorganization of the Company to convert the debts of the Company into shares.
- (d) The total amount of capital aimed at including the amounts heretofore mentioned is £50,000 of which only £20,000 would be offered for immediate subscription, the remainder being held in abeyance for possible future expansion.

3. The reorganization of the Company is of course dependant on the grant of a long term licence and the Company are anxious to add to their equipment four digestors and fuel equipment and an additional catcher at a total cost of £5,000, £2,000 is the amount estimated to be expended on buildings, coolhouse and alterations, £5,000 will be spent on coal fuel and oil drums and £500

will/

E RIGHT HONOURABLE
W. G. ORMSBY GORE, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

will be spent on improving the existing jetty.

4. The Secretary of the Company has explained that he does not anticipate any difficulty in obtaining the additional capital as the Falkland Islands Company, Limited, who are large creditors in the present concern, were prepared to put up £5,000, while others in Norway interested in the production of whale and seal oil, are prepared to put up the full amount required.

5. In view of the importance of this industry to the Colony in so far as it provides a considerable amount of employment, I am prepared to recommend for your favourable consideration and approval that the licence be granted to the Company, but of course, it will be understood that the conditions appertaining to the issue of the licence and referred to in Sir Philip Cunliffe-Lister's (now Lord Swinton) despatch No. 7 of the 3th January, 1932, will apply, that is to say, the Falkland Islands and Dependencies Sealing Company will provide sufficient proof that adequate capital is forthcoming, skilled personnel and plant will be available and that the licence will be renewable annually up to the end of the season 1943/44, subject to compliance with the conditions attached to the licence.

6. It is without doubt essential that the licence should be renewed annually as it will act as a deterrent and remedy certain abuses regarding the killing of seals which were reported during the early years of the operation of this Company.

I have the honour to be,

Sir,

Your most obedient
humble servant,

(Sgd.) M. G. Craigie Halkett

139/37.

18th December,

37.

Sir,

Prod 54

I am directed by the Acting Governor to acknowledge the receipt of your letter of the 16th of December, 1937, and to inform you that the application by the Falkland Islands and Dependencies Sealing Company, Limited, for a sealing and whaling licence over a term of years, has been forwarded to the Secretary of State for the Colonies.

I am,

Sir,

Your obedient servant,

JS
Acting Colonial Secretary.

The Secretary,
Falkland Islands & Dependencies
Sealing Company, Limited,
STANLEY.

No.

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

MINUTE.

1st. February, 1938.

From Senior Medical Officer,

Stanley.

Stanley, Falkland Islands.

To The Honourable,

Colonial Secretary.

Stanley.

Re Falkland Islands and Dependencies
Sealing Company, Albemarle.

I have read the memoranda at Reds 54 and 56 and I beg to submit the following observations.

1. I note that under the scheme of re-organization a sum of £2000 is allocated for the improvements of buildings and cook-house. I should be grateful if Mr. Watson could be invited to submit plans for my information and the information of the Board of Health, covering the proposed new quarters including estimated costs.

2. In my view, the present quarters for men is flimsy, badly constructed and far too small for the number employed while its location in the immediate proximity of the digesters is undesirable particularly when there is ample space further to windward well away from the plant. I am sure Mr. Watson would be pleased to receive a copy of the new Board of Health Bye-laws which lays down standards in regard to buildings.

Any new cook house would be required to conform and a permit would require to be taken out.

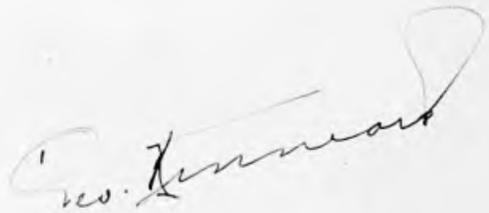
3. I note that the Company appreciate that the nature of the work makes it a dirty industry, I feel therefore that before a license is granted to operate, the company undertake to maintain discipline and provide facilities so that workmen have a place to shed their oily dirty working garments and soap and hot water to wash before admission to the cook house proper.

4. The present method of dumping digester residue on the fore-shore creates an insanitary condition within the meaning of the present Board of Health Bye-laws.

5. The Board of Health would doubtless require to be satisfied regarding

regarding water supply, latrines and the disposal of waste while a minimum diet including the "protective" foods should be guaranteed.

6. I shall ask the Building Sub-Committee of the Board of Health to visit the Port Richard at some time convenient to Mr. Watson with a view to eliminating the features alluded to by Mr. Brechin.



Senior Medical Officer.

No.

MINUTE.

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

2nd April, 19 38

From The Agricultural Adviser,

To The Honourable

Colonial Secretary,

Stanley, Falkland Islands.

Stanley.

I have the honour to advise that on the 1st instant, I interviewed D. R. Watson, Esq., at the request of His Excellency the Governor, in regard to the difficulties in the way of the forthcoming seasons operations of the Falklands and Dependencies Sealing Company.

1. Price for oil not known, the condition of the market is such that it might go up or down, and up to the present no suitable offer has been received.

It is in the hands of the Managers of the Falkland Islands Company Ltd., London, to refuse or accept offers for oil.

If a reasonable offer is received, this is submitted to the Stanley Office of the Falkland Islands Company, for confirmation.

2. The Falkland Islands Company is not willing to advance wages for the season unless a price for oil is guaranteed.

3. The idea of the reorganisation of this Company was that the Falkland Islands Company should come in, and that application should be made for sealing and whaling licenses for the term of seven years. The Falkland Islands Company however, would not consider coming in unless the Licenses were granted for that term.

The Sealing Company also has inquiries from Norwegian friends who are willing to incorporate with it.

One Captain Neilsen has already obtained the license for Shetland Island

4. It may be helpful if the Government would cable London regarding the price of oil.

5. If a price of £20 to £21, could be guaranteed, it appears that there would be no difficulty in arranging with the Falkland Islands Company for wages similar to last year.

6. If anything is to be done this year there should be no further delay, as an engineer will have to be procured from Montevideo or

or Punta Arenas, and much preliminary work will require to be put in hand at once.

7. Last year 1937, some 4½ months work was provided by the Sealing Company for 30 men. It will be rather serious therefore if these men have to be placed in work in Stanley this year, if the Sealing Company is unable to operate.

8. If Government could advance the money for wages, the whole of the season's output of oil would become the property of Government.

9. If His Excellency so desires it, Messrs D.R. Watson and E. G. Rowe of the Sealing Company would be glad to attend an interview to discuss the affairs of the Sealing Company, as they are both anxious that some means may yet be discovered, which will enable work to be carried on this season.

R. D. Men
Agricultural Adviser.

(62)

DECODE.

TELEGRAM.

From Colonial Secretary,

To Crown Agents for the Colonies.

Despatched : 5th April, 19 38. *Time* : ...

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

Please ascertain and telegraph as soon as possible
present price offered for Seal oil.

COLONIAL SECRETARY.

6th April 1938.

(70)

Sir,

139/37

Complying with His Excellency the Governor's indication to the effect that it would be useful for the Government to have a Balance Sheet of the Falkland & Dependencies Sealing Co. Ltd., I beg to report that an actual Balance Sheet would be of little avail, it could only show that the position of the Company as a going concern is most precarious, the debts being in excess of the book value of the assets, exclusive of GOODWILL.

However, the figures that could be a guide to Government action, are those of the Profit & Loss account on the actual production of oil for last Season, 1937, and these figures have been prepared and are shown on the attached Statement.

Same show a LOSS of £547.9.11 for the Season on the actual production of oil, and this in spite of the good price of £22.- per ton obtained in Glasgow for the 271 tons of oil produced. Under ordinary conditions there should have been no such loss - the season should have shown about £500.- to £700.- profit, and the adverse results are explained as follows:-

Small Production.

Only 271 tons of oil was produced, instead of 330 tons which is more or less what has been obtained in previous Seasons. The company had a permit to kill 10,000 seals, but only slightly over 8,000 were taken.

In the early part of the Season seals were scarce, and later very heavy weather and snowstorms interfered with hunting and collecting seals.

Strike. During the time that seals were plentiful, about 7 days work was lost due to a strike, which was only based on petty complaints and was settled by 4 men leaving the employment of the company. This interruption alone probably reduced the production by 5 tons per day for 7 days, say 35 tons, and during this time the usual ordinary expenses were being incurred. Further expense was caused to the company by having to bring the dissatisfied men in to Stanley by s.s. "Port Richard".

Sickness - Influenza.

About 11 whole days were lost due to almost every man being attacked by influenza. And even after this period several of the men were not capable of putting in a full day's work.

Working Costs.

The expenses under the headings of "Materials", "General Charges", "s.s. Port Richard" and "Hunting Gear", were heavier than should generally be the case. Materials etc. had been worked almost to a finish in the previous 1936 Season, and in consequence refitting expenses in 1937 were heavier, and it can be safely estimated that they will be considerably less during 1938.

Fuel Account.

Under normal working conditions it should be possible to produce one ton of seal oil for every ton of good coal used as fuel, both ashore and in the hunting vessel. But last year about 393 tons of coal was consumed against a production of 271 tons of oil. In the first place Messrs The Falkland Islands Co. Ltd. supplied the company with 280 tons of 'Mina Elena' coal from Chile at 55/- per ton, which in the writer's opinion is not

II.

worth more than 50% in calorific value as compared with good Welsh Steam Coal.

If good Welsh steam coal is to be purchased in Cardiff at about 20/- per ton f.o.b. steamer, and assuming that it should not cost more than another 40/- per ton to get it landed by tramp steamer at Albermarle, then good Welsh steam coal should only cost 60/- per ton landed at Albermarle, and 'Mina Elena' coal at 55/- per ton for half the calorific value actually costs the Sealing Company 110,- per ton in comparison with good Welsh steam coal.

The obtaining of fuel at an economical price is one of the chief stumbling blocks to the successful operation of the Sealing Co.

Drums.

After Fuel this is the next heaviest item in the expenses of the Company. Actually the first cost of the empty drums in England should be recoverable by the increased price for the oil on it being marketed, and the Drums account should only shew the cost of freight from England to Albermarle. However, as purchased last Season, the drums cost 28/- each landed at Albermarle and it is difficult to say whether any saving could be made under this heading.

Possibly a small saving could be effected by using empty beer barrels and empty paraffin and petrol drums to be acquired locally, but the supply would not be sufficient to deal with a full Season's production of oil.

Freight account. (Local)

This is the next largest item of expenditure and the figures speak for themselves. It should be possible to come to some arrangement whereby this item is reduced considerably.

WAGES ACCOUNT.

So long as the Sealing company works without declaring a profit or dividend, the only profit to the Colony as a whole by it continuing to exist, is from the payment of Wages to the crews.

Last year wages to people employed directly by the Sealing Company (including bonus) amounted to£ 1.627. 1. 9
plus wages paid to carpenters etc in Stanley 36.18. 8
£ 1.664.--. 5

but those figures in themselves do not constitute the total 'wage money' put into local circulation by the Sealing Company. It must be calculated that every purchase made locally by the Sealing Company, and every item of local freight probably has 15% of its value represented by wages paid to other local labourers or employees, and we would calculate such a 15% on £5300.- for last season or say 495.--.--
and in the same category we would suggest including the cost of local mutton and other meat purchased - 100.--.--

Total 'wage money' £ 2.259.--. 5
circulated by Sealing company's operations during the Season 1937.

Licenses & Export Duty.

III.

ESTATE LOUIS WILLIAMS,

Licenses & Export Duty.

Local Government Revenue has benefitted to the extent of £156.17.2 on the 1937 Season's operations.

Roughly the Sealing Company has already paid the Colonial Government for Licenses and Export Duty on oil for the previous seasons during which seals have been taken and oil exported, a further £1.400.-, making over £1556.- to date.

With these figures and these explanations now being placed before His Excellency the Governor, we hope that some Government actions may result with a view to keeping the sealing company going for at least this Season, if only for the purpose of keeping that 'wage money' mentioned in circulation.

In a few days time we hope to prepared and submit a detailed estimate of what the 1938 Season might be based on.

I have the honour to be, Sir,

Your obedient servant,



Director and Secretary to the
Falkland & Dependancies Sealing
Company, Ltd.

Design of the logo can be reduced somewhat to suit the
Falkland Islands Co., Ltd. printing the following design
The word 'Seal' on the right, which might be the
2000.- or 2500.-, we cannot tell, as this is a matter
that can only be decided by Mr. L.W.M. Jones

Yours faithfully,



(6)

**ESTATE LOUIS WILLIAMS,
GENERAL MERCHANTS,
STANLEY,
FALKLAND ISLANDS.**

6th April 1938.

Cpt. D. R. Watson
Stanley.
(Director & Secretary to the
Falkland & Dependencies Sealing Co. Ltd.)

Dear Cpt. Watson,

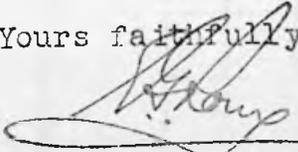
In accordance with your request I have gone carefully into the figures of the Falkland & Dependencies Sealing Company, Ltd.'s accounts for the Season 1937.

From these figures I have prepared an Estimated Profit & Loss Account, which is sent you enclosed, and from same you will see that I estimate the total actual- expenditure on the Oil production for the Season to be:-

Expenditure	£ 5.362.17. 3
and the Revenue produced by oil	<u>4.848. 3. 1</u>
giving an estimated LOSS of	£ 514.14. 2
exclusive of of Interest charged for finance during the Season	<u>67.15. 9</u>
	£ 582. 9.11
which can be reduced slightly by deducting the cash earned by a chance trip to Teal Inlet of	<u>35.---</u>
Final <u>L O S S</u>	<u>£ 547. 9.11</u>

Whether this loss can be reduced somewhat by Messrs The Falkland Islands Co. Id. granting the Sealing company the usual rebate on freights, which might run into £400.- or £450.-, we cannot tell, as this is a matter that can only be decided by Mr. L.W.H.Young.

Yours faithfully,


Auditor to Falkland & Dependencies Sealing Co., Ltd.

The FALKLAND & DEPENDENCIES SEALING Co. Ltd.

Estimated Profit & Loss Account for the Season worked during 1937.

1957

REVENUE

July 31

Hire of s.s. "Port Richard" special trip to Teal Inlet and return

35. ---

1938

Sale of Seal Oil

Feb. 4

667 drums with 238 tons @ 22.- per ton

5241 -- 9

94 " " 33 " " 21.-

701. 7 5

£ 5942 8 2

Less Expenses paid in England.

Freight per s.s. "Mahana" Port Stanley to Glasgow, on 337.157 gross weight tons at £2.10.-- per ton.

£ 842.16.11

Weighing, examining, sampling and other handling charges

47. 8. 2

Broker's commission

1% on £5942.8.2

59. 8. 6

Insurance

69. ---

Cost of remitting funds Glasgow to London

1. 5. 11

F.I.Co.'s commission

1 1/2% on £5942.8.2

74. 5. 7

1094 5 1

Nett proceeds of sale of oil received in London.

£ 4848. 3. 1

£ 4883. 5. 1

EXPENDITURE.

Materials.

Hardware etc, bought and mostly
consumed during the season 110. 2. 3

General Charges

Stationery, Passages & Radios 32 5 3

Insurances.

Port risks and sea risks on
s.s. "Port Richard", and £31.9.4
year's insurance on "Albermarle"
land station. 105 17 -

s.s. "Port Richard" (and boats)

Stores consumed, materials
for repairs, etc. 61 2 2

WAGES paid to carpenters and
others in Stanley for work on
vessel and her boats 36 18 8 98 -- 10

Hunting Gear

305 cartridges consumed, new
ropes, wire and knives etc. 116 11 11

Tools & Fittings.

New small tools etc. bought and
put into service 20 19 9

Fuel Account.

31 tons Coronel coal @ 65/- 263 5 --
30 " Patent Fuel @ 72/6 108 15 --
280 " Mina Elena 55/- 770 -- --
Sandy Point logs 21 10 --
47 tons Patent Fuel 72/6 170 7 6
£ 1.333 17 6

Less fuel not consumed:

35 tons Patent fuel £126.17. 6
10 " Mina Elena 27.10. - 154 7 6 1.179 10 -

Drums

Bought 992 (abt. 28/- each) for 1.289 12 --
Less 211 not yet used 295 8 -- 994 4 --
(761 drums used 20 discarded)

Albermarle Shore Station

Sundry equipment & expenses 27 11 4

W A G E S A/c

Wages actually paid in cash 1.352 12 11
Board paid a/c Iverson (Engineer) 13 9 8
Amounts debited to men for
actual cost of victualling, plus
amounts for personal purchases from
F.I.Co. and s.s. "Fitzroy's" shop 260 19 2 1.627 1 9

Carried Forward £ 4.312 4 1

Expenditure

Brought Forward			4.312	4	1
<u>Provisions & Messing a/c.</u>					
Total of consumable stores etc. actually purchased from F.I.Co. and others	426	12	5		
<u>Less:</u>					
Part charged to men's wages a/cs £260.19. 2					
Returned to F.I.Co. <u>56. 2. 4</u>	517	1	6	109	10 11
(Of the £109.10.11 most is mutton a/cs from Dean & Co.)					
<u>Freight a/c.</u>					
Freight paid to F.I.Co. on 761 drums oil containing 342548 kilos gross from Albemarle to Port Stanley	770.14		8		
Other charges	15	10	5	784	5 1
<u>Licenses & Export Duty</u>					
Paid to Colonial Government:					
License for year	33	6	8		
Export Duty, as estimated -	125	5	-		
	158	9	8		
<u>Less.</u> Export duty overpaid to be claimed as refund	1	12	6	156	17 ,2
				<u>£</u>	<u>5.362 17 3</u>

SUMMARY

Total Expenditure	£	5.362.17. 3	
Revenue		<u>4.848. 3. 1</u>	
Estimated LOSS	£	514.14. 2	on actual working
Interest charged F.I.Co.		<u>67.15. 9</u>	for year's financing.
LOSS	£	<u>482. 9.11</u>	

The Loss of £482.9.11 might be somewhat reduced by a refund of Freight which is generally arranged after the season's work.

70 ft

DECODE.

TELEGRAM.

From Crown Agents for the Colonies.

To Colonial Secretary.

Despatched: 9th April, 19 38. *Time*: 1230.

Received: 10th April, 19 38. *Time*: 1130.

Red 62

Your telegram 5th April value No. 1 seal oil about £10 per ton in bulk but there is very little business at present.

CROWN AGENTS.

139/37.

2nd May,

38.

Sir,

Red 70

I am directed by the Governor to acknowledge the receipt of your letter of the 6th April, 1938, and to say that His Excellency is very much obliged to you for the detailed figures of receipts and expenditure for the 1937 season as they are of material assistance in considering the problem of whether any measures can be taken by the Government to assist the Sealing Company to maintain the industry.

2. In the first place His Excellency wishes to record his appreciation of the determination shown by the management in the face of many difficulties to continue the struggle to make the Company a paying concern. It is all the more to be regretted if as appears probable from an analysis of the figures of the 1937 season there is little or no hope for the future and the whole project will have to be abandoned.

3. His Excellency was informed in 1935 that the Sealing Company could just clear expenses by operating with seal oil at the price of £15 a

Captain D. R. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STANLEY.

His Excellency would like to know the basis for any such view as the costs of production and marketing one ton of seal oil in 1937 were approximately as follows :-

	£.	s.	d.
Wages (including messing)	6.	8.	0.
Stores, Insurance, Repairs	1.	17.	0.
Drums at £1. 6s. (not £1. 8s.)	3.	12.	0.
Fuel	4.	6.	0.
Licence and Tax	-	12.	0.
Freight and charges, Local	2.	18.	0.
" " " Overseas	4.	1.	0.

Cost per ton £23. 14s. 0d.

4. It is stated in your letter that fuel costs were unduly high and that 271 tons at £3 a ton or 3843 should have sufficed to cover the charge. Even assuming that somewhat optimistic estimate the saving would amount to £1. 6s. 0d a ton leaving the cost of production at £22. 8s. 0d a ton. Other factors brought up the 1937 costs but it will be agreed that at least 10% should be earmarked for contingencies in preparing estimates of cost for any undertaking exposed to so many incalculable factors as Sealing.

5. The present price of Seal Oil is £10 a ton and it would be necessary to provide for the loss of a sum in the neighbourhood of £4,000 if operations were conducted this year - that is to say more than double the total amount of the wages and bonuses paid out in 1937.

6. I am to say that His Excellency would be interested to know whether the Company has in contemplation any measures for reducing the costs of production and marketing substantially as otherwise the future does not offer any hope. In this connection there is no apparent reason why arrangements could not be made for a tanker from South Georgia to call at Albemarle on the homeward journey and carry the oil

7. In conclusion I am to say that His Excellency has been informed by responsible parties that you have attributed many of the difficulties the Sealing Company has had to paying its way to Governmental Action. His Excellency requests particularly that any charges of this nature be formulated or withdrawn as His Excellency cannot reconcile them with his own knowledge of the facts. I am to add that His Excellency's only desire is for the prosperity and stability of the industry.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

The Falkland & Dependencies Sealing Co. Ltd.

5th May 1938.

Sir,

I have the honour to acknowledge receipt of your letter No. 139/37 dated 2nd inst. concerning the affairs of the Falkland & Dependencies Sealing Co. Ltd.

With the market price for seal oil reported to be at present so low as £10.- per ton, it is, of course, impossible to prosecute any definitive negotiations. No commercial undertaking would try to operate sealing in these Islands as a paying proposition on the basis of £10.- per ton for the oil delivered in Europe. The only thing that could be done would be to endeavour to produce oil at as low a figure as possible by cutting down wages and all other expenses to the very finest limits and then to hold the oil in store in the hope of a rise in the price. In fact to speculate on a rise.

The matter of costs of production and estimates etc. will be dealt with in a separate letter, but in the meantime we desire to clear up the rather serious matter mentioned in paragraph 7 of your letter.

It is probably quite true that individual shareholders and even some of the Directors of the Sealing Company, may have expressed themselves as dissatisfied with the part played by the Colonial Government in the different negotiations that have taken place during the past ten years or so. When business enterprise, particularly when it is subject to Government license and control, does not turn out satisfactorily, there is always bound to be adverse remarks and possibly a conscious or unconscious search for someone to be blamed.

There is no doubt that at certain times there has been

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by
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delay in obtaining replies to our requests for licences and one season we were refused altogether a licence for taking sea-elephants. In the early stages of the company's operations a considerable amount of fuss and bother was made over one lone female sea-elephant having been found dead at Port Pleasant, which was shot by mistake and the error acknowledged and reported by telephone to Port Stanley. Only as far back as 1935 the company were called upon to adopt more humane methods of killing seals, and to buy special ammunition, guns with silencers, - all of which proved to be a useless expense - not to mention the heroic method of killing seals with lances that was very urgently recommended to the company.

And one matter that the Directors of the Sealing Company can certainly never understand, is the continual reference to the Right Honourable the Secretary of State for the Colonies regarding renewal or extension or granting of licences. The Colony has an experienced Governor, supported by a full contingent of Executive and Legislative Councillors, and yet we are told that requests for licences have to be referred to the Colonial Office, in fact to the Secretary of States for the Colonies - and we are perfectly certain that Mr. Ormeby-Gore has many more important matters to contend with and is not interested in controlling from London, the matter of the killing off of a few seals in the Falkland Islands, and that therefore it should be possible to settle and grant licences and devise control rapidly within the Colony itself.

3.

There is no blame to be attached to Governmental Action or Inaction in regard to the Sealing Company having operated at a loss. The Company was formed on the basis of seal oil selling for £29.- per ton - the heavy fall in the selling price of seal oil, coupled with many errors of administration due to our inexperience, are alone to blame for the Company's financial losses.

Any other statements that may reach His Excellency the Governor as having been uttered by either shareholders, or Directors of the Sealing Company, are not to be taken into account, but if any concrete statements of such nature can be reported to the Directors, it will be made their business to restrain individual shareholders or Directors from creating an unsatisfactory atmosphere as between the Sealing company 'as a company' and the Administration.

I have the Honour to be, Sir,

Your obedient servant

for and on behalf of the Falkland &
Dependencies Sealing Co. Ltd.

J. R. Watson.

The Honourable,
The Colonial Secretary,
Stanley.

139/37.

9th May, 38.

Sir,

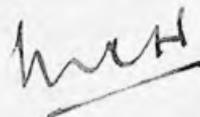
I am directed by the Governor to acknowledge and thank you for your letter of the 5th of May, 1938, which clarifies the relations between the Government and your Company as His Excellency regards your exposition as a fair and acceptable statement of the position.

2. I am to add that His Excellency can quite understand that there must be resentment at the need for reference to the Secretary of State but that the measure of control exercised is doubtless regarded as necessary having regard to the past history of sealing in the Antarctic. It is however the policy of the Government to surmount the difficulty, as indicated by His Excellency's readiness to recommend a monopoly of seven years duration with conditions that would subsist without reference to London for the full term of the licence.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

Captain D.R. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STARBUCK.



GOVERNMENT HOUSE,
FALKLAND ISLANDS.

14th May, 1938.

My dear Mr. Young,

I have gone into the vexed question of Sealing licences as I promised. I was as you know entirely at a loss to understand why or how the difficulty of carrying on the industry could be imputed to the Government. You will remember having charged that Government interference was damning to development or you will correct me if that was not the sense of your words.

Craigie-Malkett's letter to you of the 18th of May, 1937, to which you replied on the 7th of July mentioned that if a licence was granted for seven years no question could arise of modifying or altering the conditions without the consent of
the/

The Honourable
L. W. H. Young, J.P.,
61, Gracechurch Street,
LONDON, E.C. 3.

*Reds 34-35.
L.H. 230/33*

80

the licence. That would appear to cover all that any company engaged in any undertaking could require for the future.

There remains only the charge of past Government action having prevented the industry from going ahead. I have tackled Watson about that and in replying he mentions some slight loss incurred in 1935 through the Sealing Company having had to purchase useless revolvers and also says that the Company can never understand the necessity for reference to the Secretary of State for the Colonies in the matter of the granting renewal and extension of licenses. However he adds "there is no blame to be attached to Governmental action or inaction in regard to the Sealing Company having operated at a loss."

With the price of seal oil at £10 a ton as at present it would of course be futile for any attempt to be made to seal for the oil alone or ship oil home. It is/

is however distressing to think that a harvest of thousands of tons of guano and hundreds of tons of oil, which could be stored for a rise, should be at our front doors for taking annually, and should be left ungarnered.

I hope that you had a very good passage home. I was very sorry to hear of Goddard's death for the sake of his family. I fear that it may result in our seeing very little of you in future. With all regards, believe me

Yours sincerely,

(Sgt.) H. HENNIKER-HEATON

P.S. The trouble about the aged rams imported by the Company is unfortunate. Weir is away but it is difficult to understand the meaning of the representations made. The Government has not suggested that the disease is new to the country or that the dipping has anything to do with it directly.

83



139/37. off. 6.5.38.

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

4, MILLBANK,

LONDON, S.W.1.

O/Misc.337

TELEGRAMS: "CROWN, LONDON".

12th April, 1938.

TELEPHONE: ~~Abbey 7730~~

ABBAY 7730

Sir,

I have the honour to acknowledge the receipt of
your telegram dated the 5th April, reading :-

Red 62

"Please ascertain and telegraph as soon as possible
present price offered for seal oil."

and to confirm our reply dated the 9th April, reading :-

Red 70A

"Your telegram 5th April value No.1. seal oil about £10
per ton in bulk but there is very little business at
present."

7.4.38.

Copies of letters from Messrs. Meade-King, Robinson and

8.4.38.

Company Ltd., and Messrs. C.T. Bowring and Company Ltd., upon
which the text of our telegram was based, are enclosed for
your information.

I have the honour to be,

Sir,

Your obedient servant,

J.S. Blumfield

For Crown Agents.

The Colonial Secretary,

FALKLAND ISLANDS.

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EKH

COPIES OF LETTER FROM MESSRS. C.T. BOWRING & CO. LTD. TO CROWN AGENTS.

Ref: Works Control Dept.

52, Leadenhall Street,

London, E. C. 3.

8th April, 1938.

Gentlemen,

Your Reference "O" Dept. 337

We confirm telephone conversation with you this morning when you stated you had received a cable from the Falkland Islands asking for the present price offered for Seal Oil. As we informed you, everything depends on the quality of the Oil and in advising you to reply we think that the value for No. 1 Oil is in the neighbourhood of £10 per ton in bulk. Your friends should know what No. 1 Oil is and be guided accordingly. Just at the moment there is practically nothing doing and you must regard this price as approximate only.

Yours very truly,

(sgd) ?

COPIES OF LETTER FROM MESSRS. MEADE-KING, ROBINSON & CO. LTD. TO CROWN AGENTS.

523/5 Salisbury House,
Finsbury Circus,
E.C.2.

7th April, 1938.

ENR/GL

Gentlemen,

We acknowledge receipt of your letter of the 6th inst. and confirm our conversations by telephone with you yesterday and this morning.-

It is a little difficult at the present time to give an accurate value for Seal Oil as such. We would normally estimate the value to be equivalent to that of Sea Elephant Oil and No.1 Whale Oil, but the only offers of Seal Oil that are on the market at present are Newfoundland Seal Oil, which is usually offered ⁱⁿ a filtered form and is therefore appreciably dearer than the crude.-

It is possible that Messrs. C.T. Bowring & Co. Ltd., 52, Leadenhall St., E.C.3, might be able to give you some information as to the present price which would be offered for Seal Oil.-

We are Gentlemen,

Your obedient servants,

MEADE-KING, ROBINSON & CO. LTD.

(sgd) ?

Director.

No.

MINUTE.

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

17th June, 1938

From The Agricultural Adviser,

To The Honourable

The Colonial Secretary,

Stanley, Falkland Islands.

Stanley.

Confirming our conversation of even date, it would be a wonderful help at the present moment if something could be done to encourage the Sealing Company to operate this season. The message received by Mr. D. R. Watson, yesterday, indicating that seal oil is now worth £17, per ton, should be some inducement to the Company to make a start.

The matter concerns me to some extent in that there are now some seventy-two men on the books of the Agricultural Department.

D. R. Watson
Agricultural Adviser.

DECODE.

TELEGRAM.

From His Excellency the Governor,.....

To Secretary of State for the Colonies.

Despatched : 22nd June, 19 38 *Time* :...

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

Recd 56.

No. 26. My despatch No. 177 of 17th December, 1937,
Sealing Company, reorganization of the Company is essential
and no progress can be made without a guarantee of an
annual renewal of a licence for a period of not less than
7 years.

GOVERNOR.

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched : 21st July, 19 38. *Time* : 2156.

Received : 22nd July, 19 38. *Time* : 1130.

No. 31. Your telegram No. 26 Sealing Company. Despatch goes by mail of July, 29th.

SECRETARY OF STATE+

Reg 85.

8

FALKLAND ISLANDS
NO. 67.

Downing Street,
27 July, 1938.



Sir,

Reds 56 x 85.

I have the honour to refer to Mr. Craigie Makkett's despatch No.177 of the 17th of December last, and your telegram No.26 of the 22nd of June, 1938, regarding the application of the Falkland Islands and Dependencies Sealing Company for a licence to take seals and whales for treatment at a land station in the Falkland Islands during the next seven seasons, i.e. from 1938 to 1944, and to transmit to you herewith a copy of correspondence with the Ministry of Agriculture and Fisheries on the subject. I also enclose for your information a copy of a letter from Mr. Borley, lately Fisheries Adviser at the Colonial Office, who was consulted semi-officially on the matter.

To Min. of Agr. & Fish. 11.2.38.
Fr. do. 15.7.38.
Fr. Mr. Borley 29.3.38.

2. I have no objection to the grant of an exclusive licence to take seals on the conditions mentioned in paragraph 4 of the enclosed letter to the Ministry of Agriculture and Fisheries. The actual number of seals to be taken annually would, of course, be a matter for decision in the light of local circumstances.

3. You will observe from the enclosed letter from the Ministry of Agriculture and Fisheries that in view

GOVERNOR

SIR HENRIKER HEATON, K.C.M.G.,

etc., etc., etc.

view of the objections which have been raised at recent International Whaling Conferences to an increase in the number of land stations, the Minister feels some reluctance in assenting to the grant of a whaling licence in the present case; but that if it is considered that the commercial success of the Company is dependent on the grant of such a licence, he is prepared to agree to such a step, provided that the licence is limited to two whale catchers, and that the conditions attached to it can be varied in order to accord with any further International Agreements which may be concluded during its currency. I shall be glad if you will give consideration to this aspect of the question. If, however, you are satisfied that the Company's prospects of success would be seriously endangered by the restriction of its activities to sealing operations, I am prepared to approve also the grant of the necessary licence for whaling on the conditions mentioned in paragraph 5 of the enclosed letter to the Ministry of Agriculture and Fisheries, and in paragraph 2 of the Ministry's reply.

The Coy only
to seal & whal
wh catchers

h. In their application of the 23rd of November, 1937, enclosed in the despatch under reference, the Company expressed a desire to obtain a licence for whaling "within Territorial waters of the Falkland Islands proper, and the seas adjacent thereto". It would appear therefore that the Company contemplate whaling in the waters immediately beyond the three mile limit. It may be observed that whaling could not be carried out in these waters

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Waters without a licence from the United Kingdom Government, and that in view of the desire to restrict pelagic whaling, no promise could be given that such a licence would be granted if applied for. This fact should be brought to the notice of the Company as it may materially affect their position.

5. I shall be glad to learn in due course of the action taken in this matter and, in the event of a sealing and whaling licence being granted to the Company, whether the Company is successful in raising the necessary capital.

I have the honour to be,

Sir,

Your most obedient

humble servant,

(Sgd.) MALCOLM MACDONALD

Copy.

1505/1A/38.

Downing Street,

11th February, 1938.

Sir,

I am directed by Mr. Secretary Ormsby Gore to transmit to you, to be laid before the Minister of Agriculture and Fisheries, the accompanying copy of a despatch from the Officer Administering the Government of the Falkland Islands, with its enclosures, regarding an application which has been received from the Falkland Islands and Dependencies Sealing Company for licences to take whales and seals.

2. It will be observed that the Company apply, first, for a licence to take and try out seals at such places and in such quantities and at such seasons as the Colonial Government may see fit to determine, and, secondly, for a licence to take whales in such waters and seas adjacent to the Falkland Islands proper in such quantities and at such seasons as the Colonial Government may determine. It will, moreover, be observed that they ask that these licences for whaling and sealing should in some manner cover the next seven seasons, and that during this period the Government of the Falkland Islands should undertake to protect the Company against any other interests taking seals and whales within the limits assigned to the Company.

3. Sir Henniker Heaton, the Governor of the Falkland Islands, stated, when he was on leave in this country last autumn, that it was ⁱⁿ his opinion most desirable that a monopoly licence should be issued to the Company.

Mr.

THE SECRETARY,

MINISTRY OF AGRICULTURE AND FISHERIES.

17th Dec. '37.

93

Mr. Ormsby Gore agrees with the view that the Colony should stand to gain considerably by expenditure undertaken by the Falkland Islands and Dependencies Sealing Company on the lines proposed subject to its financial reorganisation being satisfactorily carried out; and, as this reorganisation is dependent on the grant of long term licences, he is disposed, provided that proof can be given that adequate capital is forthcoming, and subject to any observations which the Minister of Agriculture and Fisheries may wish to offer, to approve of the Governor granting licences on the terms and conditions indicated in the paragraphs below.

4. The licence to take seals would be granted under Section 5 of the Falkland Islands Seal Fishery (Consolidation) Ordinance, 1921, and would be subject to the usual terms and conditions attaching to such a licence. These conditions would include one to the effect that a qualified sealing officer should be employed to watch over operations. The licence would confine the Company's operations to certain districts within defined limits of the Falkland Islands proper. It would not be granted without proof being given that adequate capital was forthcoming, and that skilled personnel and plant would be available. It would be renewable annually up to the end of the 1944 season subject to compliance with the conditions attached to it.

5. The whaling licence would be granted for not more than two catchers for the purpose of taking whales during the land season "within the territorial waters of the Falkland Islands." No licence would be granted to the Company in respect of the Dependencies of the Falkland Islands, nor, of course would their licence cover pelagic whaling

whaling. For the seven years during which the Company held the licence no other licence for whaling from a land station in the Falkland Islands proper would be granted to any other company. (It is not anticipated that this would give rise to complaints or inconvenience since no other company has of recent years applied for a licence to take whales from the Falkland Islands proper as opposed to the Dependencies). It is proposed that a condition of the licence should be that adequate capital, skilled personnel and plant would be available. The licence would be issued under the Whale Fishery (Consolidation) Ordinance, 1936 and the Regulations made thereunder and would include inter alia provision for the payment of the usual licence fees and export duty at such rates as may be fixed from time to time, and supervision by an inspector where necessary. Subject to compliance with these conditions and subject to modification or cancellation should any international obligations entered into hereafter by the Falkland Islands Government conflict with it, the whaling licence, like the sealing licence, would be renewable annually for a period of seven years.

6. Mr. Ormsby Gore would be glad to learn whether Mr. Morrison has any observations to offer on these proposals.

I am, etc.,

(Sd.) G. L. M. Clauson.

MINISTRY OF AGRICULTURE AND FISHERIES.

43, Parliament Street,

London, S.W.1.

15th July, 1938.

F.G. 15219.

Sir,

I am directed to refer to your letters of the 11th February, 1938 (1505/1A/1938) and 28th June, 1938 (15085/1A/38) concerning the application of the Falkland Islands and Dependencies Sealing Company for licences to take whales and seals for treatment at a land station in the Falkland Islands and to say that, as Mr. Secretary MacDonald is aware, considerable apprehension is felt about any extension of whaling operations from land stations. In this connection I am to refer to para. 5 of the Final Act of the International Whaling Conference held in 1937 (Command Paper 5487) wherein it is stated that "the Conference recommends that the catch of the land stations should be carefully studied and that the Governments should consider, in the light of such study, what further regulations, if any, should be attached to whaling from land stations either generally or in particular geographical areas. In the view of the Conference there is a certain risk that the restrictions imposed on pelagic whaling may lead to a development of whaling from land stations, and the Governments should accordingly place themselves in a position to check or regulate such development should it occur." Certain delegations at the further International Whaling Conference held in June last again expressed concern at any additional development in whaling operations from

land

The Under Secretary of State,
 Colonial Office,
 Downing Street,
 London, S.W.1.

land stations whilst more restrictive measures were being suggested for factory ship operations, but it was not found possible to secure unanimous agreement on further restrictive measures for land station operations.

The Minister accordingly feels some reluctance in assenting to the application of the Falkland Islands Government so far as the licence for whaling is concerned, particularly as the Company making the application has not hitherto prosecuted whaling and the project would involve the establishment of a new land station and not merely the revival of a previously existing one. If, however, the Governor of the Falkland Islands and the Secretary of State are satisfied that the Company cannot achieve commercial success on sealing alone, the Minister is not disposed to press his objection, provided that the licence is limited to two whale catchers and that the conditions attached to it can be varied to accord with any further international agreements which may be concluded during its currency.

I am to express regret for the delay in replying to your letter which occurred as a result of the papers having been inadvertently mislaid.

I am, etc.,

(Sd.) A. T. A. Dobson.

Copy.

WOOLWICH WAR MEMORIAL HOSPITAL,
SHOOTERS HILL,

29. 3. 38.

Your ref. 15085/1A/38.

My dear Clauson,

Having read your letter under above reference of the 24th inst., with its enclosures, the following remarks occur to me.

1. The finance in general I leave, as usual, to more competent hands. However, £5000 for 4 boilers and accessories, and a small steamer, seems to me probably quite inadequate. The only way I can see that it could be done would be by getting the boilers second-hand from some whaling company that was closing. I saw by the Times of yesterday or the day before that the Viking Co., e.g. was disposing of its equipment: no details however were given. Whether such digesters would be too big for sealing quantities of blubber I don't know, but think it probable. As to the steamer, see 2.

2. It is not clear what is meant by a catcher. If a whale catcher, not a mere vessel to transport sealers and blubber, the money available would purchase, most likely, only a most inefficient boat. The advance in craft has been not only rapid, but necessitated by the growing scarcity of whales and transfer largely to fin in place of blue. Approach to fin whales is far more a sheer matter of running down. Also, whales are said to be "wilder". I have seen some terrible crocks for which quite good prices were asked.

3. It is not at all clear whether the company proposes to whale. It will make all the difference to their craft, gear and personnel. Apart from this there is

a point for the consideration of the Secretary of State. If you consult the records of the last whaling conference, I think you will find it clear that the foreigners all took it that the Falkland Land Stations were not likely to increase beyond those of S. Georgia and the S. Shetlands. At all events I am sure this was their impression, and it was very largely on this account that there was no effective opposition to the longer season for land stations as far as the South was concerned. You may remember that this point was raised when a German company wanted a lease. Though the damage working on the scale of the present proposals would do is very small, the opening of another whaling station touches therefore on policy.

4. I would like to back energetically the recommendation in para. 6 of the Falklands despatch.

5. Apart from this however, not having the text of a licence here, I am not sure of the extension of the phrase in para.5 of the despatch, "in compliance with the conditions". Does it refer merely to the observance of regulations and absence of abuses, or does it reserve to the Governor complete right to change the number of seals that may be taken, with each renewal? The stock of seals is not vast, and in recent years the numbers have been fixed after careful consideration of the fairish data available. It is important that the power of limitation should not be impaired over a term of years.

These are, I think, all the remarks that may be useful.

Yours sincerely,

(Sgd.) J. O. Borley.

139/37.

3rd September, 38.

Sir,

Red 57

With reference to the letter from this Office, No. 139/37 of the 18th of December, 1937, regarding the application by the Falkland Islands and Dependencies Sealing Company, Limited, for a sealing and whaling licence over a term of years, I am directed by the Governor to inform you that the Secretary of State for the Colonies has taken a favourable view of the Company's application.

2. I am to say that His Excellency is empowered to grant an exclusive licence to your Company - saving only the rights of the Falkland Islands Company over Lufonia - to take seal subject to the following conditions :-

The licence to take seals would be granted under Section 5 of the Falkland Islands Seal Fishery (Consolidation) Ordinance, 1921, and would be subject to the usual terms and conditions attaching to such a licence. These conditions would include one to the effect that a qualified Sealing Officer should be employed to watch over operations. The licence would confine the Company's operations to certain districts within defined limits of the Falkland Islands proper. It would not be granted without proof being given that adequate capital was forthcoming, that skilled personnel and plant would be available and that accommodation for the personnel would be satisfactory. It would be renewable annually up to the end of the 1944 season subject to compliance with the conditions attached to it.

3./

Captain D. E. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STANLEY.

3. I am to add that if the Government is satisfied that the Company's prospects of success would be seriously endangered by the restriction of its activities to sealing operations, approval will be given to the grant of the necessary licence for whaling subject to the following conditions :-

The whaling licence would be granted for not more than two catchers for the purpose of taking whales during the land season "within the territorial waters of the Falkland Islands". No licence would be granted to the Company in respect of the Dependencies of the Falkland Islands, nor, of course would their licence cover pelagic whaling. For the seven years during which the Company hold the licence no other licence for whaling from a land station in the Falkland Islands proper would be granted to any other Company. Adequate capital, skilled personnel and plant must be available. The licence would be issued under the Whale Fishery (Consolidation) Ordinance, 1936, and the regulations made thereunder and would include *inter alia* provision for the payment of the usual licence fees and export duty at such rates as may be fixed from time to time, and supervision by an Inspector where necessary. Subject to compliance with these conditions and subject to modification or cancellation should any international obligations entered into hereafter by the Government conflict with it, the whaling licence, like the sealing licence, would be renewable annually for a period of seven years.

4. I am to point out that in the application of the 23rd of November, 1937, your Company expressed a desire to obtain a licence for whaling "within territorial waters of the Falkland Islands proper, and the seas adjacent thereto." It would appear therefore that your Company contemplate whaling in the waters immediately beyond the three mile limit. It would appear however that whaling could not be carried out beyond the territorial waters of the Falkland Islands without a licence from the United Kingdom Government, and that in view of the desire to restrict pelagic whaling, no promise could be given that such a licence would be granted if applied for.

I am,

Sir,

Your obedient servant,

W. H. H.

Colonial Secretary.

37.

5th September, 38.

Sir,

Red 98

I am directed by the Governor to transmit to you, for your information, a copy of a letter which has been addressed to the Falkland Islands and Dependencies Sealing Company, Limited, on the subject of its application for a Sealing and Whaling licence to conduct operations in the Falkland Islands.

I am,

Sir,

Your obedient servant,

M.H.

Colonial Secretary.

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

(100)

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

Stanley

TELEGRAMS "FLEETWING PORTSTANLEY" via RADIO.

7th September, 1938.

Sir,

Red 99.

I have to acknowledge receipt of, and thank you for your letter No. 139/77 dated 5th September 1938 enclosing copy of a letter which has been addressed to the Falkland Islands & Dependencies Sealing Company, Limited regarding their application for a sealing and whaling license.

I am,

Sir,

Your obedient servant,

J. G. Creech
for Manager.

The Honourable,
The Colonial Secretary,
STANLEY.

The Falkland & Dependencies Sealing Company Ltd.

Stanley, 15th October 1938.

Red 98

Sir,
I now take up for reply your communication of the 2nd September last (No.159/37), to which I have been unable to reply before owing to the absence of one of our Principal Directors, the Hon. G.F.Felton.

We have now had a Directors' Meeting to consider the position of the company as a whole and in particular the prospects of reorganizing it's finances on the basis of the licenses now promised in your letter under acknowledgment.

The Directors are now satisfied that the licenses promised to the company would enable it to re-commence work, provided fresh capital could be attracted, or else a new loan obtained for working expenses.

Unfortunately the price of seal oil (and of whale oil) still remains very low in the European market, while the cost of drums, coal and other materials, landed in the Falkland Islands (or, rather, at the company's sealing station at Albemarle) is still high - in fact out of proportion to the prices obtainable for oils.

Under these adverse circumstances there is no immediate prospect of the company being able to now take advantage of the licenses promised, but the Directors are still searching for a means of overcoming the difficulties that they are at present faced with.

As soon as any prospects appear by which the Directors could re-commence sealing operations which would enable them to promise a reasonable interest return to new capital, or reasonable security for a new loan for working expenses, we shall again communicate with the Colonial Government.

In the meantime the Directors would like to stress the

importance to the local economy as a whole if sealing (and/or whaling) could be re-established permanently in the islands, in view of the amount of wage money that would be put into circulation.

The Directors of this company cannot re-establish sealing (and/or whaling) excepting on the basis of interest return on capital invested, but it might suit the Colonial Government, as long as the present adverse conditions continue affecting labour etc. in this Colony, to offer collateral inducements, such as a subsidy for labour, licenses free of charge, and instead of an export duty actually a bounty on oil exported.

The Directors are not asking for any of these things, but they are making mention of them as probably suitable points for Governmental investigation, as we take it that the Colonial Government are very much interested in that local labour should eventually find permanent or seasonal remunerative employment all round and there is no doubt that if and when an active and prosperous sealing industry is in being here that industry will contribute considerably to ease the burden of unemployment.

I have the honour to be, Sir,

Your obedient servant,

H. R. Watson,

Director and Secretary to the
Falkland & Dependencies Sealing Co. Ltd.

139/37.

14th October, 38.

Red 102

Sir,

I am directed by the Governor to acknowledge the receipt of your letter of the 13th of October, 1938, on the subject of the Falkland Islands and Dependencies Sealing Company, Limited.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

Captain D.R. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STANLEY.

Stanley,

Falkland Islands,

22nd December, 1938.

H.E. Sir H.Henniker Heaton, K.C.M.G.,

Government House,

Stanley.

Dear Governor,

With reference to your private letter to me written some months ago and to which I was unable to reply at that time, I have now been able to go through the files with reference to the Sealing Company's affairs, If a comparison is made between the terms of the licenses granted for the years 1928, 1929, 1930 and 1931 and the years 1935, 1936 and 1937 it appears that during the first period licenses were granted on a basis which gave the licensees full scope for their activities and if they failed to produce oil on a paying basis they could not possibly assume that the limitations of the license were responsible in any way for their difficulties.

2 Since 1935 licenses have been issued on more restricted lines - the numbers to be killed were considerably reduced although small increases on the numbers stated in the original licenses were certainly permitted - the killing of elephants was greatly restricted and the season fixed for their killing was considered by some who had had experience to be so restricted as to be of very little real value.

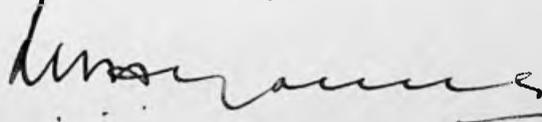
3 Although it has not been put on record it is not unreasonable to assume that since 1935 Government's policy has been to restrict the killing of seal to a maximum of about 10,000 per annum excluding Lafonia (although one Sealing Officer certainly appeared to be under the impression that seal taken from Lafonia were to be included in the total quantity to be taken under the Government license and I am of opinion that the same implication can be read into Government's letter dated 10th June, 1936 to the Sealing Company.)

*Yes Sir
I am in
with
immediately
at the
only
copy
m.c.
Recd 54
m.c. 75/35*

REORGANISATION. When I was in England in 1935 I put forward to my Board a scheme of reorganisation for the Sealing Company to which they agreed and were moreover prepared to consider investing capital in the development of sealing. Part of the scheme was to erect a station on Lafonia and either work it with or lease it to the Sealing Company. Included in this project was a proposal to utilise the scrap on the land; Details were in course of being worked out and the matter of new plant being gone into. I addressed Government on 3rd March, 1937 on the subject of the reorganisation of the Sealing Company. That Company had approached Government on somewhat similar lines in July 1936 and again in November 1937 - Government's letter 139/37 dated 3rd September, 1938 to the Sealing Company replies to these, but two material points i.e. the seasons in which sealing operations may be carried on and the numbers of hair and elephant seal which may be taken, are not indicated in any way and I am of opinion that until these are clearly defined there is no likelihood of any new capital being attracted to the industry.

The position as I see it may be summed up thus - Between 1935 and 1937 the difficulties which the Sealing Company encountered in securing licenses, additions to the numbers to be killed, restrictions re elephants, and other increasing restrictions, and the delay in our or the Sealing Company receiving a definite reply regarding an extended license which was necessary if the reorganisation of the Company was to be at all possible, coupled with Government's apparent intention as regards our admitted rights re sealing in Lafonia compelled me to advise my Board to withdraw until and unless the whole position vis a vis Government was clarified. These views I still hold but I should perhaps add that I am speaking for my Company only and not for the Sealing Company and they must not be held responsible for them in any way.

Yours sincerely,



Recd 2/4
in 7/5/35.
Recd 16/4
7/5/36

From H. E.

H. C. S.

Please put up attached
letters in the F. I. C. (250/33)
and sealing logs files
respectively and submit.

The reasoning in them
causes me to revise the way
opinion as to how Young's
abilities as a business man

~~TTTTT~~ 12/1/35

139/37.

19th January, 39.

Sir,

Red 105

Red 80

I am directed to acknowledge your letter to the Governor of the 22nd of December, 1938, in reply to His Excellency's personal letter to you of the 14th of May, 1938, on the subject of restrictions imposed on the operations of the Falkland Islands Sealing Company.

2. His Excellency finds himself unable to accept your proposition that the Sealing Company is in effect in error in asserting that Governmental restrictions have not affected prejudicially their operations. Your impression is that while from 1928 to 1930 inclusive the Company had a free hand, the conditions of licences since that date have been so onerous as to preclude further development.

3. The facts of the matter are that the licences in respect of the earlier period are almost identical with those issued from 1935 to 1937 except that the number of hair seals allowed to be taken from 1928 to 1930 stood at 20,000 as against 8,000 subsequently raised to 10,000 in 1935 and between that number and 12,000 in the following years.

4. The actual numbers of seals taken in each year were as follows :-

Year./

The Honourable
L. W. H. Young, M.E.C., M.L.C., J.P.,
Director,
Falkland Islands Co., Ltd.,
STANLEY.

<u>Year.</u>	<u>Hair Seal.</u>	<u>Elephant Seal.</u>
1928	3167	739
1929	2065	632
1930	5867	1150
1931	Did not operate	
1935	9255	76
1936	9086	633
1937	7285	-

5. It will be seen that as far as numbers go there was a very substantial increase of hair seal taken after 1930, but even then the quota could not be reached. The season fixed for killing in the earlier period was the same as in recent years. Extensions were given when sought without holding up operations.

6. The quota allowed for sea elephants was also never reached; no complaint was received by the Government to the effect that any prejudicial delay was experienced by the Sealing Company in dealing with applications for a licence to increase the quota or extend the season for killing sea elephants.

7. I am to add that you will doubtless now agree that there is insufficient ground for reflecting on Governmental action or inaction in respect of sealing as a stumbling block to re-organization. Your first letter on the subject that of the 3rd of March, 1937, was answered on the 16th of March, 1937, when I informed you that His Excellency was quite prepared to seek the approval of the Secretary of State to the grant of the monopoly which you sought, for seven years and further that the conditions of the licence would be substantially the same as those imposed in 1937. You did not demur to this and you will concur that it gave you the information you mentioned as not being included in the letter to the Sealing Company of the 3rd of September, 1938.

Red 98.

*Not
Recd
127/39*

8. In conclusion I am to state that the Governor has sought a definite ruling from the Secretary of State in the matter of the right to impose conditions in licences issued to your Company in respect of Sealing in Lafonia.

I am,

Sir,

Your obedient servant,

W. H. ...

Colonial Secretary.

*3 P 0 2
STANDARD
AGENTS*

*CROWN
STANDARD
AGENTS*

MEMORANDUM.

110

15th April, 1939.

From

THE FALKLAND ISLANDS COMPANY, LTD.,
STANLEY.

To The Secretary,
F. & D. Sealing Co., Ltd.
Stanley.

COPY OF TELEGRAM RECEIVED FROM THE FALKLAND ISLANDS Co. Ltd. LONDON.

Seal oil. We have an offer for 250 tons £17 per ton grade A
c.i.f. Glasgow 40 gallon drums.

handed to me
by Captain Watson
W.H.
ed.

[Handwritten signature]

DECODE.

TELEGRAM.

From His Excellency the Governor,

To Secretary of State for the Colonies.

Despatched: 20th April, 19 39. Time: ...

Received: 19 ... Time: ...

No. 27. I seek your approval to the payment of a Government subsidy not exceeding £3 a ton on seal oil exported this season up to 250 tons. An offer of £17 a ton has been received but I am satisfied that it is not possible for the Sealing Company to be financed without a guarantee of £20 a ton. The proposal is that if it can be shown by Government Audit that the cost of operations has exceeded the sale price of the oil the subsidy shall cover the loss within the £3 limit per ton.

If you approve the proposal employment will be given to 30 men for 4½ months with a saving to Government of £1500 in wages otherwise payable to surplus labour.

I shall be grateful for an early reply by telegram.

GOVERNOR.

DECODE.

TELEGRAM.

From His Excellency the Governor,

To The Secretary of State for the Colonies.

Despatched: 20th April, 19 39. *Time:* ...

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

Red III

No. 28. With reference to my telegram No. 27 I propose to issue a licence to the Sealing Company for 10,000 hair seals and 1000 sea elephants as in 1937.

GOVERNOR.

(113)

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.



London, E.C.3. 24th March, 1939.

Sir,

Ref. 20/3.

*Red 109.
Red 105.*

I have the honour to acknowledge receipt of your letter No.139/37, dated 19th January, 1939 and with reference thereto regret that no comment has been made on the third paragraph of my letter dated 22nd December last.

2. It is not unreasonable to still assume that Government had a definite restriction policy and if that was so it is perhaps to be regretted that the whole position was never discussed at a meeting between all the interested parties, that is to say, the Falkland Islands Government, the Sealing Company and the Falkland Islands Company, when that policy came into being.

3. With reference to reorganisation, it will be realised that advances of money for this purpose and for development cannot even be considered until a firm and detailed offer of an extended licence has been made by Government. I regret I cannot agree that the position as detailed in paragraph 7 of your letter now under acknowledgment meets with these requirements.

4. I should appreciate it if Government could kindly let me know the terms and conditions of the licence for sealing issued to the Cia Argentina de Pesca and the numbers of all types of seals allowed to be taken in a season.

I am, Sir,

Your obedient Servant,

A handwritten signature in cursive script, appearing to read "D. M. ...".

Managing Director.

The Honourable

The Colonial Secretary,

Stanley,

Falkland Islands.

139/37.

21st April,

39.

Sir,

With reference to your statement to me that the Falkland Islands Company, Limited, is not prepared to finance Sealing operations without a guarantee of £20 a ton as the price of seal oil, His Excellency is prepared to ask the Secretary of State to approve of a subsidy of up to £3 a ton, that is to say that if it is shewn at the end of the season by Government Audit that the cost of operations has exceeded the sale price of £17 or more a subsidy will be paid to cover the loss within the £3 limit. It is earnestly hoped however that the marketing costs will not be more than the £17 or higher price procurable. The guarantee would cover an output of up to 250 tons and would apply to the maximum of £20 in respect of price plus subsidy.

I am,

Sir,

Your obedient servant,

[Handwritten signature]

Colonial Secretary.

Captain D. R. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STANLEY.

139/37.

115
21st April,

115
39.

CONFIDENTIAL.

Sir,

I am directed by the Governor to inform you that His Excellency is seeking the approval of the Secretary of State to a Government subsidy on the seal oil marketed in order to bring the price to a sum in respect of which it is understood that your Company will finance operations. His Excellency has no doubt that your Company appreciates fully the serious labour problem with its reaction and His Excellency trusts that they will do what lies in their power through reasonable transport and other charges to enable the Sealing Company to produce oil at a cost not exceeding the market price, without having to call on the Government guarantee as Government resources are being strained to meet current demands.

I am,

Sir,

Your obedient servant,

with
Colonial Secretary.

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

DECODE.

TELEGRAM.

From His Excellency the Governor,

To Secretary of State for the Colonies.

Despatched : 22nd April, 19 39. *Time* :...

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

Red III.

No. 29. With reference to my telegram No. 27 of the 20th of April Falkland Islands Company which is financing Sealing Company now asks for unconditional guarantee of £20 a ton. As the cost of producing the oil in 1937 last year of working was £23. 15. 0. a ton I advocate consenting to payment of £3 a ton in full unless a higher price than £17 a ton can be obtained in which case the subsidy would be limited to amount necessary to bring total receivable by the Sealing Company to £20 a ton.

GOVERNOR.

139/37.

22nd April,

39.

Sir,

Recd 113
I am directed to acknowledge the receipt of your letter of the 24th of March, 1939, on the subject of sealing operations in the Colony.

2. You state in the third paragraph that development cannot even be considered until a firm and detailed offer has been made by the Government. I am to suggest that it is rather the function of the Government to consider and deal with any application for sealing rights made by any concern interested.

3. The sole interest of the Government in considering an application would be to render every possible assistance and encouragement to the development of the industry.

Recd 105
4. In your letter of the 22nd of December, 1938, you informed the Governor that when in England in 1935 you put forward to your Board a scheme for the re-organization of the Sealing Company, to which they agreed. It appears regrettable that no mention of this scheme was made to the Government until the 3rd of March, 1937. In reply to your letter of that date you were informed of the preparedness of Government to issue a monopoly licence for seven years (subject to the concurrence of the Secretary of State) and you

were/

Yours faithfully
W. H. Young, M.B.C., M.L.C., J.P.,
Managing Director,
The Falkland Islands Co., Ltd.,
61, Gracechurch Street,
LONDON, E.C. 3.

were given the exact terms and conditions under which the licence would be issued. The next communication from you on the subject was received a year and eight months later when you stated that you had advised your Board to withdraw from the scheme until and unless the whole position vis-avis Government was clarified. It appears from your further letter under reference that your Company has no serious intention of undertaking development of the sealing industry.

5. I enclose a copy of the licence for sealing issued to the Argentina de Pesca in South Georgia as requested by you.

I am,

Sir,

Your obedient servant,

M. J. [Signature]

Colonial Secretary.

Colonial Secretary's Office,
Stanley, Falkland Islands.

24th April, 1939.

Dear Mr. Roberts,

With reference to our telephonic conversation on the 22nd instant regarding the proposed subsidy to the Sealing Company, I confirm that the Secretary of State has been asked to consent to the payment of £3 a ton in full unless a higher price than £17 a ton can be obtained in which case the subsidy would be limited to the amount necessary to bring the total receivable by the Sealing Company to £20 a ton.

I think that this makes the position clear.

Yours sincerely,

mett

D. W. Roberts, Esq.,
Manager,
Falkland Is. Co., Ltd.,
STANLEY.

1100

No. _____

MINUTE.

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

24th April, 1939.

From the Agricultural Adviser

To The Honourable,

Stanley.

The Colonial Secretary,

Stanley, Falkland Islands.

Stanley.

Confirming our telephone conversation of even date, I understand that if the Sealing Company operates this season it will be subsidised by Government. If this is so it is submitted that the manager of the company should be instructed that all labour should be employed through the Agricultural Department in the same way as for South Georgia.

This is urgent as already at least one youth (who is eligible for Camp work) has been promised a job by Mr Watson.

I saw the latter this morning when he appeared to take exception to being told that under the circumstances he must not employ this youth.

This Department has more than enough suitable men on its books to supply all the requirements of the Sealing Company.

C.A.N.

Barber
Agricultural Adviser.

1209

Agricultural Department,
Stanley.

20th April, 1933.

D.R. Watson Esq.,
Stanley.

Dear Sir,

I have to advise that the Hon M.C. Craigie-Malkett O.B.E.,
Deputy for His Excellency the Governor has instructed me to send
for you to discuss the labour question in regard to the forth-
coming season's sealing operations.

I shall be glad to be at my office at a time convenient
to you.

Yours faithfully,

Stanley
Agricultural Adviser.

C.A.N.

Hon. Col. Sec.

Copy for your information.

Dean
Agricultural Adviser.

CROWN
STANDARD

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched: 27th April, 1939 Time: 2138.

Received: 28th April, 1939. Time: 1230.

Recls 111 & 116.

No. 26. Your telegrams Nos. 27 and 29 Seal Oil. I view your proposal, especially that in your telegram No. 29, with some apprehensions. I should find it difficult in approving unconditionally guarantee at least without fuller information.

On assumption that guarantee would be unconditional and that higher price than \$17 a ton would not be realized, please telegraph estimate of maximum possible loss to Government in 1 year if subsidy of £3 a ton were paid.

Have you considered alternative possibility of remitting export duty on seal oil for 1 year ?

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched : 27th April, 1939. Time : 2204.

Received : 28th April, 1939. Time : 1230.

No. 27. Your telegram No. 28 I approve of the grant of licence for 1939 for 10,000 hair seal.

According to your telegram No. 59 of 24th August, 1937, licence for sea elephants in 1937 was for 500 not 1000. I have however no objection to grant of licence for 1939 for 1000 sea elephants if you think this is justified in spite of recommendations in paragraph 18 of report enclosed with your despatch No. 106 of 17th July, 1936.

SECRETARY OF STATE.

Red 112.

Red 8.

Red 137 in
M.P. 75/35.

Stanley
April 28th 1939

Dear Mr Hallett,

You will be pleased to know that our London office has closed with an offer for 300 tons of Seal oil at the basic price of £18 per ton for Grade A.

Yours Sincerely

W. H. Mack

Good business this
minus subsidy by
£250.

W. H. Mack

24. 4. 39

DECODE.

TELEGRAM.

From His Excellency the Governor.

To Secretary of State for the Colonies.

Despatched : 1st May, 1939. *Time* : ...

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

No. 33. Your telegram 27th April No. 26 Sealing Company has now obtained a firm offer of £18 per ton for 300 tons Seal Oil subsidy will therefore be reduced to £2 per ton on 250 tons. Payment of subsidy of £500 would leave an estimated possible loss to Government of £331 after deducting licence fee and duty payable on 300 tons. On the other hand employment in Sealing of labour now carried by Government would effect a saving of £1575 or a nett saving of £1243 after deducting the loss of £331. I trust that you will be able to approve the reduced subsidy of £2 per ton on 250 tons as it is imperative that work should be found outside Stanley for labour during the months of Winter. Alternative proposal of remitting export duty was duly considered but the duty payable on 250 tons £112 was insufficient to enable the Sealing Company to commence operations.

GOVERNOR.

124 A

STANLEY.
2nd May, 1939.

Dear Captain Watson,

You have remarked when here that your Company must obtain their labour requirements through the Agricultural Department. You are under a wrong impression. It was understood that the Agricultural Department would assist with the labour supply as they were carrying most of the surplus labour but I must make it clear that no stipulation was made that the workers must be supplied by the Agricultural Department. It was more a matter of mutual arrangement between the Agricultural Department and yourself. The idea is to assist the Sealing Company and not hamper it by restrictions on labour provided the Company employs 30 men. In any case you will doubtless get all you want through the Agricultural Department.

Yours faithfully,

MWH

Captain D. R. Watson,
STANLEY.

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched: 5th May, 19 39. *Time:* 2230.

Received: 6th May, 19 39. *Time:* 1130.

No. 30. Your telegram No. 33 subsidy of £2 per ton on Seal Oil up to limit of 250 tons approved.

SECRETARY OF STATE.

139/37.

6th May, 39.

Sir,

With reference to my letter No. 139/37 of the 21st of April, 1939, I am directed to inform you that the Secretary of State has approved the payment of a subsidy to your Company at the rate of £2 a ton on 250 tons of seal oil to bring the guarantee applied for by your Company up to £20 a ton in respect of price plus subsidy.

I am,

Sir,

Your obedient servant,

MCH
Colonial Secretary.

Captain D. R. Watson,
Secretary,
The Falkland Islands and
Dependencies Sealing Company, Ltd.,
STANLEY.

139/37.

8th May, 39.

Sir,

With reference to the recent difficulty experienced by your Company in obtaining labour, I have the honour to inform you that a deputation from the Falkland Islands Reform League which I saw on the 7th instant represented that men had not refused sealing work but had refused to go at the terms offered by your Company, namely, £8 per month plus a bonus at the rate of 2d a barrel. The deputation stated further that at a meeting held by the League on the 6th instant at which 130 men were present it was considered that the terms offered were inadequate taking into consideration the nature of and conditions under which the men had to work.

2. Having regard to the foregoing perhaps your Company will be prepared to reconsider the original terms offered.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

The Secretary,
 The Falkland Islands and
 Dependencies Sealing Co., Ltd.,
 STANLEY.

129

The Falkland Islands & Dependencies Sealing Co., Ltd.

STANLEY,
8th May, 1939.

Sir,
I have the honour to own receipt of your favour dated 8th May, 1939 (No. 139/37.)

This company has based its calculations, including the subsidy to be obtained from the Government in order to bring up the price of oil to a satisfactory figure, on not having to pay any greater wages than were paid for sealing in the 1937 season.

I, and those people who have been associated with me in the negotiations both with the Government and the Falkland Islands Co., Ltd. have always assumed that in endeavouring to get sealing operations done this season, we were, first and foremost, giving the local labourers a chance to earn money in a productive method, instead of so many of them relying on 'relief work'

A few random notes are attached which tend to show that the wages payable by the Sealing Co., are very much higher than navy wages paid on farms, and that the men have a chance to make considerably more than they would get on relief work at 1/2d. per hour.

Once the sealing starts there is no broken time. Even if there is a breakdown, or excessively bad weather when it is not possible to continue oil production, wages continue - and such odd jobs as it is possible to find are given out to the crews to do.

If the men consider the wages inadequate this Company is exceedingly sorry, because under existing circumstances they cannot see how the scale of wages can be increased.

We have no desire to force down wages - we are offering the maximum which we can do under the circumstances. Some day when seal oil is up to £28. or £30. per ton (as it was when the Company first started in 1927/8) we shall be very happy to increase both wages and bonuses.

Your obedient servant,
for and on behalf of the Falkland
& Dependencies Sealing Co., Ltd.

J.R. Loates
Managing Director.

The Hon.
The Colonial Secretary,
STANLEY.

128 B

Notes, for the Falkland & Dependencies Sealing Co. Ltd.

During the 1937 season the total wages and salaries paid out by the Company, were..... £1627. 1. 9

That is irrespective of carpenter's wages paid in Stanley. 36.18. 8

The other expenses of the company in the purchase of coal, drums, materials, provisions etc., amounted to about £3.300.-

Out of this amount it is quite possible that 15% represented labour costs in handling the goods and materials, so the actual 'wage money' put into circulation by the company could be said to be increased by 495.--.--

Mutton and other meat of local production purchased, amounted to about 100.--.--

£ 2.259.--. 5

Total wage money and local production costs.

A navy in the camp gets, cash per month £ 6.--.-- and has to work at all hours, often getting just a wet and dirty as sealing.

A navy in the camp is found in mutton and quarters, and nothing else.

A man sealing is paidper.month.....£ 7.--.--

Found in free mutton

Found in quarters

Plus a victualling allowance of 1.--.--

And is to get a Bonus of 2d. per barrel on oil produced.

Assuming a season of 4 months sealing, the value of the Bonus would be liable to fluctuate with oil produced according to the following scale.

If only 250 tons produced	£12.10.-- or	3. 2. 6 p.m.
If 300 tons, add Bonus for 50 tons more.		12. 6
If 350	ditto.	12. 6
If 400	ditto.	12. 6
If 450	ditto.	12. 6
If 500	ditto.	12. 6

£ 14.15.--

If it is fairly safe to calculate that the minimum production on which Bonus will be payable will be 250 Tons, in which case the men will get not less than £11.2.6 per month (assuming a season of 4 months duration) plus found in mutton.

On the other hand if the sealing season turns out to be a good one, and an estimated maximum production of 500 tons is quite within the capacity of the station, the men might get as much as £14.5.-- per month plus found in mutton.

For single men the wages seem quite attractive, as they would not have to pay 25/- board and lodging as at present in Stanley, and per week, say £5.- per month.

For married men maintaining a house and family in Stanley the wages are not so attractive, provided they can command full time work in Stanley during the winter.

Wages for sealing in the winter months in the Falklands cannot be compared with the wages paid by the Norwegian whaling companies during the summer months.

Very many of the Norwegian whaling men have to depend on what they make during the whaling season for their whole year's income.

Also whaling is carried on on a very large scale and the expenses of fitting out, freights etc. are spread over a production of about 80.000 barrels per factory.

The sealing company can only work, for the present on a minimum estimated production of 1500 barrels (250 tons) or a maximum production of 3000 barrels (500 tons).

If only 250 tons are produced the shareholders of the sealing company will get nothing - ~~then~~ and even if a bumper season of 500 tons is obtained, still the shareholders will get nothing, as any surplus will have to go to, wipe out accumulated debts.

The finances of Sealing Company are in a very bad state. To all intents and purposes the company is bankrupt and should go into liquidation.

The only hope for the continuation of Sealing in the Falkland Islands is that the price of oil may rise to about £20.- or £22.- per ton, and that expenses will not rise.

If the sealing company has three years of oil production, say of 450 tons per season, with a price of £20.- to £22.- per ton, without any rise in expenses, it might then overcome its financial difficulties and be able to expand to greater production, erect more comfortable quarters for the crews, and possibly increase the Bonus on oil production.

If the men will, in the meantime, share the hardships of the shareholders, who have never had any dividends, there is no doubt whatever that when profits are available, any representations for higher wages or higher bonus, would have every chance of being successful.

If every time that those people who have the increasing of local production at heart, are to be stumped by demands for wages which are out of relation to what wages are already currently paid in the Falklands, it will make an end of all honest efforts.

The Directors of sealing company have spent months negotiating in order to find out whether satisfactory arrangements could be made to re-commence sealing this season, and part of their argument in persuading everybody to lend a hand, was that it would put into circulation a considerable amount of money locally for wages, stores etc.

The only people who will benefit directly and immediately from sealing operations, are the working men. From the skipper and engineers down to the mess-boys. None of the other people concerned will benefit much, even if a bumper season is had - they are entitled in any event to gratitude and cooperation from the workmen, but it would appear that some are being badly misled - and ~~none~~ no one will benefit.

Sealing Labour

Terms offered £8 a month and bonus of 2^d a barrel.

Estimated monthly earnings on a production of 250 tons would be for 4½ months work £10-16-0.

At a bonus of 2½^d a barrel the average would be £11-6-0 a month

At a production of 300 tons the average would be for 4½ months at 2^d a barrel bonus, £11-6-0 and at 2½^d £12.

Cost of ½^d on bonus on production of 300 tons would be £112-10-0.

15^s a month on wages of 30 men for 4½ months would cost £104-5-0, and at 10^s, £67-10-0.

WCH
cl.
9.5.29.

139/37.

9th May, 39.

Sir,

I have the honour to acknowledge and thank you for your letter of the 8th of May, 1939, together with the accompanying notes on the subject of the terms offered by your Company to sealing workers.

2. The matter was discussed with representatives of your Company, the Falkland Islands Company, Limited, and the Reform League at a meeting held at this office last evening when it was decided that the question of wages and suggestions put forward should be referred to the Governor on His Excellency's return by the s.s. "Lafonia".

I am,

Sir,

Your obedient servant,

Meth

Colonial Secretary.

The Secretary,
Falkland Islands and Dependencies
Sealing Company, Limited,
STANLEY.

134

Agricultural Department,
Stanley,
8th May, 1939.

Yesterday, Sunday 7th May, 1939 a Committee of the Reform League, consisting of Messrs J.Barnes, S.Luxton and W.J. McAtasney waited on the Hon. M.C.Craigie-Halkett O.B.E., Deputy for the Governor; and myself, and explained that you have not refused the work offered to you by the Sealing Company, but that before commencing with the Company you require an understanding regarding the question of wages. Pending this and the return of His Excellency the Governor to Stanley I have been instructed by the Deputy for the Governor to re-employ you with the Agricultural Department as from Monday the 8th instant.

A. Seale
Agricultural Adviser.
per [Signature]

Hon.Col.Sec.

This circular has been sent to the persons whose names are mentioned below.

T.Lindenberg.
S.Pedersen
John Watts
S.Halliday
W.Kirk
N.Kenny
A.Smith
R.Grant
M.Hardy.

No. _____

MINUTE.

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

8th May, 19 39 .

From The Agricultural Adviser

To The Honourable, _____

The Colonial Secretary,

Stanley, Falkland Islands.

Stanley.

I have the honour to advise that your instructions have been carried out (pending the return of His Excellency the Governor) to reinstate the 9 men who were dismissed from the Agricultural Department for refusing to accept private employment which was offered to them at a higher rate of pay than that which is paid by Government. List of names herewith.

G. L. Adams
Agricultural Adviser.
per E. W. E.

135

REPRESENTATIONS MADE BY THE REFORM LEAGUE REGARDING
TERMS OF EMPLOYMENT OFFERED BY THE SEALING COMPANY.

Meeting held at the Colonial Secretary's Office
at 5.30 p.m., on the 8th May, 1939, at which were
present -

The Colonial Secretary.
The Agricultural Adviser.

Capt. D. R. Watson.)
Mr. J. Robertson.) For the Sealing
Mr. E. Crawford.) Company.

Mr. J. Barnes.)
Mr. S. Luxton.) For the Reform League.
Mr. W. J. McAtasney.)

Mr. J. D. Creamer.) For the F.Is.Co.Ltd.

Captain Watson stated that a new situation had arisen
namely that his Company were expecting 200 tons of coal by
the "Lafonia" and that it was necessary that the Company
should know as soon as possible whether they could get
labour or not.

Mr. Creamer: the question is are the lighter and
"Gwendoline" going to be at Albemarle by the time the
"Lafonia" gets there to discharge the coal.

The Colonial Secretary informed the meeting that he
had received a deputation from the Reform League on the
previous day (Sunday) when the deputation represented
that the League considered the offer of the Sealing Company
of £8 a month plus 2d a barrel bonus totally inadequate
considering the nature of and the conditions under which
the men had to work. He had referred the matter to the
Sealing Company and would now read their reply. Letter
from Sealing Company read and passed to the Chairman of
the League to see. Captain Watson here read notes on
the cost of the sealing expedition of 1937 when similar

wages/

wages and bonus to that now offered were paid. He explained that the Company lost over £400 on that season's working. For the present season, figures had been carefully examined and it had been ascertained that the full £20 a ton would be required to produce the oil. The Company regretted therefore that they could not see their way to increase the wages and bonus beyond the original offer.

Mr. Creamer confirmed this. He stated that he and the Manager of the Sealing Company had spent the whole day going into figures with a view to ascertaining if any increase in wages could be offered.

Mr. Barnes for the League stated that the men asked for £9 a month wages plus free board, 2d a barrel bonus and 1s/- an hour overtime after 10 hours work.

Captain Watson pointed out that in 1937 average daily working was $6\frac{1}{2}$ hours. At times the men had to work long hours but there were spells when there was little to do owing to weather conditions and other causes.

Mr. S. Luxton said he failed to see how £8 per month could approximate to 1s/2d an hour. He added that the general public had never been allowed to take shares in the Sealing Company, but now when trouble comes the Company expects the work of working men.

Mr. J. Barnes said the trouble was the question of wages. If all that had been said and read had been put to the men at the start they might have sympathised.

Captain Watson stated that the average earning would be £11. 2. 6 a month for 4 months based on 250 tons production, with 12/6 increase for every 50 tons.

Mr. Creamer said he was of opinion that the Falkland Islands Co., would agree to an increase in wages if it did not reach the point where his Company would be subsidising

wages which could never be recovered.

The Colonial Secretary said the wages offered were not unreasonable compared with £2. 12. 6 a week in Stanley and cheaper living at Albemarle.

Messrs: Barnes and Luxton said longer hours were worked at Albemarle and that the oil bonus was lost when not working.

Mr. Barnes said the digesters were not safe. Captain Watson denied this saying they had been tested by the Falkland Island Company's engineer.

Mr. S. Luxton for the League brought up the question of living quarters and mentioned their wretched condition. Captain Watson replied that he proposed to berth the men on the "Gwendoline" where conditions would be better.

Mr. Luxton could not agree. He said conditions would be no better on the "Gwendoline"; the vessel was alright for her ordinary crew but not for a crowd of men. They would have to take off their oily clothes where they ate and slept and would have to wash on deck. He did not consider these fit conditions and if men had to put up with such conditions they must be paid more. The other members of the League deputation agreed with Mr. Luxton's views.

Mr. Barnes said it appeared to him that Government was backing the Sealing Company so that they the Government could get rid of labour.

The Colonial Secretary pointed out that this was not so. The sole and only aim of the Government was to support any

measures which/

135

which would assist in giving full time work and that when it was decided to give full time work to the workers in Stanley this was done on the assumption that for part of the year a certain number of men would be employed on sealing and afterwards on whaling. The Government was anxious that the Sealing Company should work as it would benefit the Colony by bringing in fresh money.

Mr. Creamer said that the Sealing Company might have offered better terms had they been in a position to do so. This Company could not be compared with whaling companies and the better conditions of employment given by those companies. The Sealing Company owing to adverse circumstances was more or less bankrupt. He suggested that perhaps the Government would be prepared to consider a small addition to the men's wages, particularly as the £3 a ton subsidy had now been reduced to £2 a ton. Mr. Creamer afterwards added that he considered the terms offered by the Sealing Company to be reasonable as men would get more than if on full time in Stanley.

Mr. Barnes stated that it seemed clear that the feeling of the meeting was sympathetic towards the worker.

After further discussion Captain Watson stated that the question of wages could stand over until the return of the "Lafonia" provided the decision of His Excellency the Governor could be obtained with as little delay as possible.

I stated that the suggestion brought forward by Mr. Creamer would be submitted for His Excellency's consideration without delay.

I again pointed out to the representatives of the League that a large proportion of the work given by Government was in the nature of relief work and that if any

man/

man so employed was offered reasonable employment either in the Camp, or Sealing or Whaling and he refused such employment without good and sufficient reason he would be discharged. The employment offered by the Sealing Company while not being liberal could not be regarded as altogether unreasonable.

Captain Watson asked Mr. Barnes if what the men had asked for was the absolute minimum. The three League members stated it was the absolute minimum.

The Agricultural Adviser asked as to the latest date necessary to find labour in order to enable sealing to take place this season.

Captain Watson said 10 days notice was required for the "Port Richard" and that the Station should be ready by the 1st June.

Mr. Creamer said he thought "Lafonia" might be able to alter her itinerary to give a few days extra.

Both Captain Watson and Mr. Creamer said there would still be time to make arrangements after the return of His Excellency the Governor.

I informed the League deputation that the final decision regarding wages would be communicated to them in due course.

The meeting terminated at 6.45 p.m.

CONDITIONS OF LICENCE.

1. That a fee of £33. 6s. 8d is paid on the issue of the Licence.
2. That the usual duty on the export of Seal Oil is paid.
3. That the Licence is valid in respect of the Falkland Islands to the exclusion of the Dependencies thereof, and shall commence on the 1st of June, 1939, and terminate on the 31st of October, 1939.
4. That the taking of elephant seals shall be restricted to the period 1st June to the 30th September, or to such other period as may be approved by the Governor. That the taking of hair seals shall be restricted to the period 1st June to the 31st October, 1939.
5. That the number of seals killed is not to exceed in the case of hair-seal 10,000 (ten thousand) and in the case of elephant seal 1,000 (one thousand).
6. That in the case of hair-seal at least 10% of the adult male seals are left at each rookery. That in the case of elephant seal the killing must be restricted to adult males only and care should be taken that when more than 50 adult males are found 10% are left alive and that when less than 50 adult males are found 25% are left alive.
7. That no pups or females are killed, and that no immature or under-sized seals are killed.
8. That the seals are killed in a humane manner and with as little disturbance as possible, and are not to be driven long distances *or on long hauls more than 200 or 50 miles as to constitute cruelty.*
9. That the whole carcase of every seal killed is utilised as far as possible for the extraction of oil and that there is no undue waste.
10. That full returns shall be made, monthly, annually and as otherwise required showing the number of seals killed, the localities from which taken, and the amount of oil produced and such other information as may be required.
11. That all operations conducted under this Licence shall be subject to the supervision of a sealing officer appointed by the Governor who shall be maintained totally and permanently on board the vessel or vessels employed by the licensees without cost whatever to the Government.
12. That no trespass is committed on private land where seal rookeries are situated other than in strictly necessary for the purpose of killing or trying out seals.
13. That this Licence is not transferable.
14. That the Company must employ local labour.
15. That the Licence is subject to cancellation or modification at any time on commission of any breach thereof or without cause assigned.

COLONY OF THE FALKLAND ISLANDS.

SEALING LICENCE.

THE SEAL FISHERY (CONSOLIDATION) ORDINANCE, 1921.

Colonial Secretary's Office,
Stanley.

15th May, 1939.

Under the provisions of Section 5 of the Seal Fishery (Consolidation) Ordinance, 1921, a Licence is hereby granted to

THE FALKLAND ISLANDS AND DEPENDENCIES
SEALING COMPANY, LIMITED,

to take seals of the species known as Hair-Seals and Elephant Seals in the Colony of the Falkland Islands, subject to the terms and conditions specified in the schedule annexed hereto and during the period therein prescribed up to the 31st of October, 1939.

Colonial Secretary.

142

The Falkland & Dependencies Sealing Co. Ltd.

Melvin House,

May 13th 1939.

Sir,

We refer to the subsidy payable in respect of this seasons production. It has been understood that your letter of April 21st date was superseded as per your conversation with the Manager of the Falkland Islands Co. Ltd of April 22nd, and by your private letter to him dated April 24th, in which no quantity was mentioned. The Falkland Islands Company have consistently stated that they will finance operations subject to a price of £20 per ton being obtained for the seasons production. The original offer obtained for the sale of Oil was for 250 tons at £17 - but this was never considered to apply to a full seasons work and the position was and still is that unless a price of £20 per ton is obtained for the whole of the Seasons Catch - it is not worth while commencing operations. I may state that for the season 1937 the Sealing Company made a loss of £547. 9. If then the price of £22 was obtained for Grade A and £21 for grade B.

I therefore make an application for the subsidy to cover the seasons total production and hope this will make the matter clear. With regard to the bonus of 1d per barrel on 250 tons only - I would refer to my conversation of the 5th of May, when I said I would be in a better position

over

After consultation with H.E. re full guarantee up to £20 a ton MCH

position to state if we could carry the extra penny bonus after a production of 300 tons (our present contract) had been obtained.

I have the honour to be, Sir,

Your obedient servant,

B.R. Watson.

Director and Secretary to the
Falkland & Dependencies Sealing
Company Ltd.

Clawley 39.
16. 5. 39.

Dear Mr. Hallett.

Thank you for your letter of yesterday's date re assistance to the Sealing Co.

It may help to clarify matters if I recapitulate and state the position of the S. J. Co. in the matter. In the 1937 Season the Sealing Co. made a loss of £94 after crediting them with Coal and Drums left on hand and making no provision for interest or depreciation. The price then obtained was £22 per ton for Grade A clothed in 90 fall on drums - basis £21.10. in 40 fall drums. As I have been able in part in part to account for the loss then sustained, I considered a price of £20 for Grade A in 40 fall drums

a reasonable figure justifying an expedition for this Season based on the 1937 expenses as to labour rates. Freight. Cost of Drums ^{Coal} and all ordinary working expenses. This has been made abundantly clear to Capt. Watson throughout. It has never been intended that quantities should enter into the matter at all and the offers obtained - originally 250 tons at £17 - and later 300 tons at £8 - both based Grade A in 40 fall drums - have been passed on as an indication of price and trend of market conditions. We would not think of financing an

expedition for a limited season
and partial production. Now,
once started, would we curtail
the season. While seals were
available in reasonable quantities
except in the event of an
unprofitable lump in
price for further quantities not
contracted for.

On receipt of your letter to
me dated April 21st. I phoned
you immediately indicating
that the terms contained
therein were not acceptable.

You suggested that I should
write but later phoned me
that this would be
unnecessary. Naturally,

4 I have considered your original
offer null & void & superseded by
the later arrangements. That
the price would be made up
to the figure of £20 per ton as
stated in your letter to me of
April 24th. I have been led
to believe that this would
cover full production - which
could not possibly exceed
450/500 tons. I should otherwise
have asked to make this clear
in writing. It might have
saved some ambiguity, if,
in the first instance, I had
merely indicated the price
~~to be~~ offered in London, but

At the time, I had no thought
out to pass on complete
information as obtained. To
keep you fully advised as
to what we were doing.

If the Government will
guarantee an average price
of £20 for the full production
but not to exceed £3. per
ton, the Sealing Co. could
carry the extra ^{per barrel} bonus for
any quantity exceeding 300
tons.

You will have gathered
from Capt. Malton, that

⁶⁷ from past experience $\frac{16}{10}$
regard 350 tons as the
minimum economic production.

I have asked Capt. Malton
to make official application
for the subsidy to cover
the surplus production over
and above 250 tons.

Yours Sincerely,

Edmund

Colonial Secretary's Office,

STANLEY.

17th May, 1939.

Dear Mr. Roberts,

X / With reference to your letter of the 16th May, 1939, I am directed by the Governor to inform you that His Excellency has no power to authorize the further subsidy. His Excellency is prepared to seek the approval of the Secretary of State to an increase but feels sure from a previous communication from the Secretary of State on this subject that he would not approve of an unlimited subsidy. His Excellency would ask for approval of up to £1,000 to cover £2 a ton on 300 tons plus 1d. a barrel on 300 tons with sufficient for £2 a ton on a further 87 tons or £3 a ton on some 58 tons.

If you have any doubts will you please see His Excellency.

Yours sincerely,

D. W. Roberts, Esq.,
Manager,
Falkland Islands Co., Ltd.,
STANLEY.

McH

146

139/37.

17th May, 39.

Sir,

With reference to your letter of the 15th May, 1939, regarding the Government subsidy to your Company in respect of seal oil referred to in my letter No. 139/37 of the 6th May, 1939, and making application for the subsidy to cover the season's total production, I have to inform you that a semi-official letter on the subject has this day been addressed to the Manager of the Falkland Islands Company, Limited.

I am,

Sir,

Your obedient servant,

McH

Colonial Secretary.

Secretary,
Falkland Islands and
Dependencies Sealing Company,
STANLEY.

DECODE.

TELEGRAM.

From His Excellency the Governor.

To Secretary of State for the Colonies.

Despatched : 17th May, 19 39. *Time* : ...

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

Red 125

No. 35. Urgent. Your telegram No. 30 Sealing subsidy. Sealing Company has been faced with serious labour difficulties and demands for increased wages. I am advised and am satisfied that conditions justify higher rates of pay by extra bonus on production without alteration in wages. Sealing Company has been enabled through reduced freight rates from Falkland Islands Company to go part way to meet demands of men but extended Government subsidy essential to enable operations proceed. I earnestly request your immediate authority to acceptance of liability not exceeding £1000 in lieu of the £500 approved by you. Subsidy will be paid only on production, and a nett saving in wages of not less than £800 would be effected. As indicated in my telegram No. 33 it is important on labour grounds that the operations should proceed.

Red 124

GOVERNOR.

DECODE.

TELEGRAM.

From Secretary of State for the Colonies,

To His Excellency the Governor.

Despatched: 20th May, 1939. *Time:* 1825.

Received: 21st May, 1939. *Time:* 1030.

No. 32. Your telegram No. 35 Sealing subsidy not exceeding
£1000 approved.

SECRETARY OF STATE.

Red 147.

139/35.

23rd May,

39.

Sir,

Red 145.

With reference to my semi official letter of the 17th of May, I am directed by the Governor to inform you that the Secretary of State has approved the payment of a subsidy to the Sealing Company to cover £2 a ton on 300 tons plus 1d. a barrel on 300 tons with sufficient for £2 a ton on a further 87 tons or £3 a ton on some 58 tons of oil

I am,

Sir,

Your obedient servant,

[Signature]

Colonial Secretary.

Manager,
Waikland Islands Co., Ltd.,
STANLEY.

139/38.

23rd May

39.

Red 142.

Sir,

With reference to your letter of the 15th of May, I am directed by the Governor to inform you that the Secretary of State has approved the payment of a subsidy to your Company to cover £2 a ton on 300 tons plus 1d. a barrel on 300 tons with sufficient for £2 a ton on a further 87 tons or £3 a ton on some 58 tons of oil.

I am,

Sir,

Your obedient servant,

M. H.

Colonial Secretary.

D. R. Watson,
Director & Secretary,
The Falkland Islands and
Dependencies Sealing Co., Ltd.,
STANLEY.

(101)

S C H E D U L E.

CONDITIONS OF LICENCE.

- That a fee of £33. 6s. 8d is paid on the issue of the Licence.
 - That the usual duty on the export of Seal Oil is paid.
 3. That the Licence is valid in respect of the Falkland Islands to the exclusion of the Dependencies thereof, and shall commence on the 1st of June, 1939, and terminate on the 31st of October, 1939.
 4. That the taking of elephant seals shall be restricted to the period 1st of June to the 30th of September, or to such other period as may be approved by the Governor. That the taking of hair seals shall be restricted to the period 1st June to the 31st October, 1939.
 5. That the number of seals killed is not to exceed in the case of hair seals 10,000 (ten thousand) and in the case of elephant seals 1,000 (one thousand).
 6. That in the case of hair seals at least 10% of the adult male seals are left at each rookery. That in the case of elephant seals the killing must be restricted to adult males only and care should be taken that when more than 50 adult males are found 10% are left alive and that when less than 50 adult males are found 25% are left alive.
 7. That no pups or females are killed, and that no immature or under-sized seals are killed.
 8. That the seals are killed in a humane manner and with as little disturbance as possible, and are not to be driven long distances or in larger herds than 200, or so driven as to constitute cruelty.
 9. That the whole carcase of every seal killed is utilised as far as possible for the extraction of oil and that there is no undue waste.
 10. That full returns shall be made, monthly, annually and as otherwise required showing the number of seals killed, the localities from which taken, and the amount of oil produced and such other information as may be required.
 11. That all operations conducted under this Licence shall be subject to the supervision of a sealing officer appointed by the Governor who shall be maintained totally and permanently on board the vessel or vessels employed by the licensees without cost whatever to the Government.
 12. That no trespass is committed on private land where seal rookeries are situated other than is strictly necessary for the purpose of killing or trying out seals.
 13. That this Licence is not transferable.
 14. That the Company must employ local labour.
 15. That the Licence is subject to cancellation or modification at any time on commission of any breach thereof or without cause assigned.
-

COLONY OF THE FALKLAND ISLANDS.

SEALING LICENCE.

THE SEAL FISHERY (CONSOLIDATION) ORDINANCE, 1921.

COLONIAL SECRETARY'S OFFICE,
STANLEY.

23rd May, 1939.

Under the provisions of Section 5 of the Seal Fishery (Consolidation) Ordinance, 1921, a Licence is hereby granted to

THE FALKLAND ISLANDS AND DEPENDENCIES
SEALING COMPANY, LIMITED,

to take seals of the species known as Hair Seals and Elephant Seals in the Colony of the Falkland Islands, subject to the terms and conditions specified in the schedule annexed hereto and during the period therein prescribed up to the 31st of October, 1939.

COLONIAL SECRETARY.

139/37.

23rd May, 1939.

Sir,

I am directed to forward herewith a Licence to take hair seal and elephant seal granted to your Company and to request that you will be good enough to pay the required fee of £33. 6s. 8d. to the Colonial Treasury.

I am,

Sir,

Your obedient servant,

MCH

Colonial Secretary.

The Secretary,
Falkland Islands and
Dependencies Sealing Company,
STANLEY.

154

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER (1851.)

REGISTERED 1902.

AGENT FOR LLOYDS.

AGENTS FOR
THE PACIFIC STEAM NAVIGATION COMPANY.

TELEGRAMS: FLEETWING PORTSTANLEY VIA RADIO

Stanley.

23rd May, 19 39.

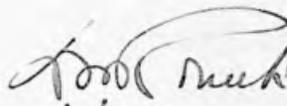
Sir,

I have to thank you for your letter No. 139/35 dated 23rd May, 1939 advising the Secretary of State's approval to the payment of a subsidy to the Sealing Company on this season's production.

I am,

Sir,

your obedient servant,



Manager.

The Honourable

The Colonial Secretary,

Stanley.

139/37.

29th May,

39.

Sir,

I am directed to inform you that His Excellency the Governor has been pleased to appoint you to be Sealing Officer for the purpose of accompanying the Sealing Expedition of the Falkland Islands and Dependencies Sealing Company, Ltd., which will operate in the Falkland Islands during the period 1st June to 31st October, 1939.

2. I have to transmit for your information and guidance the accompanying copy of the conditions on which the licence has been issued, and to add that it will be your duty to supervise the operations and see to it that the conditions of the licence are duly observed.

3. You are required to keep a diary in which you will record daily the number of hair seals and elephant seals killed, the localities from which taken, and the quantity of oil produced. You are required also to make a careful observation of the rookeries with a view to reporting on the estimated number of hair seals thereon and of furnishing such information as may be of value to the Government.

4./

Mr. J. J. Harries,
STANLEY.

4. The Company has been authorised to take 10,000 hair seals and 1,000 elephant seals.

5. I am to add that you will be paid wages at the rate of £4 per week with free messing.

I am,

Sir,

Your obedient servant,

W.H.

Colonial Secretary

101

The Falkland & Dependencies Sealing Co. Ltd.

Stanley, 27th May 1939.

Sir,

I have to own receipt of your favour dated 23rd inst. (No.139/38) from which I have taken due note of the amounts of subsidy to be paid by the Colonial Government to this Company in connection with seal oil production for this season..

On behalf of my co-directors, the general body of shareholders, and myself, I hereby beg to tender our most grateful thanks for the help we are this year receiving from the Colonial Government, and I shall spare no effort to justify the confidence and support that has been granted to me and my company.

I am, Sir,

Your obedient servant,

for and on behalf of the Falkland & Dependencies
Sealing Co. Ltd.

J.R. Watsoe

Managing Director and Secretary.

The Hon.
The Colonial Secretary
Stanley.

No. 35.

GOVERNMENT NOTICE.

Colonial Secretary's Office,
Stanley, Falkland Islands.

31st May, 1939.

Under the provisions of Section 3 of the Seal
Fishery (Consolidation) Ordinance, 1921, His Excellency
the Governor has been pleased to appoint

MR. J. J. HARRIES

to be a Seal Fishery Officer with effect from the
1st of June, 1939.

By Command,

MCH

Colonial Secretary.

M.P. 139/37.

139/38.

2nd June,

39.

Sir,

With reference to your verbal enquiry regarding the taking of Seal leopards, I am directed to inform you that this species of hair seal may be taken.

2. I am to refer to my conversation with you regarding the maintenance of the Sealing Officer and to say that bedding must be supplied. I am to add that the Sealing Officer has been instructed to report immediately the occasion of such conditions of discomfort as were complained of by his predecessor in 1937 through leaky decks and evil smelling bilge as it is not permissible that he should be exposed to any avoidable hardship or discomfort.

I am,

Sir,

Your obedient servant,



Colonial Secretary.

Secretary,
Falkland Islands and
Dependencies Sealing Company,
STANLEY.



(10)

X

Port Stanley,
5th June 1939

The Hon. Col. Secretary,
Stanley

Sir,

I am directed by the Committee of the Reform League, to enquire as to whether the question of stoppage of wages to men whom we thought wrongfully dismissed by the Foreman of Agricultural Department at the time of discussion with the Sealing Coy., has been laid before His Excellency the Governor for his consideration.

You will remember that when a Delegation from the Reform League were received by you, that you promised to do this for us, when His Excellency returned to Stanley.

The decision of His Excellency the Governor, is eagerly awaited by the men concerned.

I have the honour to be,

Sir,

Your obedient servant

G. Brechin

Ass. Sec.

F. J. Reform League

Ref reads / 31/32

No. 139/37.

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

MINUTE.

..... 10th June, 19 39.

From

THE COLONIAL SECRETARY,

Stanley, Falkland Islands.

To The Agricultural Adviser,

..... STANLEY.
.....
.....

With reference to your Minute of the 8th May, 1939, regarding certain men reinstated pending settlement of conditions for Sealing, I have to enquire whether the 9 men mentioned had previously signed the customary form agreeing to go sealing if such employment offered.

- 2. Kindly transmit a copy of the form in use.

Mest

Colonial Secretary.

139/37.



12th June, 1939.

Sir,

With reference to your letter of the 5th of June, 1939, I am directed by the Governor to inform you that all the men employed by the Government on relief works (which are set up by the Agricultural Department) are given employment on the strict understanding that they will accept private employment if they are suitable for such work and the wages offered are those normally paid in the industry. If it were not for this rule it would be quite impossible for the Government to give full time employment such as has been given to the married men and more recently extended to the single men. It is on this understanding also that the approval of the Secretary of State to the large expenditure of public funds entailed was sought and approved.

Red 160.

2. If as His Excellency believes to be the case the men concerned had before taking work in the Agricultural Department, agreed to go Sealing if such employment offered, the agreement necessarily signified Sealing at the usual wage rates, otherwise the agreement is obviously entirely valueless and without meaning.

3./

The Assistant Secretary,
 Falkland Islands Reform League,
 STANLEY.

3. The Agricultural Department were bound therefore to turn off work such men as refused to accept Sealing employment when it offered. They could have accepted and then protested against the scale of pay. Their protests would have been examined and His Excellency would certainly have decided then as His Excellency did when the matter came to his notice that certain increases were justified having regard to all conditions.

4. His Excellency appreciates to the full the feelings of workers affected that if they were to accept an offer of private employment at the standard wage it might be very difficult to get an increase in wages subsequently but this risk must be taken when employment is specially provided by the Agricultural Department and accepted. It follows that it is not possible to pay the men who were fortunate enough to be reinstated for the time when they were off work.

5. I am to add that this matter illustrates to His Excellency the strong desirability of closer contact between the Government and labour in order that misunderstandings concerning conditions of work and wages may be avoided in future. Certain proposals will be referred to the Reform League with this object during the present winter season.

I am,

Sir,

Your obedient servant,

M.H.

Colonial Secretary.

FORM OF APPLICATION FOR WORK.

To the Officer in Charge,
Agricultural Department,
Stanley,
Falkland Islands.

Sir,

I wish to make application for employment by the Agricultural Department Stanley, or by any employer who may require my services.

Full name of applicant..... Age.....

Address

Place of birth.....

Place of last employment.....

Name of employer.....

Occupation and date of termination of engagement.....

Reason for leaving last employment.....

State the trades or occupations in which you have had experience.

- (a) Shepherding (b) Farm labourer.....
(c) Sealing or whaling..... (d) Any other occupations.....

Are you willing to engage, if opportunity occurs, in any of these occupations, seasonally or permanently, if so, which?.....

Married or Single..... Number of children under the age of 16 years.....

Table with 3 columns: DEPENDENTS, NAME, RELATIONSHIP.

I certify that the above particulars are to the best of my knowledge and belief correct.

Date.....

Signature of Applicant.

Table with 3 columns: DATES OF COMMENCING WORK, DATES OF DISCHARGE, REASON FOR DISCHARGE.

No.

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

MINUTE.

12th June, 19 39.

From The Agricultural Adviser.

To The Honourable,

The Colonial Secretary,

STANLEY.

Stanley, Falkland Islands.

Recd (161)

Reference your memo 139/37 of 10th instant, I have to advise that forms were signed by the 9 men mentioned.

Copy of form in use is herewith as requested by you.

D. S. A. New
Agricultural Adviser.

CAN.

166



FALKLAND ISLANDS

Downing Street,

NO. 53

31 May, 1939.

Sir,

With reference to your telegram No.55 of the 17th of May, I have the honour to confirm my telegram No.32 of the 20th of May in reply thereto, in which I informed you that I approved the grant by your Government to the Falkland Islands and Dependencies Sealing Company of a subsidy not exceeding £1,000 in respect of the production of seal oil during the 1939 sealing season. I presume that the subsidy will be at the rate of £2 per ton of oil produced, as suggested in your telegram No.33 of the 1st of May.

2. I would request that I may be furnished in due course with a report on the Company's sealing operations, on the lines of the report in respect of the Compañia Argentina de Pesca enclosed in your despatch No.42 of the 4th of April.

I have the honour to be,

Sir,

Your most obedient

humble servant,

(Sd.) WALTER MCDONALD

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

Recd 147

*Recd 9 in
11/4/39*

168

GOVERNMENT HOUSE,
STANLEY.

26th July, 1939.

FALKLAND ISLANDS.

No. 91.

Sir,

I have the honour to acknowledge the receipt of your despatch No. 53 of the 31st of May, 1939, regarding your approval to the grant by this Government to the Falkland Islands and Dependencies Sealing Company of a subsidy in respect of the production of seal oil during the 1939 sealing season.

2. I have to explain that the additional amount was required to cover subsidy at the rate of £2 a ton on 300 tons with sufficient to cover a similar subsidy on a further 87 tons or £3 a ton on 58 tons of seal oil. The limit of £3 a ton was that originally set in my telegram of the 22nd of April. In addition 1d. per barrel bonus on 300 tons (1,800 barrels) to 30 sealing labourers brings the total up to £999 as follows :-

Subsidy on 300 tons	£600
Subsidy on a further possible production of 87 tons, or on 58 tons at £3 a ton	£174
Bonus to sealing labourers	£225
Total maximum liability	<u>£999</u>

3./

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

Recd 166

Recd 116

3. The Sealing Company will itself pay the additional bonus of 1d. per barrel on any quantity over 300 tons.

4. The Sealing Company further agreed to give the labourers full instead of partial rations during the season. They were in a position to do this only by the Falkland Islands Company making a substantial reduction in freight rates.

5. The effect on the labour of improved conditions was so good that when called upon to discharge 200 tons of coal, which was no part of the duty for which they had been engaged, they consented to do so "as Government had treated them well and they did not wish to appear as mere agitators".

6. A full report on the Company's sealing operations will be furnished to you in due course.

I have the honour to be,

Sir,

Your most obedient
humble servant,

(Sgt.) H. HENNIKER-HEATON

The Falkland Islands Company, Limited.

INCORPORATED BY ROYAL CHARTER 1851.

REGISTERED 1902.

61, Gracechurch Street.

London, E.C.5. 28th July, 1939

Sir,



Ref. 20/7.

I have the honour to acknowledge receipt of your letter of 22nd April, 1939, Ref. 139/37.

2. With reference to your third paragraph, surely the position is that Government must first state the terms and conditions under which they would grant an extended licence. When these are known an interested party can then consider whether those terms and conditions are sufficiently attractive for him to proceed.

3. With reference to your fourth paragraph, when the Secretary of State for the Colonies has given a definite ruling in the matter of the right of Government to impose conditions in licences issued to my Company in respect of Sealing in Lafonia, my Board will be able to reconsider the matter of the development of sealing in Lafonia and of re-organisation of the Falkland Islands and Dependencies Sealing Co., Ltd.

4. I have to thank you for the copy of sealing licence issued to the Argentina de Pesca. I presume that this company is granted a number of licences and beg to enquire as to the total number of hair seal and elephants they are permitted to take under all licences issued to them. Would you also let me know the dates between which sealing is permitted:

I am, Sir,

Your obedient Servant,

A handwritten signature in dark ink, appearing to be "A. J. ...".

Managing Director.

The Honourable
The Colonial Secretary,
Stanley,
Falkland Islands.

Red 118.

If km.
See
250/33
ms
44-51

169

139/37.

16th September, 39.

Sir,

Red/69.

With reference to your letter dated the 28th of July, 1939, I am directed by the Governor to inform you that three sealing licences are issued annually to the Compañia Argentina de Pesca, covering three sealing areas at South Georgia. The fee for each licence is £50.

2. Sealing is permitted at South Georgia between the 1st March and the 31st October in each year. Each licence authorises the killing of 2000 hair seal, or a total of 6000 seal under the three licences. The species of hair seal taken are seal elephants.

I am,

Sir,

Your obedient servant,

McCall

Colonial Secretary.

L. W. H. Young, Esq.,
Managing Director,
The Falkland Islands Co., Ltd.,
61, Gracechurch Street,
LONDON, E.C. 3.

THE FALKLANDS & DEPENDENCIES SEALING Co. LTD.

STANLEY, 24th January, 1940.

Sir,

With reference to your letter No. 139/35 dated 23rd May, 1939 addressed to The Falkland Islands Co.Ltd. I beg to apply for payment of the subsidy due to this Company in respect of the 1939 season, as follows :-

GRADE "A" OIL (£18 per ton).

80 tons 12 cwts 1 qr 3 lbs @ £2 per ton. £161. 4. 6.

GRADE "B" OIL (£17 per ton).

18 tons 3 cwts 2 qrs 17 lbs @ £3 per ton 54.10.11.

AT ALBEMARLE STATION.

16 tons @ £3 per ton. 48. -. -. £263.15. 5.

BONUS @ 1d PER BARREL.

27 men each 732 barrels @ 1d. 82. 7. -.

2 men each 636 barrels @ 1d. 5. 6. -. 87.13. -.

£ 351. 8. 5.
=====

I shall be obliged if this sum may be paid to The Falkland Islands Co.Ltd. for our credit.

I am,

Sir,

your obedient servant,

W.A. Watson

Secretary,
Falklands & Dependencies Sealing Co.Ltd.

The Honourable
The Colonial Secretary,
Stanley.

139/37.

29th January,

40.

Sir,

Red 171

With reference to your letter of the 24th of January, 1940, applying for the payment of subsidy due to your Company in respect of the 1939 Sealing Season, I have the honour to refer you to my letter No. 139/37 of the 21st of April, 1939, and to point out that the payment applied for is subject to Government Audit.

I am,

Sir,

Your obedient servant,

Colonial Secretary.

Secretary,
Kildland Islands and Dependencies
Sealing Company, Ltd.,
STANLEY.

THE FALKLANDS & DEPENDENCIES SEALING Co. LTD.

STANLEY, 3rd February, 1940.

Sir,

With reference to your letter No. 139/37 dated 29th January, 1940 and to our conversation this morning I now enclose Account Sale for the 334 drums seal oil produced in the 1939 season.

I am,

Sir,

your obedient servant,

W.R. Leadson

Secretary & Managing Director.

The Honourable
The Colonial Secretary,
Stanley.

30 Feb. 1940

174

Dear Mr Halkett.

With regard to the subsidy on Seal oil I made it clear in my letter dated 13th May 1939 addressed to the Secy of the Sealing Co. that the extra 10/- per ton over the basic contract price of £18 per ton for Grade A. and £17. per ton for Grade B. was for oil in 90 Gallon Drums and should not be taken into account when final adjustment was made with the Government for

Payment of the bill is
Herewith a copy of
the letter referred to
together with the account
Sales returned as requested

Yours sincerely

Wm. W. W.

CROWN
STANDARD
AGENTS

139/37.

19th February, 40.

Sir,

With reference to your letters of the 24th January and 3rd February, 1940, regarding the subsidy payable to your Company in respect of the 1939 Sealing Season and also the proportion of Bonus payable to the Sealing workers, I have to inform you that vouchers will be passed for payment of the sum of £351. 8s. 5d. to your Company.

I am,

Sir,

Your obedient servant,

W. H. [Signature]

Colonial Secretary.

AGENTS

The Secretary,
Falkland Islands and Dependencies Sealing
Company, Limited,
c/o the Falkland Islands Co., Ltd.,
STANLEY.

CROWN
AGENTS

Albanarle 1st August 1939.

Amount of Oil produced from the 14th June to the 31st July.

JUNE.

Oil produced from 14 - 30th 44 Tons or -----
254 barrels of 40 galls each.
Sea Lions brought in 97 from which was produced -
-- 9 barrels
Elephants brought in 206 of which 169 were boiled
down and produced 255 barrels

July.

Oil produced from 1st - 31st 49½ Tons or -
297 barrels
Elephants killed in July 58
Left over June 37

95 Boiled down and
- produced 120 barrels.
Sea Lions killed 1751
Left over for Augst. 111

1640 Boiled down and -
- produced 177 barrels

B.R. Beaton

Manager Sealing Station.

The Falkland & Dependencies Sealing Company Ltd.

177

Albemarle,

August 15th 1939.

Mr J.J. Harries
Sealing Officer
1939 Season.

Dear Sir,

For your information I supply the following figures :-

Amount of Oil on hand 16 Tons stored in 42 large barrels or equal to 96 barrels of 40 galls each.

Quantity produced for the season :-

Shipped by "Lafonia"	106 tons
On hand	16

122 Tons

Equal to 732 barrels of 40 gallons each.

The above figures can only be taken as approximately correct and for present use for export duty. The weights are corrected after sale sheets are received from London.

Any other details you may require I shall be pleased to furnish you with same on arrival in Stanley.

yours faithfully,

Manager 1939 Season.

B.R. Lawson

139/37

Port Stanley,
Falkland Islands.

23rd August, 1939.

Sir,

I have the honour to submit my report on the sealing operations carried on by the Falkland Islands and Dependencies Sealing Company, Limited, for the period 1st June to 17th August, 1939.

The Expedition left Stanley on the 6th of June and proceeded to the Kelp Lagoons where we arrived about midday. In the afternoon 23 seal elephants were taken. It was intended that the Kelp Islands should be worked on the next morning, but the wind came in from the south'ard, and we had to run into Fitzroy for shelter. We did not get away from Fitzroy until the 10th June and made Moffat Bay that same night.

On Sunday the 11th June we left Moffat Bay with the intention of proceeding to Sea Lion Islands, but the crew of the "Port Richard" complained that there were too many men in their quarters, so it was decided to proceed direct to Albemarle where we arrived at 3.30 p.m. on that day.

On Tuesday the 13th we went to the Arch Islands and took 13 elephants and 15 lions. The seal had not yet started to haul up in any large numbers.

On the 14th of June we proceeded to Sea Lion Islands and took 21 elephants. As the weather was fine we remained at Sea Lion Islands over night and took a further 16 elephants on the following morning. We were informed by the people living on Sea Lion Islands that there had been about 80 elephants up on the beach a few days before our arrival. Many were seen in the water during our stay. We proceeded to Speedwell Island for the night.

On Friday the 16th we arrived at Barren Island and

after/

The Honourable
The Colonial Secretary,
STANLEY.

after taking 9 elephants returned to Speedwell for the night. Elephants were very numerous on the south side of Barren Island, but this section of the island cannot be worked when the wind is anywhere to the south'ard of west.

On Saturday the 17th we went to North Elephant Cays and took 14 elephants and 1 leopard. We then returned to the Station and discharged.

A { On Sunday, June 18th, we left Albemarle for the North Coast of the East Falklands. The 19th being a fine day, we were able to steam close inshore at Cape Dolphin and afterwards proceeded along the coast to Cow Bay. Nothing could be seen on the beaches during this journey. We remained in Cow Bay for the night, but as landing would have been impossible and nothing could be seen on the beach next morning, we continued on our way, arriving at Seal Cove that night.

On Wednesday the 21st June, we worked Motleys and Trieste Islands where we took 12 elephants. We anchored in Moffat Bay for the night.

B { On Thursday the 22nd we went to Easterly Sea Lion Island, and from the northern side took 43 elephants. Many females and young elephants were observed on the south side of this Island, where it would appear the elephants breed.

On Friday the 23rd we worked Driftwood Islands and took 18 elephants. One taken here measured 18 feet and the blubber was found to be all of 6 inches thick. The men stated that it was the best they had seen taken.

C { On the 26th June we went to Arch Islands sealing. The seal were not plentiful, but we were able to take 81. I observed that these seal were boiled down along with the elephants and the oil run off into the one tank. I don't know how the Manager calculates the quantity of elephant oil and seal oil separately. On enquiring from the man who was running/

running the oil into the barrels, he replied "it must be a lot of guess work".

We made one more trip for elephants and the boiling down of these was carried out along with the sea lions and the oil run off into the one tank. After this we were sealing all the time.

On Friday the 28th July when we came back to the Station I took my usual walk to have a look at the works. On approaching the scrap heap the men shouted out "look out they don't bite you". I had previously observed pieces of uncooked seal on this heap, but on this occasion there must have been almost a full pot on the heap not even half cooked. I went to the Manager about it at once and he said he would have it put back in the pots and re-cooked. I also heard that 40 or more seal were being stowed in the pots at one time, and gave instructions that not more than 32 seal were to be cooked at a time.

Later some of the men complained that the oil runners were wasting the oil by blowing it into the water. I don't think this can be helped as the station has no tanks or cesspool to blow what is called the soup into.

In my opinion the full number of 64 plates should be used in the pots. From what I was able to learn 19 plates only were being used. This number is not sufficient to stop the seal from falling through on top of one another, thus preventing the steam from penetrating properly.

As the boiler and digesters were not tested as they were supposed to have been this season, steam had to be cut down from 45 to 30 lbs in the digesters. This would probably account for the seal not cooking as they should have done.

Men who have been sealing off and on for some years told me that the seal were just as fat this year as they had ever been. The men were upset when they were informed that the sealing was finished, and remarks such as "I hope the

Government sends them straight back to finish the season" were made.

Two drives were made from the west of Cape Meredith Lighthouse. The first one we started with 198 seal, of which 3 were left on the track. These three had gone when we returned. The second drive was 177, when 2 were left on the track, but these 2 were gone next day. Both of these drives were taken in small cuts, two men taking somewhere about 40 seal or thereabouts.

Leopards were very numerous and would be around the boats as soon as they were put in the water. 8 of these were taken, the largest one being about 10 feet.

206 elephants were taken in June and 58 in July. 97 sea lions were taken in June, 1,751 in July and 1,069 in August.

The following tables show the monthly totals of seal taken off each rookery :-

<u>ELEPHANTS.</u>			
<u>Month.</u>	<u>Rookery.</u>	<u>Number Taken.</u>	<u>Total.</u>
June.	Kelp Lagoons	23	206
	Big Arch Is.	13	
	Sea Lion Is.	37	
	Barren Is.	9	
	N. Elephant Cays	14	
	Motley Is.	7	
	Trieste Is.	5	
	East Sea Lion Is.	43	
	Driftwood Is.	18	
	Kelp Is.	33	
	Port Harriet	4	
July.	East Sea Lion Is.	9	58
	Porpoise Point	24	
	Barren Is.	16	
	Big Arch Is.	9	
			264

SEA LIONS.

178

Month.	Rookery.						Total.
	No. 1.	No. 2.	No. 3.	No. 4.	No. 5.	No. 6.	
June	16	80	-	-	-	1	97
July	572	954	83	102	-	40	1751
August	172	363	169	-	365	-	1069
	<u>760</u>	<u>1397</u>	<u>252</u>	<u>102</u>	<u>365</u>	<u>41</u>	<u>2917</u>

The reference Numbers of Rookeries are :-

- Rookery No. 1. The Island known as North Arch Island.
- " " 2. " " " " Sandbay "
- " " 3. " " " " Rookery "
- " " 4. The Island at Stephens Bluff known locally as 10s/- Bay Islands.
- " " 5. The 3 rookeries at Cape Meredith.
- " " 6. The Islands known as Barren and Elephant Cays.

The quantity of oil produced during the season was 122 tons, i.e., 732 barrels of 40 gallons each.

Average 4.34 seal per barrel. *including elephant seals*

As stated previously in this report, elephant and sea lion are boiled down together and it would therefore seem to be impossible to give separate averages. Furthermore on occasions the oil is not weighed up for a week at a time.

One shipment of 106 tons of oil was made on the 8th of August, and this left 16 tons at the Station.

When the seal are being prepared for boiling down, the flippers only are removed, the remainder being placed into the pot in one piece. I am of the opinion that if the carcasses were cut in four they would boil down much easier.

I found the accommodation quite alright, but there was always an objectionable smell when the ship was rolling.

I have the honour to be,

Sir,

Your obedient servant,

J. J. Harris
Sealing Officer.

GROWER
STANDARD
AGENTS

139/37

14th March 1940. (18)

Dear Mr Halkett,

With reference to your letter of yesterday's date regarding quantities of Seal Oil, the Sealing Officer's weights agree with Capt. Watson's, but whereas the specifications from Albemarle show 105½ tons shipped, the landed weight at London show 98¾ tons, a difference of 6½¼ tons. The explanation is covered by damage in transit, and by inaccurate scales at Albemarle. This discrepancy occurs every year.

Yours faithfully,

J. H. Halkett

J.S.

This refers to the Sealing file which is with you.

MCH
CS

15. 3. 40

H.C.S.

I have marked the sections on which I comment with capital letters in pencil in the left hand margin.

2. A. It is my opinion that Cape Dolphin should be reserved from sealing on account of the rookery there being the only reasonably ~~large~~ accessible breeding place of any size, in the island (count of pups 1937 3393)

3. B. It does not follow that the presence of young seal in June meant that they had been born where seen, perhaps eight months previously.

4. C. An interesting point. When the oils are mixed an average value has to be assumed for elephants and it becomes rather difficult to find out whether the company is using its raw materials to the best advantage.. Elephants may be assumed to be worth one barrel each, at least and this may well be too low, (See reds 138 and 139 in 75/35) One barrel is 40 gallons.

4. D. An illustration of the repeated criticism that there is a strong tendency to give insufficient cooking.

5. E. A blowing-off tank should be used. The oil could be skimmed off and reboiled and an open pot would suffice for that.

6. F. The use of an insufficient number or of inefficient plates results in the formation of a nearly solid mass which cannot be cooked in the standard time. This may be one cause of D.

7. G. I agree, but consider that F also should be taken into account.

8. I. The use of the word "rookery" is to be deprecated. It should be restricted to a breeding place or the congregation of breeding seals thereon. Any other use of the word is liable to be misleading. The word "locality" should be used in the present connexion.

In general. The average output of oil per seal is low. (red 178) The figure given by the sealing officer is 4.34 seals per barrel. He has not made any allowance for elephants of which 264 were taken and if they are deducted at the rate of one barrel each, the 2917 sea lions were used at the rate of a little over 6.2 per barrel. It has been reported that the seal were in poor condition but the possibility of adverse results being ^{intermediate} due to inadequate ~~sufficient~~ cooking, either through a curtailment of time or the deterioration of the plant should be borne in mind.

J. E. Hamilton
(J.E.Hamilton)

G.Naturalist.
10:vii:40

The sealing officer reported 4.36 seal per barrel for 1937 (Red 27 in this paper)

185

GOVERNMENT HOUSE,
STANLEY,
19th July, 1940.

FALKLAND ISLANDS.
No. 89.

My Lord,

2
Recd 168

With reference to my despatch, No. 91 of the 26th of July, 1939, I have the honour to transmit a copy of a report on the sealing operations carried out by the Falkland Islands and Dependencies Sealing Company, Limited, during the period 1st June to 17th August, 1939.

2. I enclose also a copy of the Government Naturalist's observations on the Report. The matters to which attention has been drawn will receive full consideration if and when the Sealing Company apply for a renewal of their licence. Meanwhile it suffices to say that the Sealing Officer's report indicates inefficiency in management and renewal will be subject to the Government being satisfied that there will be no repetition of this.

3. I regret the delay in forwarding the report.

I have the honour to be,

My Lord,

Your Lordship's most
obedient, humble servant

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

186

39/37,

24th July,

40.

Sir,

I have the honour to forward to you a copy of a report on the Sealing operations carried out by the Falkland Islands and Dependencies Sealing Company, Limited, during the period 1st June to 17th August, 1939.

2. I request that you will submit any explanations you wish to give for the defects and poor results referred to in the report.

I am,

Sir,

Your obedient servant,

Colonial Secretary.

The Manager,
The Falkland Islands and Dependencies
Sealing Company, Limited,
STANLEY.

139/37.

24th July,

40.

Sir,

I have the honour to thank you for the excellent report submitted on the 23rd of August, 1939, on the Sealing operations carried out by the Falkland Islands and Dependencies Sealing Company, Limited, during the period 1st June to 17th August, 1939.

2. It is regretted that through an oversight the receipt of your report was not acknowledged at an earlier date.

I am,

Sir,

Your obedient servant,

Colonial Secretary.

Mr. J. J. Harries,
STANLEY.