

C.S.O.

0 5 8 8 / IV

AGR/AJG/2 # 5

0588/IV

~~CONFIDENTIAL~~ (Formerly)

SUBJECT:

FALKLAND ISLANDS FREEZER.

24/6/55

to

2/12/55

CONNECTED FILES.

NUMBER AND YEAR.

Debenture in Envelope in H.C.S's safe (see 271)

Articles of Association of F.I. Freezer Company in
C.S.O. Office Safe.

Y.H.

I have received the attached letter from Barton. (513)

The spares mentioned belong to Government and will be brought in in due course. Fallini of P.W.D. is flying to Ajax Bay at the first opportunity to collect some small spares urgently needed for the compressor.

As regards the canteen and victualling stores, they are deteriorating although some must be left at Ajax Bay for the use of the Swan and Rowlands families.

H.E. was anxious some time ago that no F.I.F.Co. assets should be disposed of as it would reduce the sum which eventually will fall to Government in the event of our taking over the plant etc.

I cannot see, however, how we can stop the proposed sale of stores. They belong to F.I.F.Co. and so far as we are concerned F.I.F.Co. is still a going concern - going down the drain, perhaps, but it remains an incorporated company.

Subject to Y.H.'s approval, I propose to tell Barton that I agree to the disposal of the canteen and victualling stores. It will be for the local directors of F.I.F.Co. to decide the manner of disposal. In any case F.I.F.Co. will have to pay the usual freight if the stores come in on the "Philomel".

S.G.T.
24/6

C.S.

I agree that we cannot prevent disposal of the Canteen and Victualling Stores and if the Company wish to dispose of them - then they are entitled to do so.

A.G.T.
27/6.

See pl. & Co. to me
[Signature]

*as B. informed us yesterday but
to confirm in writing*

27/6

GOVERNMENT TELEGRAPH

FALKLAND ISLANDS

SENT

Number

Office of Origin

Words

Handed in at

Date

To

SWANN AJAXBAY

GEORGE PALLINI FLYING AJAX FIRST OPPORTUNITY TO SELECT SPARES FOR
ATLAS COMPRESSOR STOP I HOPE TO MAKE ARRANGEMENT LATER FOR ALL
SPARES BELONGING TO MACHINERY SOLD TO BE PACKED AND SHIPPED

SECRETARY PREMIER

A/C F. I. Co.

R. Hamson

Time

22nd JUNE 1955

(COPY for S. G. Trees E.g.)

513

FALKLAND ISLANDS FREEZER CO. LTD.

AJAX BAY
 FALKLAND ISLANDS
 c/o THE FALKLAND ISLANDS CO. LTD., STANLEY.

22nd June 1955

The Hon. S. G. Trees, M.V.O.,
 Director,
 The Falkland Islands Freezer Co.Ltd.,
 c/o Secretariat, Stanley.

(I have this in
 Ajax Bay
 file. 8
 514-543

Dear Sir,

As requested I forward herewith a spare copy of Stores and Material at Ajax Bay.

You will find Atlas Compressor Spares on Pages 1 and 2, Parker Granulator Spares (including Lister Engine Spares) on Page 4.

Mr. J. F. Bonner informed me recently that W. Murdoch had refused to comply with a legitimate order and had been dismissed. This leaves only Swan and Rowlands to maintain the Plant, and I doubt whether they will have time to pack the above spares for shipment.

I suggest that when m.v. 'PHILOMEL' is in commission again, the crew might attend to this and to another matter which I will now relate. Enclosed you will find a list of Canteen and Victualling Stores valued at Selling Price and totalling £1306. 15. 11d. Mr. Hogben recommended these be disposed of, and Stanley appears to be the only outlet. The perishables such as Bacon and Butter will of course be value-less, but if the crew of 'PHILOMEL' could pack the remainder, a few hundred pounds worth at least could be saved.

Yours faithfully,

2.

A. G. Taylor
 Secretary.

Reply at 564

544

C.5

There are a number of bread and butter letters that should go by the next mail - you no doubt have them in mind: -

- 1.) Formal letter of acknowledgment and thanks to Hyden.
- 2.) Formal letter J.M.S. to Chape d'affaires Montevideo for their help over the freezer enquiry.
- 3.) To letter of thanks to the Communist Secretary at Montevideo for his help over the freezer enquiry.
- 4.) Formal letter to Jones at Punta for all his help to you and Fern on your visit to Punta. J.M.S.
5. Letter to Jones thanking him for help over the Government horses. (There is a letter to H.E. on file which I sent down for more information)

H 8 in
0.90/9

I will do 2, 4 and 5 if I can have the papers sent up.

R.G.F.
27/6.

G. H.
Files for 2, 4 & 5 above are attached. I will do 1 & 3 when the files come back.

B. 1. 20/6

2) 0588/III file Att.
 4) 0588/III file Att.
 5) 0190/A. file Att.

Roberts.
28/6.

Files for H.H. att.
28/6.

545

29th June, 1955

Sir,

I have the honour to refer to the recent correspondence in connexion with the enquiry conducted by Mr. G.H. Hogben into the Ajax Bay Freezer installations.

I wish to convey to you and to members of your staff concerned the appreciation of this Government with regard to the assistance rendered by the Embassy staff in obtaining the services of Mr. Hogben, which were entirely satisfactory, and for conducting negotiations with Mr. Hogben on behalf of this administration.

I have the honour to be,

Sir,

Your obedient Servant,

(Sgd) AG Denton Thompson.

Officer Administering
the Government

H.M. Chargé d'Affaires,
H.B.M. Embassy,
Calle Canning 2491,
MONTEVIDEO.

546

29th June, 1955

Sir,

I have the honour to convey to you the appreciation of this Government for the invaluable assistance and help you rendered to Mr. Trees, Colonial Treasurer, and to Mr. Fern, Agricultural Officer, during the course of their recent visit to Punta Arenas.

Both Mr. Trees and Mr. Fern have reported that they received every possible assistance from you, from a member of your staff, and from many others connected with the Freezer industry. As a result of your co-operation and guidance their visit was a success and was of great assistance to this Government.

I have the honour to be,
Sir,
Your obedient Servant,

(Sgd). A.G. Denton Thompson.

Officer Administering
the Government

T.P. Jones Esq., O.B.E.,
H.B.M. Consulate,
PUNTA ARENAS.

547.

Yes

x on 544

File submitted accy. pl.

Q
30/6.

Ref: 0588/IV

549

2nd July, 1955.

Dear

Now that Mr. Hogben has returned to Montevideo after completing his report on the survey of the Freezer at Ajax Bay, I wish to take this opportunity of thanking you for all the assistance which you personally have rendered.

Although Smart failed to materialise - we do not know where or how he fell by the wayside, the vast experience of Mr. Hogben in the Freezing Industry proved invaluable. The success of his visit was due in no small way to your help.

Yours sincerely,

(Sgd) S.G. Trees

~~H. B. M. Consul,
British Consulate,
MONTEVIDEO.~~

SGT/VP

C.B.B. Heathcote-Smith,
H. B. M. Embassy,
MONTEVIDEO.



BYWAYS,
GRAVEL PATH,
BERKHAMSTED.

May 1955.

Ref. Your 0588/III /Cont. of 3.4.1955.

Dear Benton-Thompson,

399

In reply to your letter of above reference:-

1. The money secured by the debenture does not become payable until either,
 - (a) the company makes default in payment of interest, which cannot happen until after two years from the date of the debenture (see clause 2); or,
 - (b) a distress or execution is levied against the company; or,
 - (c) an order is made or resolution passed for winding up the company; or
 - (d) a receiver is appointed.

Therefore at the moment it would seem that there is no step that Government can take, save that I think that formal notice of the existence of the debenture should be given to the lessors. (Draft herewith).

2. If default is made by the company in payment of the rent due under the lease, and the lessors obtain judgment for the amount due and levy distress or

1st Term 1957.
Interest payable

execution Government should at once exercise its power to appoint a receiver, who, however, will be deemed to be the agent of the company (Condition 9), so that Government will not thereby become liable for the rent.

3. To answer your queries:

1 (a) Yes: the lessors can refuse their consent to any assignment of the lease, save, possibly, an assignment by the company to another company formed by the C.D.C. for the purpose of taking over the abbatoir and freezer. Since, however, the lessors' interest is to receive the rent, they are extremely unlikely to refuse their consent to any assignment which seems likely to result in their obtaining a solvent tenant.

(b) The lessors can not prevent a sale of the other assets of the company - i.e. machinery etc. though if the lease is determined they might claim - under clause 6 (3) (a) of the Lease - the right to purchase any buildings on the land. If the lessors obtain judgment for the amount due for rent and levy execution, they can ask for a sale of the assets of the company (Cap.11 Section 9), but as the proceeds of such sale would be payable, in the first instance, to the

debenture holder until his claim was satisfied, the lessors would have little object in asking for a sale.

2. No: the Government are mortgagees of the assets of the company and could have them sold by a receiver (if appointed), but they are not, and would not become, assignees of the lease, and therefore would not be liable on the covenants in it.
3. See answer 2.
4. To sum up: the position, as I see it, is that the Government have a mortgage upon the machinery and whatever else constitute the assets of the Company, and if these are sold in execution of any judgment obtained by the lessors, the claim of Government must first be satisfied out of the proceeds. The lessors may be able to eject the company for non-payment of rent, and so bring the lease to an end, but that will do them little good unless they can let the lands to someone else at a similar rent. In all the circumstances I imagine that the lessors will be willing to concur in any such arrangement as is foreshadowed in par.2 of your letter.

Yours sincerely,

Clarendon

Sir,

Falkland Islands Freezer Co.Ltd.

I am directed by His Excellency the Governor to give you notice that the assets of the above-named Company are liable to a debenture in favour of the Government of the Falkland Islands and its Dependencies to secure the sum of £ with interest thereon.

A separate notice should be sent to each of the Trustees.

554

SECRETARIAT,
PORT STANLEY,
FALKLAND ISLANDS.

3th July, 1955.

Dear Tom.

120 copy

Thank you for your letter of the 11th of June, 1955, forwarding statements of the expenses incurred during the recent visit to Punta Arenas of Ted Fern and myself. Arrangements have been made to pay the sum of £64. 19. 6. to S.A.E.S. Ltd. in London for your account.

The Officer Administering the Government has written to you formally conveying the appreciation of Government for all you did for us. I would like to add my own personal thanks, together with those of Fern. It was only through your endeavours that we were able to see how a Freezer should be operated. The information gained as a result of our visit to Rio Seco was invaluable and will, I hope, prove useful here.

I want to thank you and Mrs. Jones, too, for all your generous hospitality and for making it possible for us to meet so many of your friends. The entire visit was most enjoyable and I hope that when you visit the Falklands again I shall be able in some way to repay you.

I am returning the two reports which you wrote in 1952 on your visit to the Freezer here and which you were so good as to let me borrow. They made most interesting reading.

Please give my regards to Mrs. Jones and to Sven Robson when he returns from leave.

Yours sincerely,

(Sgd) Stan

T.P. Jones, Esq.,
H.B.M. Consul,
British Consulate,
PUNTA ARENAS.

SGT/VE

KIV. Mail
from 550

555

Y. H.

550-553 submitted for It clearly sets
out Government's position as regards the
debenture.

Letter in the form of 553 will be sent
to the Trustees.

H. 11/7

C.S.

Thank you.

I am not certain as to the need for the letter to the Lessons. but
he had better follow Webb's advice. But I notice that
in the body of the letter he mentions Lessons but in the
draft he mentions Trustees. Surely it is Lessons?

*) What is the normal practice here with regard to the Review - if
one is appointed. Presumably it will be the Registrar?

G.G.T
15/7.

555A

COLONIAL DEVELOPMENT CORPORATION

33 HILL STREET
LONDON · W. 1

112/ANP

22nd July, 1955

HE O.R.Arthur, CMG, CVO,
36 Argyll Road,
LONDON, W.8.*Dear Governor,*

393 on 16 III

I understand you are seeing our Chairman early in August. As I shall be on leave, it seemed to me that I should send you, before the meeting, a copy of the letter which I wrote to Mr Harding on 2nd March, 1955 setting out the points which led up to the decision not to open the Freezer for the 1955 season.

P. 2/1/7
2/1/1

At the same time, perhaps it would be useful for you to have a copy of a memorandum, prepared some time ago, which notes the various things we know to be wrong with the Freezer and gives the source of our information in each case.

We had hoped to have had a sight of Mr Hogben's report on his mission to the Freezer before your meeting with our Chairman. Perhaps that will yet be possible.

*Yours sincerely**H.A. Cochran*H.A. COCHRAN
Controller of Operations

Enc

SUMMARY OF FAULTS AT FIFCO FREEZER

In view of pending investigation of the freezer, the following details show that certain defects and deficiencies are known. In many cases corrective measures would have been taken had sufficient money been available. Sources of information are shown by capital letters in brackets -

(A)	Agent in Charge Report	16.2.52
(B)	Engineer in Charge Report	16.7.53
(C)	Mr Jones (SAES LTD) Report	6.6.52
(D)	Meat Inspector's Report	1954
(E)	Mr Boyd's (Manager) Report on resignation	1954

2 Structure

(1) Main roof : eaves gutters to freezer building on top of external wall should be taken off the roof sheets extended and gutters refixed clear of wall. (A)

(2) Cracks on various walls attributed to settling and/or expansion require attention. (A) & (B)

(3) Headroom in freezer is said to be up to 7" lower than design. (B)

3 Jetty

Jetty needs reconstruction. (C) Adequate loading facilities from freezer to ship should be provided, as meat, although hard when leaving freezer room, tended to soften by the time it arrived at ship due to several handlings. (E)

4 Modifications

The following modifications are known to be necessary or desirable -

(1) Skin shed

Level off ground floor. Make trench drain on western side. Place guttering over new doorway. Complete railway line for transporting skins from abattoir. Make connection from trench drain in centre of building to actual drain behind cold stores. (E)

(2) Cattle corral and race

Fill in with rock and shingle (this is essential), also concreting corral and part of race if possible. Swing cattle gates on heavy iron hinges. (E)

(3) Roads

Road from abattoir door towards cookhouse requires straightening, rock and earth removed from site of new skin shed could be used; it would obviate so much mud, etc being brought into abattoir and subsequently into the freezer rooms and cold stores. (E)

(4) Abattoir

Enlarge existing rails for working the stool system;

this would obviate the carrying of sheep to the butchers, thus saving labour. Inspection line as used this last season, two new light points should be made to facilitate the meat inspector's work. (E)

(5) Walls abattoir and by-products

These have to be scraped and then whitewashed. Suggest whitewashing walls chill-rooms, freezing rooms and cold stores, for hygienic reasons and also it will be lighter for working. (E)

(6) Sheep pens and corrals

Two gates on the western side should be swung the other way to facilitate the movement of stock. A camp gate should be made into the small corral adjoining the pens from the beach paddock for more easy handling of stock into pens. A small sliding gate should be placed in the parting race. All manure should be cleaned from pens when dry. (E)

5 Cold store

(1) Building

- (a) $1\frac{1}{2}\%$ out of square;
- (b) 1% out of level;
- (c) floor to ceiling height 3" less than design;
- (d) building not square on foundations, underpinning may be required; also excavation for foundations not adequate. (A)

(2) Insulation fixing and layout is poor. (B)

- (3) (a) Possibility of frost heave was raised by Mech Eng, HO on 23.6.52; Mr Cooper replied 1.7.52 - test pits excavated to 4 ft showed no water, this after 14 days of intermittent heavy rain and some snow. No danger from frost heave unless water within 3 ft of surface;
- (b) on 23.3.53 Mr Townsend reported on 6th, 7th March water level in inspection pit as 18" below bottom of main floor; with 8" floor thickness, 6" cork and $2\frac{1}{2}$ " screed depth below floor surface $34\frac{1}{2}$ ";
- (c) on 4.9.53 instructions sent to Works Manager to keep constant watch on water level in inspection pits;
- (d) fitting of resistance heating mats under whole floor area would be preventative.

6 Freezer room

(1) Building

- (a) NS dimension 3" under;
- (b) EW dimension $1\frac{1}{2}\%$ under;
- (c) $2\frac{1}{2}$ " out of square. (A)

(2) Ceilings not plastered; bare felt exposed. (B)

(3) Freezing room should be divided into four chambers. (C)

7 Additions required

- (1) No provision made for sheep shed - sheep should be killed with dry wool; cover for 1,000 required. (C)
- (2) Wood tables for offal inspection should be replaced with more easily cleaned metal tables. (D)
- (3) Shooting Box for stunning animals not installed caused much unnecessary cruelty; essential in future. (D)
- (4) Salt water tanks : a tank should be made by the compressor rooms for utilising the surplus water from the condensers for the abattoir floor; would be useful in case of fire, the excavation for this has already been made. (E)

8 Engineering modifications required

- (1) Construction and fitting of drip trays under cooling units to avoid water running all over floors after defrosting.
- (2) Fitting of adequate thermometers for control of freezing equipment.
- (3) If electricity to be used for off-season domestic purposes, a small 25-75 kW alternator and prime mover should be installed to save waste of fuel oil 40 - 45 gallons per day for Mirlees engine. (Local board have been requested to stop running of Mirlees engine and restrict fuel consumption).

22nd July,

55.

Sir,

Falkland Islands Freezer Co. Ltd.

I am directed by the Officer administering the Government to give you notice that the assets of the above-named Company are liable to a debenture in favour of the Government of the Falkland Islands and its Dependencies to secure the sum of £50,000 with interest thereon.

I am,

Sir,

Your obedient servant,

(Sgd) S.G. Trees

ACTING COLONIAL SECRETARY.

Hon. Mr. J.F. Bonner, J.F.,
SAN CARLOS.

SGT/VP

F.I. Ref: 0588/IV/Conf.

557
Colonial Secretary's Office,
Stanley, Falkland Islands.

21st July, 1955.

Sir,

Falkland Islands Freezer Co. Ltd.

I am directed by the Officer Administering the Government to give you notice that the assets of the above-named Company are liable to a debenture in favour of the Government of the Falkland Islands and its Dependencies to secure the sum of £50,000 with interest thereon.

I am,

Sir,

Your obedient servant,

(Sgd) S.G. Trees

ACTING COLONIAL SECRETARY.

G.E. Castle, Esq.,
3, Cook Street,
Liverpool,
ENGLAND.

SGT/VP

Ref: 0588/IV/Conf.

Colonial Secretary's Office,
Stanley, Falkland Islands.

558

21st July, 1955.

Madam,

Falkland Islands Freezer Co. Ltd.

I am directed by the Officer Administering
the Government to give you notice that the assets
of the above-named Company are liable to a
debenture in favour of the Government of the
Falkland Islands and its Dependencies to secure
the sum of £50,000 with interest thereon.

I am,

Madam,

Your obedient servant,

(Sgd) S.G. Trees

ACTING COLONIAL SECRETARY.

Mrs. T.G. Slaughter,
Thorpell House,
Dallinghoo,
Woodbridge,
Suffolk,
ENGLAND.

SGT/VP

0588/IV

559

25th July, 55.

To: The Acting Senior Medical

From: The Colonial Secretary,

Officer,

Stanley.

Medical Stores ex Ajax Bay.

541-542 The Falkland Islands Freezer Co. Ltd. has for disposal at Ajax Bay a quantity of medical stores as shown on the attached list.

2. Please inform me whether you wish to purchase these stores. No price has been mentioned by the Company but I understand that a reasonable offer will be considered.

(Sgd.) S. G. Trees.

Acting Colonial Secretary.

SGT/DM

0588/IV

25th July, 55.

To: The Agricultural Officer,
From: The Colonial Secretary, Stanley.

Veterinary Stores at Ajax Bay.

543 The Falkland Islands Freezer Co. Ltd. has for disposal at Ajax Bay a quantity of veterinary stores as shewn on the attached list.

2. Please inform me whether you wish to purchase these stores. No price has been mentioned by the Company but I understand that a reasonable offer will be considered.

(Sgd.) S. G. Trees

Acting Colonial Secretary.

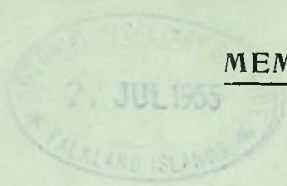
SGT/DM

Reply at 561

No.

It is requested that, in any reference to this memorandum the above number and date should be quoted.

MEMORANDUM.



561

27th July, 19 55.

From: The Honourable,
The Agricultural Officer,
Stanley, Falkland Islands.

To: The Honourable,
The Colonial Secretary,
Stanley.

SUBJECT :-

Veterinary Stores: Ajax Bay.

560

With reference to your memorandum No. 0588/IV of the 25th July, 1955, I have to inform you that when I visited Ajax Bay, I retrieved most of the Veterinary stores enumerated in the attached list. I did this because they were scattered about, and I felt they might disappear.

Being the only Veterinary Surgeon in the Colony and the only person at the moment, who could make use of these stores, I brought the items into Stanley for safe keeping.

Some of the articles are second hand now, and some would seldom be required here, so I am of the opinion that an offer of £10 (ten pounds) would not be unreasonable.

Edward J. Fern

Agricultural Officer.

PT.

562

VETERINARY STORES AT AJAX BAY.

✓ 2 pkts	Epsom Salts
✓ 1 gall	Liquid Paraffin
✓ 1	Rubber Apron
✓ 1	Climax Gag for Horses
✓ 5	Animallintex
✓ 4	Blue Serge Wrappings
✓ 1	Web Halter
✓ 2 Jars	Velufax Obstetric Lubricant
✓ 2	Units Solution Procaine and Adrenaline
✓ 1	Unit Tabloid Tenoban
✓ 1 pkt	Condition Balls
✓ 1 "	Physic "
✓ 1 "	Fever "
✓ 11 tins	The Cough Electuary
✓ 1 box	containing Flutter Valve
✓ 2 bt	Lin Album
✓ 2	Scalpels
✓ 1	Needle
✓ 1	Knife curved blade (post mortem)
✓ 1 sheet	Yellow Oiled Canvas
✓ 1	Silver Probe
✓ 1 pair	Dental Forceps
✓ 1	Forceps
✓ 2 "	Scissors (curved)
✓ 2	Hypos, Plim 10 cc & 20 cc
✓ 1	Spare Barrel & Glass PLIM 20cc
✓ 1	" " " " " 5cc
✓ 1	" " " " " 10cc
✓ 4 pkts	Surgery Needles (curved)
✓ 3	Curved Hoof Knives
✓ 2 pairs	Dental Scalars
✓ 1 bag	Rubber Teats
✓ 1 box	Hypo Needles Special
✓ 1 box	" " 2 i.L 40 Min.
✓ 1	Rasp (straight)
✓ 1	" (toe rasp)
✓ 2	Hoof Guards (horse)
✓ 1 box	Cattle Holders
✓ 1	Wound Syringe
✓ 2 boxes	Nylon Ligatures
✓ 2 pkts	NEMA Worm Capsules
✓ 1	Packing Needle
✓ 1	Balling Gun
✓ 1 tin	Sulphanilamide

items listed are brought in to Valley by me

478.

8/10 27/4

No.

0588/IV

MEMORANDUM.

It is requested that, in any reference to this memorandum the above number and date should be quoted.



27th. July, 1955.

To: The Honourable,
The Acting Colonial Secretary,
Stanley.

From: The Act. Senior Medical
Officer.

Stanley, Falkland Islands.

SUBJECT:- MEDICAL STORES AT AJAX BAY

We only require and are prepared to pay for the items marked on attached list.

564-
360
These have an approximate value of £4.
We can use the remaining items.

P. S. Howe
Act./Senior Medical Officer.

564

0586/IV

2nd August, 55.

Sir,

513

Thank you for your letter of the 22nd of June, 1955, forwarding a list of stores and material at Ajax Bay.

2. I have discussed with the Superintendent of Works, Public Works Department, the question of packing the Atlas Compressor spares, the Granulator spares and the Lister Engine spares for shipment to Stanley. It is proposed that Mr. G. Pallini and one assistant from the Public Works Department should go to Ajax Bay and, with Mr. Swan's co-operation, sort and pack the various spares detailed on pages 1, 2 & 4 of the list. I should be grateful, therefore, if you would advise Mr. Swan accordingly.

3. As regards the Canteen & Victualling stores, I have discussed with the Assistant Secretary, Falkland Islands Dependencies Survey, and he is prepared to make a formal offer of \$650 for the stores listed (Canteen & Victualling) delivered to the Falkland Islands Dependencies Survey Warehouse in Stanley, soundly packed and accompanied by a detailed packing list in triplicate, subject to a rebate of 50% of the price shown against each item in the Canteen & Victualling Stores lists for items no longer available (i.e. butter, bacon, etc. which by now will be inedible).

4. The Agricultural Officer, on behalf of Government, has made an offer of \$10 for the Veterinary supplies.

5. I am in favour of accepting both offers. It would be difficult to dispose of the Canteen & Victualling stores in Stanley without a lot of work and trouble. I doubt whether the crew of the "Philomel" would be competent to list and pack properly all the stores and it may be advisable to engage temporarily one or two persons who are used to handling stores. Perhaps the Falkland Islands Company, Limited, would assist in this connexion.

6. As regards the medical stores, the Acting Senior Medical Officer states that he requires and is prepared to pay for the items ticked on the attached list which have an approximate value of \$4. He adds, however, that he can "use the remaining items".

541-542

I am,
Sir,
Your obedient servant,

(Sgd) S.G. Trees
ACTING COLONIAL SECRETARY
Director, Falkland Islands
Survey Co. Ltd

The Secretary,
Falkland Islands Freezer Company, Limited,
c/o The Falkland Islands Company, Limited,
STANLEY.

DOT/VP

565

R. S. C.

Will you please advise on the point raised at * of 855.

Pl. 578

Hold ~~the~~ music
5'56 is done with
6/8.

DECODE.

TELEGRAM SENT.

566

From SECRETARY OF STATE to GOVERNOR

Despatched: 5.8.55

Time: 1005

Received: 5.8.55

Time: 1200

Personal and Confidential. No.87 Following from Arthur begins. At meeting yesterday Reith informed me C.D.C. would put Freezer into liquidation in very near future but asked that intention should be kept Confidential until formality including consultation Directors F.I.F.CO. has been completed. No action is possible at present but you should consult Trees confidentially with a view arranging earliest and most favourable possible disposal plant and assets directly liquidation is announced. Ends.

SECRETARY OF STATE

GTC
IR

567

T. H.

I regret that 566 was decoded here
by a clerk who did not notice the group for
"personal".

R. 5/8

Brief 2 Frey

567A

COLONIAL DEVELOPMENT CORPORATION

33 HILL STREET
LONDON · W. 1

112/AMP

5th August 1955

His Excellency C.R. Arthur, CIG, CVO,
36 Argyll Road,
London, W.8.

Dear Excellency,

FALKLAND ISLANDS FREEZER

567B-C

I enclose draft notes of the talk at this office on Wednesday. I should be grateful for any amendments or additions which you wish to suggest.

We are considering the next steps and I will write to you about this in due course. It will be necessary to agree a press statement to anticipate leakages.

I am told that you should have already a copy of Mr Cochran's letter of March 2nd. If this is not so, perhaps you would let me know.

I am copying this letter to Mr Willis at the Colonial Office.

Yours sincerely
W. Rendell

W. RENDELL
General Manager

393 in
Vol III

2/1/1

The Governor of the Falkland Islands called at 33 Hill Street, on Lord Reith's invitation, on 3.8.55 at 11 a m; also present - Mr W.Rendell, General Manager, CDC, and Mr M.A.Willis, CO.

2 Lord Reith read a note prepared by Mr Rendell which was handed to the Governor at the close of the meeting. Lord Reith asked whether the Governor could make any proposals for future operation of the Freezer.

3 The Governor said he did not wish to go back over past controversies (to which there was reference in the note) but was solely concerned with the future. With great regret he must say that, on the advice tendered to him by Mr Hogben, he saw no prospect of Falkland Islands Government or any consortium of sheep farmers sponsored by Government operating the Freezer.

4 There was some discussion about Mr Hogben's report in letters of May 18th and 19th to the Governor (which had only recently become available in London). Lord Reith pressed the point that there might still be a possibility of operating the Freezer, if it were put in at a nominal capital cost, without loss provided support, to an extent within the Islands' resources, was received from sheep farmers - more particularly the Falkland Islands Company. CDC felt that it was more "would not" than "could not" as to offerings of good quality beasts. The Governor maintained that 40,000 beasts required for profitable operation of an installation of the size of Ajax Bay were beyond the Islands' capacity under present circumstances.

5 Lord Reith reverted to the Governor's remark about the past, saying that he gathered there was some feeling that Falkland Islands' Government had been unfairly treated over the £50,000 debenture. The Governor, after repeating his disinclination to hark back over the past, said the impression in the Islands was that the money which had been put up explicitly for working capital had been used to finance 1953 losses and capital expenditure incurred before the formation of the Freezer Company. Mr Rendell pointed out that it was more reasonable to regard this money as financing the 1954 losses of the Company amounting to £42,000 and expenditure on current

stores etc, which represented working capital in the strictest sense of the word. At the time agreement for contribution of the £50,000 loan was come to, CDC had no reason to believe that 1954 losses would much exceed £10,000: in this event ample resources would have been left for at least another season's operation or more according to results. Expectations were not fulfilled, mainly because of the low quality of beasts delivered to freezer (meat unsaleable in UK) and excessive expenses due to Falkland Islands Company local staff allowing the Freezer management more credit than they had been instructed to give through Mr Young.

6 Eventually Lord Reith asked whether the Governor, in view of the feeling to which he had referred, would like to have his £50,000 back, leaving CDC free to dispose of the Freezer. The Governor said "No" since he felt that when it came to disposal he could probably do better than CDC from London and would hope to recover his £50,000 anyway and possibly a bit over for the shareholders. Lord Reith said he hoped the Governor would report that CDC had made this offer to clear itself against aspersions which, quite unjust, were resented.

7 It was agreed that, since CDC were not prepared to spend more on the Freezer in present circumstances and the Governor could hold out no prospects of operation by FI Government or sheepowners' consortium, further care and maintenance expenditure beyond what was necessary for orderly disposal would be waste of money. The only course left open was closure and disposal on a break-up basis.

8 Lord Reith asked the Governor if he thought CDC could take any other action than that proposed; had he any suggestions to make. Governor said he could not see any other course for CDC.

9 Mr Rendell said he would take legal advice as to the best procedure, having regard to the Falkland Islands Government interest as secured creditors. It would be necessary to warn the Company directors of the shareholders decision before the news came to them from other sources. There were formalities also to be gone through with Secretary of State.

10 Mr Rendell would send to the Governor, at the latter's London address, proposals for most advantageous disposal.

DECODE.

TELEGRAM SENT.

568

O.A.G.
From ~~GOVERNOR~~ to SECRETARY OF STATE.

Despatched : 10/8/55 Time : 1430 Received : .. Time : ..

Confidential. No.126 Colony.
Your telegram No. 87. Following for Arthur
begins :- 566

In accordance with our discussions and views expressed before your departure I informed S.O.A. when they raised the question officially in July that while results of your discussions in London could not be anticipated we had in mind that if it came to liquidation or foreclosure we would, subject to Ex.Co's approval, consult S.O.A. and F.I.C. with regard to possibility of them continuing to operate the Freezer on a co-operative or commercial basis before finally disposing of assets. Although I have no doubt that their reaction would in the circumstances be against participation or continuation and I assume from your telegram that F.I.C. directors are not in favour I suggest it might be advisable to consult S.O.A. and F.I.C. formally before disposing of assets. Subject to your views what I have in mind is as follows :-

1. As soon as we are advised that Company has gone into liquidation we would appoint receiver (Bennett) in accordance with Section 8 of Conditions attached to debenture.

2. Submit matter to Ex.Co. with recommendation that we should formally enquire from S.O.A. and F.I.C. as to whether they would wish to operate Freezer on co-operative or commercial basis but in likely event of them declining we should proceed immediately to dispose of assets we do not require as speedily and as favourably as possible. Concurrently to appoint Disposals Committee consisting of Trees, one unofficial member of Ex.Co. and Weir to make preliminary arrangements and recommendations for disposal. If S.O.A. and F.I.C. are not interested Disposals Committee would proceed. Finally can C.D.C. be requested as a matter of urgency to provide us with full details and specifications of all installations as we have list of stores and spares only available here.

GTC:RMG:FC

Reply at 570

COLONIAL DEVELOPMENT CORPORATION

568A

33 HILL STREET

LONDON · W. 1

CHAIRMAN'S OFFICE

9th August, 1955.

Dear Excellency,

573

Mr Rendell has already sent you the draft aide memoire of our meeting of August 3, the conclusion at which was that the Corporation would not put any more money into the Freezer Company.

28.7/24.1

The Company will thus be unable to operate this season or thereafter unless some other source of finance can be found. But the only possible sources are the Falkland Islands Government and private interests in the Islands. You tell us there is nothing to be had from either.

Thus the Company has no choice but to keep the Freezer under care and maintenance, and seek to cut down expenses even further, pending a decision how best to dispose of the assets.

Your immediate and natural concern will be to recover the £50,000 lent by your Government on debenture in August 1954. But that loan is repayable only in the circumstances laid down in the debenture, none of which has yet arisen.

As debenture holder you have no remedies until the Company makes default for three months in payment of the interest which begins to run in August 1956, unless in the meantime the Company resolves to wind itself up or the Supreme Court of the Falkland Islands intervenes.

Our inclination is to defer winding up because we think that, in the hands of a liquidator, the assets might realise less than they would if sold in an orderly fashion and at leisure by an independent agent whose concern was to safeguard the interests of the secured creditor, but with proper regard also to those of other interested parties.

-2-

We therefore invite your comment on this suggestion: that you as debenture holder immediately apply to the Court for appointment of a receiver, notwithstanding that the loan has not yet become repayable. The ground of your application would be that your security is in jeopardy because of the Company's inability to trade. There seems little doubt that the Court would make the appointment.

It would be the duty of the receiver to take possession of the assets and realise them on the best available terms. The receiver would be an officer of the Court (not the agent either of the debenture holders or of the Company) and as such he would conduct the Company's affairs and realise the assets under the direction of the Court.

Thus all parties concerned could be assured that the best available safeguards had been provided against sacrificial disposal of the assets at the expense of any party.

We hope you will agree that the procedure suggested is the best solution in the difficult and harassing circumstances. If so the Corporation, as creditor and shareholder, will support your application to the Court.

We assume that we can rely on the approval of the Secretary of State for any course mutually agreed.

Yours sincerely,

C. R. Davies.

His Excellency O.R. Arthur, CMG, CVO,
36 Argyll Road,
London, W8

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

TELEPHONE: WHITEHALL 6077/8.

TELEGRAMS: "FLEETWING, PICCY, LONDON"

120, Pall Mall,
LONDON, S.W. 1.

LWHY/TFW

11th August, 1955

O. R. Arthur, Esq., C.M.G., C.V.O.,
36, Argyll Road, London, W.8

Dear Mr. Arthur,

FREEZING

I am obtaining an indication of present prices for the machinery etc., required for a plant of a capacity to hold 250 tons (30,000 cu. ft.) of mutton and I thought you might be interested in the price quoted us in 1947, on which our early conversations with Sir F Stockdale were based.

- | | | | |
|----|---|-------|----|
| 1. | Plant with two compressors, multipass condenser | £6250 | or |
| 2. | " " " " atmospheric condenser | £6600 | |
| 3. | Insulating material - doors, rails, etc. | £6750 | |
| | above prices c.i.f. Port Stanley. | | |

The plant included:-

Two compressors
Two oil engines each 24 H.P.
Condenser
Water Pump
Cooling Equipment
Piping
Spares and Chemicals

We could probably have completed this small scheme for -

Renovation Goose Green Canning Works, say -	£5000
Freezing Chamber ironframing	£3000
Plant	£6600
Insulation etc	£6750
Other materials	£2500
Labour and unforeseen, say -	£5000

£28850

Yours sincerely,

[Handwritten signature]

5/121

31 OCT 1955

STANLEY OFFICE.

PRECIS NO. 1619.

12th August,

55.

FREEZER.

We have recently been through the original file and our estimates for the plant proposed when the project was first discussed with Sir Frank Stockdale.

These are given below and will interest you :-

(Extract from a personal letter to His Excellency, dated 11/8/55)

"I am obtaining an indication of present prices for the machinery etc., required for a plant of a capacity to hold 250 tons (30,000 cu.ft.) of mutton and I thought you might be interested in the price quoted us in 1947, on which our early conversations with Sir F. Stockdale were based.

- | | | | |
|----|---|-------|----|
| 1. | Plant with two compressors, multipass condenser | £6250 | or |
| 2. | " " " " atmospheric condenser | £6600 | |
| 3. | Insulating material - doors, rails, etc. | £6750 | |
| | above prices c.i.f. Port Stanley. | | |

The plant included:-

Two compressors
Two oil engines each 24 H.P.
Condenser
Water Pump
Cooling Equipment
Piping
Spares and Chemicals

We could probably have completed this small scheme for -

Renovation Goose Green Canning Works, say -	£5000
Freezing Chamber iron framing	£5000
Plant	£6600
Insulation etc.	£6750
Other materials	£2500
Labour and unforeseen, say -	£5000

£28850 "

The freezing chambers would have held 250 tons meat, say, 30,000 cu.ft. The original scheme included a refrigerated hold in our vessel so that monthly shipments could be made via Montevideo. This proposal would therefore have enabled the plant to handle about 750 tons.

Director
Managing Director.

COLONIAL DEVELOPMENT CORPORATION

CHAIRMAN'S OFFICE

33 HILL STREET
LONDON · W. 1

18th August, 1955.

Dear Excellency,

(14)

Thank you for your letter of 16th August; but I am entirely puzzled by it since the procedure suggested in my letter of August 9th is designed to achieve our common aim - that Government should be responsible (as you suggested) for disposal of the Freezer to the best advantage.

The appointment of a receiver is the most convenient method of providing Government with a power of sale. For the reasons indicated in my letter the appointment will as a matter of form have to be made by the Court; but there is no reason why the receiver should not be a Government nominee; I imagined he certainly would be; in fact the same individual with the same opportunities for disposing of the assets as if he had been appointed by Government without Court intervention.

It is true that the receiver would act under the general direction of the Court, but that would not impede him in any way; he would have wide discretion as to timing and conduct of sales.

Your offer to help in the disposal of the Freezer is much appreciated; that help would most effectively be given if you would proceed as suggested by you here and as elaborated in my letter of 9th August.

*Yours sincerely,
Undermin*

His Excellency O.R. Arthur, CMG, CVO,
36 Argyll Road,
London, W8.

note

569

564.

Mr Barton reports that no one is available to pack or list the Virtualizing Stores & suggests that F.I.D.S. should make their own arrangements. The stores listed from 537 to 540 will by now have been reduced in quantity as they have been drawn upon by persons residing at Ajax Bay.

In view of the tele. at 566, we must play for time so that if the stores are purchased by F.I.D.S. the proceeds of the sale go towards our £50,000. Mr. F.I.D.S. has been informed of the position & will "stand"

21.12/8

B.W. 24/8 J.

DECODE.

TELEGRAM SENT.

From SECRETARY OF STATE to GOVERNOR

Despatched: 16.8.55

Time: 1230

Received: 16.8.55 Time: 1130

569

Confidential. No.89 Your telegram No.126 Freezer.
Following from Arthur begins:-

Reith has now put forward proposal for disposal of Freezer which I consider unfavourable to Government and I am now pressing for return of £50,000 lent on debenture.

Copies of correspondence follows by mail. Ends.

SECRETARY OF STATE

B. U. F.
(Intld) JB
16/8

571

Y. H.

570 Submitted.

Yes.

Yes. If
we possibly
can

We shall be relieved of a lot of work if
the £50,000 is returned in cash. I hope we
shall still be able to get the houses at Ajax Bay
by purchase.

J. 6/8

C.S.

In view of this development I should like to discuss with
you early -

- 1) The houses
- 2) Machinery and equipment we want to purchase.
- 3) FIDS virtually stores.

Discussed with H.H.

Agreed that we should await
developments with regard to the
disposal of the freezer

J. 17/8

C.S. 17/1
16/8

C.S. 6/9.

Original in 0762/II

572

FROM S.O.S. to E. J. J. J.

17.8.55

1000

17.8.55

1200

No. 90 Confidential. Following from Arthur begins:-

Other matters. Have informed you ⁵⁷⁰separately about Freezer. Have good hope of selling Air Ministry idea that they should take over Stanley Meteorological Office. Have been so far unsuccessful over schoolmaster for West Boarding School have now approached S.P.G... Coles has got other job. Believe Air Survey of Colony free is in bag. Believe Company is justified in seeking increased subsidies for new "Fitzroy" but will discuss on return. Salvesen not interested in sealing rights next few years. Have told Posca that if they want exclusive rights they must make offer of money. Here offer to pay duties which must be done in any case is not good enough. Lady Gibbs is worrying over guides. Have suggested Jean Gilruth should run team and am awaiting consequences. Have persuaded Company to squeeze me into "Fitzroy" October 13th out if "Protector" sails only a few days later shall wait for her. Ends.

SECRETARY OF STATE

Bel 6/9

8
7/10

have?

G.T.C.
IR



CHIN

FALKLAND ISLANDS FREEZER

The Governor of the Falkland Islands will be here at your invitation. You will wish to tell him that the freezer will not be opened under CDC auspices for the 1956 season unless there is a change of heart on the part of the local sheep farmers of which there is no present sign. The Corporation offer to procure Falkland Islands Freezer Co to lease or sell the installation to a local consortium or Falkland Islands Government on favourable terms should then be repeated.

2 The Governor's reply will presumably be conditioned by Mr Hogben's report. This is contained in two letters dated May 18th and 19th of which we now have copies. The reports contain nothing significant of which we were not already aware and indeed have ourselves been saying for some time (compare C Ops (C)'s letter to Mr Harding dated 2.3.55). The following is a summary of Mr Hogben's report -

(1) The freezer cannot pay without adequate supplies of sheep of good quality which have, so far, not been forthcoming despite local assurances.

(2) The freezer is badly and inefficiently constructed in important respects but (by implication) not to such an extent as to make it unworkable.

(3) More money needs to be spent on the jetty and other details to improve efficiency.

(4) The management on the spot has been indifferent up to date.

~~The~~ The letter of May 19th contains a quite strong recommendation, in the middle of the second paragraph, that the freezer should be kept in operation in the interests of the farmers.

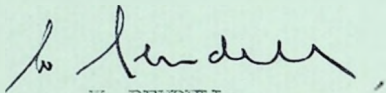
3 In my opinion, Corporation must hold quite firmly to the line that there is no justification for it to spend more money on the freezer (involving an application for supplementary CO sanction) under present circumstances. Governor may revert to a complaint that the Falkland Islands Government were induced to invest \$50,000 last summer by an assurance of continued CDC support. There is no substance in this claim which is dealt with fully in my letter of 31.1.55 to Sir Hilton Poynton. You will recall that Corporation were induced by a promise from Mr Arthur's predecessor of a \$50,000 investment (as equity) to obtain CO sanction for the additional money necessary to bring the freezer into operation.

4 After June 1957 interest on the Falkland Islands Government loan falls due and, if no arrangement is made to operate the freezer, there will be no revenue accruing to the company from which to pay the interest. If the Corporation does not finance the company then Falkland Islands Government will be entitled to step in and take over. The Corporation will lose its asset, which under present circumstances is a liability in respect of upkeep, costs, etc, and the Falkland Islands Government will become responsible. This prospect might well cause the Falkland Islands Government more concern than pleasure.

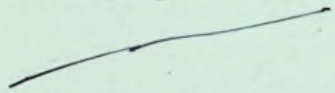
574

5 I think that you should read before the interview -

- (1) Mr Hogben's letters of May 18th and 19th.
- (2) C Ops (O)'s letter of 2.3.55 to Mr Harding.
- (3) My letter of 31.1.55 to Sir Hilton Poynton.



W. RENDELL
General Manager



584
WAF.571/572/01

16 August, 1955

582
Thank you for your letter of the 9th August about the Falkland Islands Freezer.

In paragraph 6 of the note of the discussion held in your office on the 3rd August it is recorded that you asked me whether, in view of the feeling that the Government had been shabbily treated by the Corporation, I would like to have the £50,000 which the Government lent the Falkland Islands Freezer Company back, and leave the Corporation free to dispose of the Freezer as it wished. I said "no", since I felt that when it came to disposal I could probably do better than the G.D.C. could.

? 1
The reason for my saying "no" to the offer to refund Government their £50,000, was that while I much appreciated the offer having been made, I thought that for my part I should do the best possible for the Corporation, even if thereby I risked the Government losing a few thousand pounds. I felt certain that if Government sold the Freezer it could do so slowly and to the best advantage, and might also be in a better position to arrange for shipment to South America of such of the plant as was sold there as and when opportunity occurred.

/This

THE RT. HON. LORD BATH, G.C.V.O., G.B.E., G.B..

585

This matter of shipping might well involve many thousands of pounds expense if it was mishandled. I did this on the understanding that Government would itself undertake the disposal of the Freezer on behalf of itself as debenture holder and the other shareholders in the Falkland Islands Freezer Company, and that the disposal would not be undertaken by an impartial liquidator appointed by the Court in the manner you suggest.

If the actual disposal of the Freezer is to be done by anyone other than Government itself, I should prefer to accept your generous offer to refund the £50,000 paid by Government, in which case the debenture would be cancelled and the Corporation would be free to dispose of the Freezer in any way it liked. In that case I should of course do everything in my power to assist in the disposal of the Freezer and may well be able to help effectively whoever you sent out to deal with the matter. For instance, I have already obtained information as to possible purchasers in Patagonia for the actual freezing part of the plant.

Sd. O.R. Arthur

DECODE.

TELEGRAM SENT.

From SECRETARY OF STATE to GOVERNOR

Despatched: 7.9.55

Time: 1525

Received: 8.9.55

Time: 1000

Confidential. No.101. My telegram No.89

Freezer.

Colonial Development Corporation have now agreed to appointment of Government nominee as receiver . Please, now as debenture holder, make an application to court for appointment of receiver on the grounds of the Government's security for its debenture loan of £50,000 is in jeopardy because of Company's inability to Trade. It is assumed that the court will appoint a receiver acceptable to Government as debenture holder; on this assumption Government nominee should be Colonial Treasurer. Governor has been consulted and agrees.

SECRETARY OF STATE

GTC

IR

Reply at 600

586A

16th September, 1955

Sir,

You are hereby authorised by me, the person for the time being lawfully administering the Government of the Colony, and in consequence the holder of a Debenture, dated the 13th day of August, 1954, securing the sum of £50,000 loaned by the Government of the Colony of the Falkland Islands and its Dependencies to the Falkland Islands Freezer Co., Ltd., whose registered office is at Ajax Bay, East Falkland, to act for and on my behalf in an application to be submitted to the Supreme Court of the Falkland Islands for the appointment of a Receiver of the assets of the said Company, on the grounds that the security of the said loan is in jeopardy by reason of the said Company's inability to trade.

I have the honour to be,

Sir,

Your most obedient Servant,

*Mr. I have
retained original
in my bag file
//.*

A. G. Martin
Officer Administering
the Government.

The Hon. the Acting Colonial Secretary,
PORT STANLEY.

STANLEY,

587

14th September, 1955.

The Secretary,
Falkland Islands Freezer Company, Limited,
STANLEY.

Sir,

In view of certain developments to be expected in connexion with the Falkland Islands Freezer Company, Limited, I hereby tender my resignation as a local Director (Government nominee) of the Company and request that this will be accepted with effect from midnight on Wednesday, 14th September, 1955.

I am,

Sir,
Your obedient servant,

(Sgd) S.C. Trees

Reply at 594

588

14th September, 55.

Sir,

I am directed to refer to the resignation tendered by Mr. S.G. Trees as a local Director of the Falkland Islands Freezer Company, Limited, with effect from midnight on the 14th September, 1955, and to inform you that Mr. J. Bound, Assistant Colonial Secretary, has been appointed a local Director (Government nominee) in Mr. Trees' place with effect from 15th September, 1955.

I am,
Sir,
Your obedient servant,

(Sgd) S.G. Trees

ACTING COLONIAL SECRETARY.

Reply at 595

The Secretary,
Falkland Islands Freezer Company, Limited,
STANLEY.

SGT/VP

COLONIAL DEVELOPMENT CORPORATION

CHAIRMAN'S OFFICE

33 HILL STREET
LONDON · W. 1

15th September, 1955.

Dear Sir,

Thank you for your letter of September 5th.
The liquidation of the Falkland Islands Freezer Co
can now be put in hand.

The Company has been informed that Corporation
will make no further funds available. The Chairman
of the Company will write to you outlining the action
the Company proposes to take.

A formal letter to Colonial Office has been
written (copy attached) notifying CDC decision to
abandon the project. This is necessary for the
purpose of the financial settlement between Corporation
and Treasury.

Yours sincerely,
W. G. Smith

His Excellency O.R. Arthur, CMG, CVO,
c/o Colonial Office,
The Church House,
Great Smith Street, SW1.

588B

COPY

112/ANP

12th September 1955

A.Emanuel, Esq,
Colonial Office,
Gt Smith Street,
London, S.W.1.

Dear Emanuel,

FALKLAND ISLANDS FREEZER COMPANY LIMITED

Owing to insufficient local support the freezer did not open for the 1955 season, but has been kept on a care and maintenance basis pending a decision as to its future.

At a meeting between the Chairman and the Governor of the Falkland Islands on 5th August, at which Mr M.A.Willis was present, the Governor confirmed that he could see no prospect of the Falkland Islands Government, or a consortium of sheep farmers operating the freezer.

The Chairman and the Governor agreed that the only course left open was the closure of the freezer and the disposal of the Company's assets to the best advantage. It was considered that the assets could be disposed of most advantageously by Falkland Islands Government, and the Chairman suggested that the Falkland Islands Government as debenture holder should apply to the Court for the appointment of a receiver on the grounds that their security was in jeopardy. The Governor was informed that the Corporation would be prepared to support such an application. The receiver would, of course, be a Falkland Islands Government nominee.

I therefore wish formally to notify you of Corporation's intention to regard this project as abandoned, and to seek the Secretary of State's approval that the capital lost on it should rank for remission of interest in accordance with Section 5 of the Overseas Resources Development Act 1954.

Yours sincerely,

(Sgd) R.S.PRENTICE

588C

COLONIAL DEVELOPMENT CORPORATION

33 HILL STREET
LONDON · W. 1

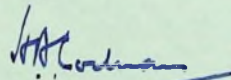
112/ANP

20th September, 1955

HE O.R.Arthur, Esq, CMG, CVO,
36 Argyll Road,
LONDON, W.8.*Dear General*FALKLAND ISLANDS FREEZER CO LTD

Further to your recent correspondence with my Chairman, Lord Reith, you will wish to know that the Board of the Falkland Islands Freezer Co Ltd has met and taken certain resolutions.

I enclose a copy of my formal letter, as Chairman of the Company, to the Officer Administering the Government. I have sent a copy to Willis of the Colonial Office so that, in view of the delay in mails, the gist of the letter may be cabled to the OAG if it is so wished. I understand that the motion for the appointment of a Receiver is to be before the Court on 27th September.

Yours truly

H.A. COCHRAN

Enc

588D

112/ANP

19th September, 1955

HE The Officer Administering
the Government,
Port Stanley,
FALKLAND ISLANDS.

Your Excellency,

FALKLAND ISLANDS FREEZER CO LTD

At a meeting of the Board of this Company held today,
it was agreed that -

- (a) the Company could no longer continue to keep the freezer on a care and maintenance basis;
- (b) the requisite notice should be given to the maintenance staff;
- (c) formal notice of termination of the Managing Agency Agreement should be given to the Managing Agents, South American Export Syndicate Ltd.

The Company has been informed that your Government, as debenture holder in the Company, has applied to the Court for the appointment of a Receiver. The Secretary of the Company has been instructed to support the motion before the Court.

The Board wish me to say that should the Receiver require technical assistance in the disposal of the assets, he may wish to take over the services of the Company's Maintenance Engineer, Mr Swan. If so, it is suggested that Mr Swan be approached locally as soon as possible lest he makes arrangements for immediate return

588E

2

to this country. The Secretary of the Company has been asked by cable to notify Mr Swan of the position, and to inform him that if he does come to any arrangement to assist the Receiver, this will in no way prejudice his rights to leave pay under his existing agreement with the Company.

I have the honour to be,

Your Excellency's obedient servant,



H.A. COCHRAN

Chairman, Falkland Islands Freezer Co Ltd

cc HE O.R.Arthur, Esq, CMG, CVO,
36 Argyll Road, W.8. ✓

M.A.Willis, Esq, MBE,
Colonial Office.

588 F

EXTRAORDINARY MEETING OF THE STANDING FINANCE COMMITTEE
HELD IN THE OFFICE OF THE COLONIAL SECRETARY ON FRIDAY
THE 7th OCTOBER, 1955.

Present:- The Honourable the Colonial Secretary (Chairman)
The Honourable Mr. A.L. Hardy, B.E.M., J.P.
The Honourable Mr. S.C. Luxton

21 OCT 1955

Is. Freezer
Co. Ltd.

The Chairman informed Hon. Members that he had been appointed Receiver of the assets and plant of the Falkland Islands Freezer Co. Ltd. and it was proposed that the equipment at Ajax Bay should be put out to tender. As it was necessary to retain the present staff of three at Ajax Bay and to meet other contingent charges Hon. Members were asked to approve the advance of a sum of £1,000 for this purpose, the refund of which would be a first charge against assets realised.

Hon. Members agreed that the sum of £1,000 be advanced to the Receiver as a charge against Extraordinary Expenditure, N.I. - Advance to Receiver, Ajax Bay.

Chairman

Secretary

589

IN THE SUPREME COURT OF THE FALKLAND ISLANDS.

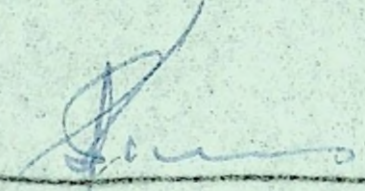
In the matter of the Falkland Islands Freezer Company, Limited,
and

In the matter of the Companies Act, 1948.

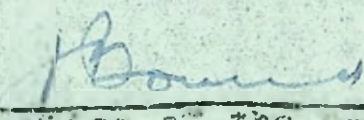
Affidavit in Support of Motion.

I, Stanley Graham Trees, Acting Colonial Secretary of the Colony of the Falkland Islands, having been duly appointed by His Honour the Officer Administering the Government to represent him in his capacity as debenture holder for and on behalf of the Government of the Colony of the said Falkland Islands, make oath and say as follows:-

That the facts stated in paragraphs 1, 2, 3 and 4 of the Motion hereunto annexed and marked "A" are true.



Sworn before me at Stanley, this sixteenth
day of September, 1955.

(sgd) 
_____ Justice of the Peace.

590

A

IN THE SUPREME COURT OF THE FALKLAND ISLANDS.

Motion.

To His Lordship the Judge.

The *sixteenth* day of September, 1955.

I, Stanley Graham Trees, Acting Colonial Secretary of the Colony of the Falkland Islands, having been duly appointed by His Honour the Officer Administering the Government to represent him in his capacity as debenture holder for and on behalf of the Government of the Colony of the said Falkland Islands, say as follows:-

1. That the Falkland Islands Freezer Company, Limited, incorporated under the Companies and Private Partnership Ordinance (Cap. 13) was registered with the Registrar of Companies, Falkland Islands, under No. 2993 on the 9th June, 1953.

2. That the said Falkland Islands Freezer Company, Limited, borrowed £50,000 from the said Government of the Colony of the Falkland Islands, by debenture dated the 20th day of August, 1954, and registered with the Registrar General under No. 3132 on the 2nd day of November, 1954, a copy of the said debenture being hereto annexed.

3. That the said Falkland Islands Freezer Company, Limited, charged its undertaking and all its property present and future, including its uncalled capital with the repayment of the principal moneys and interest accrued by the said debenture.

4. That the works and plant of the said Falkland Islands Freezer Company, Limited, were on the *seventh* day of *February*, 1955, placed on a care and maintenance basis and since that date the said Falkland Islands Freezer Company, Limited, has not traded, neither is there any future prospect of the said Falkland Islands Freezer Company, Limited, trading.

5. That because of the inability of the said Falkland Islands Freezer Company, Limited, to trade, the security of the Government of the Colony of the Falkland Islands for the said debenture is held to be in jeopardy.

I pray, therefore, that Your Lordship will be pleased:-

- (a) to appoint a Receiver of the property and assets charged by the said debenture.
 - (b) to grant leave to the said Receiver so appointed to abandon or terminate at the discretion of the said Receiver possession of any leasehold property, the retention of which does not benefit the Government of the Colony of the Falkland Islands as debenture holders.
 - (c) to make an Order for Sale of the property and assets of the Falkland Islands Freezer Company, Limited.
- [Signature]*

(Sgd) H. Bennett
Registrar General
Falkland Islands.

DEBENTURE

THE FALKLAND ISLANDS FREEZER COMPANY LIMITED

1. In consideration of the sum of £50,000 lent by the Government of the Colony of the Falkland Islands and its Dependencies to the Falkland Islands Freezer Company, Limited, (hereinafter called "the Company") the receipt of which sum the Company hereby acknowledges the Company will as and when the principal moneys hereby secured become payable in accordance with the conditions annexed hereto pay to the Governor of the Colony of the Falkland Islands and its Dependencies (hereinafter called "the Governor" which expression means the person for the time being lawfully administering the Government of the Colony), or other the registered holder for the time being hereof the sum of £50,000.
2. THE Company will during the continuance of this security pay to the Governor or such other registered holder interest on the principal sum for the time being secured by this Debenture at the rate of three per cent per annum by half-yearly payments on the 1st day of January and 1st day of July in each year beginning from the expiration of two years from the date hereof, no interest for the said two years being payable.
3. THE Company hereby charges with the repayment of such principal moneys and interest its undertaking and all its property present and future, including its uncalled capital.
4. THIS Debenture is issued subject to and with the benefit of the conditions annexed hereto, which are to be deemed part of it.

GIVEN under the hands of William Rendell and George William Eastburn, Directors of the Company duly authorised in that behalf by resolution of the Company's London Committee made on the 13th day of August, 1954, this Twentieth day of August, 1954.

CONDITIONS

The Conditions hereinbefore referred to

1. THE charge created by this Debenture is to be a floating security, but so that the Company is not to be at liberty to create any mortgage or charge on its property pari passu with or in priority to this Debenture.
2. THE name, address and description of the registered holder for the time being of this Debenture shall be entered in a register to be kept at the Company's registered office, and such register will at all reasonable times during business hours be open to the inspection of the registered holder hereof (and his successors in the office of Governor) and any person authorised in writing by him (or them).
3. THE registered holder (or his successor in the office of Governor) will be regarded as exclusively entitled to the benefit of this Debenture, and all persons may act accordingly; and the Company shall not be bound to enter in the register notice of any trust, save as herein provided, and except as ordered by some Court of competent jurisdiction to recognise

any trust or equity affecting the title to the Debenture or the moneys thereby secured.

4. UPON the death, retirement, resignation or transfer of the person for the time being holding the office of Governor of the Colony of the Falkland Islands and its Dependencies the Company shall not have the right to call for the execution of a transfer of this Debenture but shall register the same in the name of his successors in office without fee. Save as aforesaid every transfer of this Debenture shall be in writing under the hand of the registered owner or his legal personal representatives, and the transfer must be delivered at the registered office of the Company with a fee of 2/6d. and such evidence of title as the Company may reasonably require, and thereupon the transferee will be recognised as having become entitled to the benefit of this Debenture free from any equities, set-off or cross-claims which, but for this provision the Company would be entitled to set up against the transferor, and the transferee will be registered and a note of such registration will be endorsed hereon. The Company shall be entitled to retain the transfer.

5. THE principal moneys and interest hereby secured will be paid without regard to any equities between the Company and the original or any intermediate holder hereof, or any set-off or cross-claim, and the receipt of the registered holder for the time being for such principal moneys and interest shall be a good discharge to the Company for the same.

6. THE Company may at any time give notice in writing to the registered holder hereof or his legal personal representatives, of its intention to pay off this Debenture, and upon the expiration of six months from such notice being given the principal moneys hereby secured shall become payable.

7. THE principal moneys hereby secured shall immediately become payable -

- (a) If the Company makes default for a period of three months in the payment of any interest hereby secured, and the registered holder hereof, before such interest is paid, by notice in writing to the Company calls in such principal moneys; or
- (b) If a distress or execution is levied upon or against the property or assets of the Company and remains unsatisfied for a period of seven days; or
- (c) If an order is made or an effective resolution is passed for the winding-up of the Company; or
- (d) If a receiver of the property and assets of the Company is appointed.

8. AT any time after the principal moneys hereby secured become payable the registered holder of this Debenture may from time to time appoint by writing any person or persons to be a receiver or receivers of the property charged by it, and may remove any such receiver, and a receiver so appointed shall have the power -

- (a) To take possession of, collect and get in the property charged hereby, and for that purpose to take all proceedings in the name of the Company or otherwise as may seem expedient;
- (b) To carry on, or concur in carrying on the business of the Company, and for that purpose to raise money on the property charged in priority to this Debenture or otherwise;
- (c) To sell, or concur in selling, all or any of the property charged by this Debenture after giving to the Company at least seven days notice of his intention to sell, and to carry any such sale into effect by conveying in the name and on behalf of the Company or otherwise;
- (d) To make any arrangement or compromise which he or they shall think expedient in the interest of the holder of this Debenture.

9. A receiver so appointed shall be deemed to be the agent of the Company, and the Company shall be solely responsible for his acts or defaults and for his remuneration. The provisions of Sections 101 (1) and (2), 104, 106, 107 and 109(3), (4), (6), (7) and (8) of the English Law of Property Act, 1925, and the powers thereby conferred on a mortgagee or receiver shall, so far as applicable, apply to the receiver so appointed as if such provisions were incorporated herein, save that all moneys received by such receiver, after providing for the matters specified in Clauses (i) to (iii) of Section 103(8) aforesaid, and for all costs, charges and expenses of or incidental to the exercise of any of the powers of such receiver shall be applied towards satisfaction of the Debenture.

10. ANY notice required by these conditions may be served by sending it through the post in a prepaid letter addressed to the registered holder of this Debenture at his registered address, or to the Company at its registered office, as the case may be. Any notice served by post shall be deemed to have been served at the expiration of one month after it is posted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

Signed by the above-named
WILLIAM RENDALL
in the presence of:-

(Sgd) ????
33, Mill Street,
London, W. 1.
Solicitor

(Sgd) William Rendell

Signed by the above-named
GEORGE WILLIAM EASTBURN
in the presence of:-

(Sgd) Geo. W. Eastburn

(Sgd) Percy W. Binns
Mayfair Hotel,
Scarboro.

Hotelier

FALKLAND ISLANDS FREEZER CO. LTD.

AJAX BAY
FALKLAND ISLANDS

STANLEY.

17th September 1955.

The Honourable S.G.Trees, M.V.O.,
STANLEY.

Dear Sir,

587 I have to acknowledge receipt of your letter dated 14th inst.

Your resignation as local Director (Government Nominee) as from 14th inst. is noted and will be placed before the Board at the next meeting.

Yours faithfully,

A. R. Danton

SECRETARY.

A.

FALKLAND ISLANDS FREEZER CO. LTD.

AJAX BAY
FALKLAND ISLANDS

STANLEY.

17th September 1955.

The Honourable the Colonial Secretary,
STANLEY.

Sir,

588 I have received your letter dated 14th inst. and note that Government has appointed Mr. J. Bound to be Government's nominee for the local Board of Directorate vice Mr. S. G. Trees (resigned) as from 15th September 1955.

I am, Sir,

Your obedient servant,

A. G. Parker

SECRETARY.

5946

Government House,
Port Stanley,
Falkland Islands.

19th September, 1955

Dear Mr. Bonner,

Ajax Bay Freezer

You will recall that when I came out to see you the other day I mentioned to you that I had received instructions from London to apply to the Supreme Court for the appointment of a Receiver of the assets of the Ajax Bay Freezer.

It was suggested at the time that before any final action was taken Executive Council should be consulted. You may recall that during the course of the discussion Trees and I had with the Sheep Owners' Association in July of this year I mentioned that, while I could not anticipate the results of the Governor's discussions in London, what we had in mind was that general consultations should take place with the industry before a final decision was taken with regard to the Freezer and the Freezer equipment.

Further examination of the legal aspects of the present situation does, however, paint a different picture, so far as consultation is concerned. In August I received a telegram from London which stated that Lord Reith intended to put the Freezer into liquidation but had requested that this information be kept strictly confidential for various reasons. I then envisaged that once the Company had gone into liquidation action would be taken under the provisions of the debenture, which provides that if the Company should go into liquidation in one way or the other, Government, as a debenture holder, would be entitled under Clause 8 to appoint a Receiver of the property. In such circumstances the Receiver would have been an agent of Government and would have been subject to Government direction. In normal circumstances such Government direction would naturally reflect the policy of Executive Council.

The procedure that has now been decided

/ in ...

The Hon. Mr. J.F. Bonner, J.P.,
SAN CARLOS.

5987

in London, however, and on which the Colonial Development Corporation have insisted is that application should be made to the Supreme Court for the appointment of a Receiver. The position is that a Receiver appointed by the Court is an officer of the Court and as such is responsible to the Court and is subject to its directions. There can be no executive influence on the Receiver and his responsibility is to dispose of the assets in the most satisfactory manner that is possible in the circumstances and to the satisfaction of the Supreme Court.

The application has now been made by the Falkland Islands Government to the Supreme Court for the appointment of such a Receiver and the date of hearing has been set down as the 27th September. While the Court's decision cannot, of course, be anticipated you will appreciate that it is very likely that it will appoint Trees as the Receiver and that an Order for Sale will be made immediately after judgement.

I am sorry that I have had to deal with this matter at length but I thought it desirable to provide you, as a member of Executive Council, with information on the way in which things are going.

Yours sincerely,

A.G. Denton-Thompson

AGT

9
594

Government House,
Port Stanley,
Falkland Islands.

19th September, 1955.

Dear Mr. Luxton,

Ajax Bay Freezer.

You will recall that when Trees came out to see you the other day he informed you that we had received instructions from London to apply to the Supreme Court for the appointment of a Receiver of the assets of the Ajax Bay Freezer.

It was suggested at the time that before any final action was taken Executive Council should be consulted. You may recall that during the course of the discussion Trees and I had with the Sheep Owners' Association in July of this year I mentioned that, while I could not anticipate the results of the Governor's discussions in London, what we had in mind was that general consultations should take place with the industry before a final decision was taken with regard to the Freezer and the Freezer equipment.

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The procedure that has now been decided

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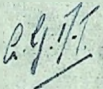
The Hon. Mr. K. W. Luxton, J.P.,
CHARTRES.

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I am sorry that I have had to deal with this matter at length but I thought it desirable to provide you, as a member of Executive Council, with information on the way in which things are going.

Yours sincerely,


A.G. Denton-Thompson

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 19.9.55

Time: 1130

Received:.

Time: ..

586 Confidential. No.152. Your telegram No.101
Freezer.

Application has been made to Court for appointment
of Receiver. Hearing is set for Tuesday 27th September.
I shall keep you informed. Ends.

OFFICER ADMINISTERING THE GOVERNMENT

See 607

C.S.

601

I think perhaps we had better
let the news reader this week have
a brief statement to the effect that
Govt. has applied for the appointment
of a Receiver etc? What do you
think?

O.K. 20/9.

~~Ide to go on fire
(to S/S).~~

Now fixed at 600.

20/9.

G.H.

O.K. 22/9.

If there is no objection
I would prefer to wait until
the following Friday when
more details can be given, -
application supported by
F.I.F.Co. etc.

22/9

DECODE.

TELEGRAM SENT.

602

From SECRETARY OF STATE to GOVERNOR

Despatched: 22.9.55

Time: 1535

Received: 23.9.55 Time: 0915

No.109. Freezer.

Following is text of letter addressed to you by Colonial Development Corporation on September 19th.

At a meeting of Board of this Company held today it was agreed that

- (a) The Company could no longer continue to keep Freezer on a care and maintenance basis;
- (b) The requisite notice should be given to maintenance staff;
- (c) Formal notice of termination of Managing Agency's agreement should be given to Managing Agents, South America Export Syndicate Limited.

The Company has been informed that your Government, as Debenture Holder in Company, has applied to Court for appointment of a Receiver. The Secretary of the Company has been instructed to support motion before the court.

The Board wish me to say should the Receiver require technical assistance in disposal of assets he may wish to take over the Service of Company's maintenance engineer Mr. Swan. If so it is suggested that Mr. Swan be approached locally as soon as possible lest he make arrangements for immediate return.

SECRETARY OF STATE

GTC
IR

603

Y-H.

602 submitted for

A | B regards the final para. I consider it essential that the services of Swan & perhaps the other two maintenance men be retained.

B | Assuming I am appointed Receiver next Monday, I propose to fly to Ajax as soon as possible and make the necessary arrangements with Swan. W Barton informs me that Swans return passage to the U.K. is guaranteed by C.D.C.

D. | I want S.P.W. to go to Ajax with me to look at the houses. (Although in my capacity as Receiver, I must get the highest possible price!).

21. 12/9

C.S.

1. I agree A & B.
2. Watch C. - the CDC will try and saddle you with his passage home eventually.

3. I agree D - but I should consider taking Guttridge at the same time.

Guttridge is coming.

22/12

604
Stanley,
Falkland Islands.

27th September, 1955.

The Secretary,
Falkland Islands Freezer Company, Ltd.,
STANLEY.

Sir,

I understood from a discussion we had prior to my appointment today as Receiver of the property and assets of the Falkland Islands Freezer Company, Limited, that the Colonial Development Corporation have undertaken to meet the cost of repatriating Mr. Swan, the Engineer at Ajax Bay, should his services be retained by me for the purpose of maintaining the plant and equipment.

2. It would be appreciated if you would be so good as to confirm that my understanding of the position is correct.

I am,

Sir,

Your obedient servant,

(Sgd) S.G. Trees

RECEIVED.

FALKLAND ISLANDS FREEZER CO. LTD.

AJAX BAY
FALKLAND ISLANDS

27th September 1955

Hon. S. G. Trees M.V.O.,
STANLEY.

Sir,

The short reply to the query contained in your letter of to-day's date is contained in Mr. Cochran's telegram dated 20th instant of which I enclose a part copy together with a letter for Messrs Swan and J.F. Bonner containing the same extract of telegram.

I understand you may be visiting Ajax tomorrow, and hope you will be good enough to deliver these.

Yours faithfully,
THE FALKLAND ISLANDS FREEZER CO. LTD.

A. R. Davies
SECRETARY.

606

EXTRACT OF TELEGRAM DATED 20th SEPTEMBER 1955

ADDRESSED: BARTON, STANLEY

SIGNED: COCHRAN

Following for J. F. Bonner and Swan.

"London Committee to-day agreed request Managing Agents"
"formally give three months notice Swan termination of "
"engagement and instruct him to give requisite notice " "
"to labourers. Please give notice in accordance. " "
"Inform Swan Receiver may wish engage him and labourers"
"stay Ajax Bay assist disposal assets. This entirely " "
"agreeable to Company. Assure Swan such engagement " "
"by Receiver will not affect his right from Company to " "
"Homeward passage and leave pay as per his contract. " "
"Letter from Managing Agents confirming this follows. " "

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched : 29.9.55 Time : 1400 Received : Time :

600 No.157. My telegram No.152 Freezer. Court has given judgment for Debenture Holder and appointed Colonial Treasurer as Receiver. Court has further:

- (1) ordered an enquiry of what property comprised in or specifically charged by the Debenture consists.
- (2) made an order for sale of assets.

There are no lists and specifications of assets here other than spare parts, building supplies and canteen stores and I should be glad if C D C may be asked to forward this information to Freezer Company Secretary at earliest opportunity.

OFFICER ADMINISTERING THE GOVERNMENT

GTC : AGD-T/IR

See 625

30. 3/11
S

COLONIAL DEVELOPMENT CORPORATION

608

33 HILL STREET

LONDON · W. 1

112/ANP

19th September, 1955

HE The Officer Administering
the Government,
Port Stanley,
FALKLAND ISLANDS.

23 OCT 1955

Your Excellency,

FALKLAND ISLANDS FREEZER CO LTD

At a meeting of the Board of this Company held today,
it was agreed that -

- (a) the Company could no longer continue to keep the freezer on a care and maintenance basis;
- (b) the requisite notice should be given to the maintenance staff;
- (c) formal notice of termination of the Managing Agency Agreement should be given to the Managing Agents, South American Export Syndicate Ltd.

The Company has been informed that your Government, as debenture holder in the Company, has applied to the Court for the appointment of a Receiver. The Secretary of the Company has been instructed to support the motion before the Court.

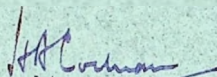
The Board wish me to say that should the Receiver require technical assistance in the disposal of the assets, he may wish to take over the services of the Company's Maintenance Engineer, Mr Swan. If so, it is suggested that Mr Swan be approached locally as soon as possible lest he makes arrangements for immediate return

2/11/55

to this country. The Secretary of the Company has been asked by cable to notify Mr Swan of the position, and to inform him that if he does come to any arrangement to assist the Receiver, this will in no way prejudice his rights to leave pay under his existing agreement with the Company.

I have the honour to be,

Your Excellency's obedient servant,



H.A. COCHRAN

Chairman, Falkland Islands Freezer Co Ltd

COLONIAL DEVELOPMENT CORPORATION 61633 HILL STREET
LONDON · W. 1

112/ANP

23rd September, 1955

S.G. Trees, Esq, MVO,
Colonial Treasurer,
Falkland Islands Govt,
STANLEY, Falkland Islands.

*Dear Mr Trees,*FALKLAND ISLANDS FREEZER CO LTD

At a meeting held on 5th August here between the Chairman of CDC and the Governor of the Falkland Islands, the Governor confirmed that, in the light of Mr Hogben's report, he could see no economic future for the freezer and no prospect of the Government or a consortium of sheep farmers operating it. It was agreed that the only course open was the closure of the freezer and the disposal of the Company's assets.

It was also agreed that the Falkland Islands Government would best be able to dispose of the assets, and it has since been agreed that in order to give them the power of sale, the Falkland Islands Government should apply to the Court for the appointment of a Receiver, who would be a Government nominee. The Receiver would, of course, be bound to dispose of the assets of the Company to the best advantage of all parties.

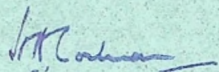
As you know, for some time CDC has been providing Company with funds required to keep the freezer on a care and maintenance basis pending a decision as to its future, but consequent on the above agreement, Company were notified on 12th September, that CDC could no longer make funds available, except in settlement of commitments arising before the appointment of the Receiver.

611

612-621

A meeting of the London Committee of the Board was held here on 19th September, 1955 and a copy of the minutes, together with copies of relevant correspondence, is enclosed for your information.

Yours sincerely



H.A. COCHRAN
Chairman, Falkland Islands Freezer Co Ltd

Enc

112/ANP

21st September, 1955

G.W. Eastburn, Esq.,
Managing Director,
South American Export Syndicate Ltd,
106, Fenchurch Street,
London, E.C.4

FALKLAND ISLANDS FREEZER CO LTD

At our meeting yesterday, it was agreed that the Company could no longer keep the freezer on a care and maintenance basis and that it was necessary to give the maintenance staff notice.

I wrote in my letter 112/ANP of 19.9.55 to the Falkland Islands Co, copied to you, asking them to cable to Barton to give notice to Swan and the labourers. I now write to ask that S.A.E.S. Ltd as Managing Agents for FIFCO, should send a letter to Swan formally confirming the notice given in the cable.

I shall be glad if you will repeat in the letter the assurances contained in the cable that -

- (a) his passage home will be paid;
- (b) he will receive leave pay to which he is entitled;
- (c) that should he be approached, as he may, by the Receiver, to assist in the disposal of the freezer, it will in no way prejudice his rights with the Company to (a) and (b) if he accepts a temporary position from the Receiver.

At the meeting it was also agreed that your Company should be given notice of termination of the Managing

.../Agency

Agency Agreement, in accordance with the terms proposed by you, i e -

- (i) six months notice instead of twelve months;
- (ii) fee for the balance of the period at the rate of a £1,000 p a, instead of at the rate of £2,500 p a.

I hope you will take this letter as such notice. I would like at the same time to express the Company's gratitude to your Syndicate for the generous terms which you suggested and for all the hard, and frequently frustrating, work which you put into the freezer as Managing Agents.

H.A. COCHRAN

Chairman,

HAC/JAF

Falkland Islands Freezer Co Ltd

RHC

cc All Directors: W. Mendell, Esq
H.C. Harding, Esq
H.K. Cameron, Esq, CBE
J.P. Bonner, Esq
G.W. Eastburn, Esq
T.P. Jones, Esq
L.W.H. Young, Esq
S.C. Treves, Esq, MVO ✓
A.C. Grieve, Esq

A.C. Barton, Esq, CBE (Secretary FIMCO Ltd, Port Stanley)
Secretary, Bd London Committee.

112/AMF

614
30th September, 1955

The Secretary,
South American Export Syndicate Ltd.,
106 Finchchurch Street,
LONDON, E.C.3

Dear Sir,

FALKLAND ISLANDS FREEZER CO LTD

At a meeting of the Board of this Company held yesterday, it was agreed that -

- (a) the Company could no longer continue to keep the freezer on a care and maintenance basis;
- (b) the requisite notice should be given to the maintenance staff;
- (c) formal notice of termination of the Managing Agency Agreement should be given to the Managing Agents, South American Export Syndicate Ltd.

We are informed that the Government of the Falkland Islands has applied to the Court at Port Stanley for the appointment of a receiver. The Secretary of the Company has been warned to attend the Court on 27th September, 1955.

Yours faithfully,

H.A. COCHRAN
Chairman, Falkland Islands Freezer Co Ltd

cc All Directors: W. Readell, Esq
H.C. Harding, Esq
H.A. Cameron, Esq, OBE
J.F. Bonner, Esq
G.W. Eastburn, Esq

T.P. Jones, Esq
L.W.H. Young, Esq
S.G. Trees, Esq, MVO ✓
A.C. Grieve, Esq

Secretary, FIFCo, Port Stanley
Secretary, Bd London Committee.

616

112/ANP

20th September, 1955

ME C.R.Arthur, Esq, OMC, CVO,
36 Argyle Road,
LONDON, W.8.

Dear Governor,

FALKLAND ISLANDS FREEZER CO LTD

Further to your recent correspondence with my Chairman, Lord Keith, you will wish to know that the Board of the Falkland Islands Freezer Co Ltd has met and taken certain resolutions.

I enclose a copy of my formal letter, as Chairman of the Company, to the Officer Administering the Government. I have sent a copy to Willis of the Colonial Office so that, in view of the delay in mails, the gist of the letter may be cabled to the CAO if it is so wished. I understand that the motion for the appointment of a Receiver is to be before the Court on 27th September.

Yours truly,



H.A. O'GHERAN

Enc

cc All Directors: W.Rendell, Esq, A.C.Grieve, Esq
H.C.Harding, Esq
M.K.Cameron, Esq, OBE
J.P.Bonner, Esq
G.W.Eastburn, Esq
T.P.Jones, Esq
L.W.H.Young, Esq
R.G.Trees, Esq, MVO ✓

A.C.Barton, Esq, OBE (Secretary FIFCo Ltd, Port Stanley)
Secretary, Bd London Committee.

617

112/ANI

19th September, 1955

HE The Officer Administering
the Government,
Port Stanley,
FALKLAND ISLANDS.

Your Excellency,

FALKLAND ISLANDS FREEZER CO LTD

At a meeting of the Board of this Company held today,
it was agreed that -

- (a) the Company could no longer continue to keep the freezer on a care and maintenance basis;
- (b) the requisite notice should be given to the maintenance staff;
- (c) formal notice of termination of the Managing Agency Agreement should be given to the Managing Agents, South American Export Syndicate Ltd.

The Company has been informed that your Government, as debenture holder in the Company, has applied to the Court for the appointment of a Receiver. The Secretary of the Company has been instructed to support the motion before the Court.

The Board wish me to say that should the Receiver require technical assistance in the disposal of the assets, he may wish to take over the services of the Company's Maintenance Engineer, Mr Swan. If so, it is suggested that Mr Swan be approached locally as soon as possible lest he makes arrangements for immediate return

to this country. The Secretary of the Company has been asked by cable to notify Mr Swan of the position, and to inform him that if he does come to any arrangement to assist the Receiver, this will in no way prejudice his rights to leave pay under his existing agreement with the Company.

I have the honour to be,

Your Excellency's obedient servant,

hu

H.A.CCOHRAN
Chairman, Falkland Islands Freezer Co Ltd

cc HE G.R.Arthur, Esq, CMG, CVC,
36, Argyll Road, W.8.

M.A.Willis, Esq, MBE,
Colonial Office.

All Directors: W.Rendell, Esq
H.C.Harding, Esq
N.K.Cameron, Esq, CBE
J.F.Bonner, Esq
G.W.Eastburn, Esq
T.P.Jones, Esq
L.W.H.Young, Esq
S.G.Trees, Esq, MVO ✓

A.C.Grieve, Esq

A.G.Barton, Esq, CBE (Secretary FIFCo Ltd, Port Stanley)
Secretary, Bd London Committee

FALKLAND ISLANDS FREEZER CO LTD
TWELFTH LONDON COMMITTEE MEETING
HELD IN LONDON ON 19.9.55

PRESENT

Mr H.A.Cochran	in the Chair
Mr G.W.Eastburn	
Mr L.W.H.Young	
Mr N.K.Cameron	
Mr S.B.Robson	(Alternate to Mr T.P.Jones)
Mr R.Prentice	(Alternate to Mr W.Rendell)

Mr A.P.Tapping	Acting Secretary
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Mr J.C.Davey
 Mr K.Goodman
 Miss S.A.Smith

88 Minutes

Signed:	Minutes of London Committee Meeting on 27.1.55
Received:	Minutes of Local Board Meeting held at San Carlos on 18.2.55

89 Directorate

Noted:	Mr W.Rendell's appointment of Mr R.Prentice to be his alternate Director and alternate Member of London Committee of Board vice Mr H.L.Fryce.
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90 Mr Young

Noted:	(1) Mr Young's complaint that -
	(a) he had not, as Director of FIFCo, been sent a copy of Chairman's letter to Mr Harding ref 112/ANI dated 2nd March, 1955 which had been copied to directors of FIFCo in the Falkland Is and Company Secretary there;
	(b) he took exception to the contents of the letter, on the grounds that it was full of half truths and misrepresented the position;

.../(c) he strongly

- (c) he strongly disapproved of the report on FIFCo in CDC's annual report for 1954; he had expressed his views on this to the Secretary of State for the Colonies.

(2) Mr Young's statement that the original plan for the freezer was based on a scheme which he prepared in 1938; for reasons unknown to him this plan had been entirely dropped and another, which had resulted in the present freezer, substituted.

(3) Mr Young's opinion, based on recent figures from Hall's, that the Falkland Islands Co could today erect a freezer at Goose Green for under £40,000.

(4) As to (1), Chairman said that he considered his letter of 2.3.55 to be an objective and accurate summary of the position; apologised to Mr Young for the omission to send him a copy of the letter - it had gone to directors in the Falkland Islands and not those in the UK.

91 Appointment of Receiver

Received: Letter dated 12.9.55 from Colonial Development Corporation informing Company that -

(1) at meeting of 5.8.55 between Chairman of CDC and Governor of the Falkland Islands, Governor stated that following report of investigation made by independent expert (Mr Hogben) appointed by his Government, he saw no prospect of the freezer becoming economically viable, or of Government or a consortium of local interests operating freezer.

(2) Governor agreed that there was nothing further Corporation could do; only course open was the closure of the freezer and disposal of Company's assets.

(3) Governor agreed that FI Government would be best able to dispose of the assets and that it has since been agreed that, to give power of sale, FI Government as debenture holder would apply to Court for appointment of nominee as Receiver.

(4) Corporation was unable to make further funds available to Company except in settlement of commitments entered into before the appointment of a Receiver.

Agreed:

(1) Formal notification to be given to Officer Administering Government FI arising out of Company's inability to continue to keep freezer on care and maintenance basis; offering Government services of Mr Swan, without prejudice to Mr Swan's rights to leave pay and passage to UK.

(2) Draft cable to be sent to Mr Barton via FIFCo London, asking him to advise Mr Swan of position and to give notice to staff. Draft letter to Managing Agents requesting formal confirmation of cable to be sent.

(3) Accept and thank South American Export Syndicate Ltd for offer to terminate Managing Agency Agreement at end of six months notice (instead of twelve) with remuneration for the period at the rate of £1,000 p a (instead of £5,000 p a) Chairman to take formal action.

(4) Notify Inter-Coastal Trading Co that Company will no longer require them to carry sheep under their contract.

the 400 acres.

(5) Following preliminary action taken by Chairman in giving provisional notice of termination of lease of grazing land to San Carlos Sheep Farming Co Ltd, formal notice of termination now to be given.

(6) Draft letter to CDC and SACS as shareholders informing them of position and action taken by Board.

(7) Inform Directors not present at meeting of all action taken and proposed.

622

C.T.

608 rounds

J. i.
10/11

Copy of 614

615

112/ANP

20th September, 1955

The General Manager,
Colonial Development Corporation,
23 Hill Street,
LONDON, W.1

624

Dear Sir,

FALKLAND ISLANDS FREEZER CO LTD

At a meeting of the Board of this Company held yesterday, it was agreed that -

- (a) the company could no longer continue to keep the freezer on a care and maintenance basis;
- (b) the requisite notice should be given to the maintenance staff;
- (c) formal notice of termination of the Managing Agency Agreement should be given to the Managing Agents, South American Export Syndicate Ltd.

We are informed that the Government of the Falkland Islands has applied to the Court at Port Stanley for the appointment of a Receiver. The Secretary of the Company has been warned to attend the Court on 27th September, 1955.

Yours faithfully,

H.A. GUCHRAN
Chairman, Falkland Islands Freezer Co Ltd

cc All Directors: W. Rendell, Esq
 H.C. Harding, Esq
 W.R. Cameron, Esq, OBE
 J.F. Bonner, Esq
 G.W. Eastburn, Esq
 T.P. Jones, Esq
 L.W.H. Young, Esq
 S.C. Trees, Esq, MBE
 A.C. Grive, Esq

A.S. Barton, Esq, OBE (Secretary FISCO Ltd, Port Stanley)
 Secretary, Bd London Committee

From His Excellency the Governor

to the Honourable the Colonial Secretary.

CS.

Apax Bay

1. Philburt should go at once & get a cargo of stores for early despatch in Stanley.
2. Please telegraph Commercial Attaché early, making preliminary enquiries about whether a firm can be found on the coast to buy the heavy stuff in situ or who maybe act as agent with suitable safeguards.
3. Mr. Treas must be secured for the present & Mr. Bellmann act for him.
4. Mr. Treas must go to the coast at the first opportunity to find buyers for the heavy stuff.
5. Please draft telegram informing S/L of the intellable position we are in and briefly what we intend to do & ask him to put screw on the C.C. to provide the list of assets which is required under the Company's act.

DRH

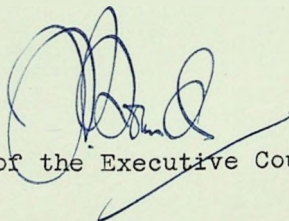
Extract from the Minutes of a Meeting of Executive Council
held 15th November, 1955.

0588.

25. Falkland Islands Freezer Co.

His Excellency informed Council that the Freezer had gone into liquidation and that the Colonial Treasurer had been appointed by the Supreme Court as Receiver to dispose of the assets at Ajax Bay. This would be a full time job and His Excellency proposed to second the Treasurer for an indefinite period to carry out this duty.

Council concurred.



Clerk of the Executive Council.

DECODE.

TELEGRAM SENT.

626

From GOVERNOR to SECRETARY OF STATE.

Despatched: 17.11.55 Time: 1600 Received: Time:

607 No.182. My telegram No.157.

As expected the position at Ajax Bay is bad.

No technical information about the plant is available. The original drawings are useless because each of the succession of managers employed on building the plant had his own ideas to which he gave effect without leaving any record. Tools, spare parts, materials etc. to an estimated value of several thousand pounds are present at the site but there are no proper inventories, and but few shipping documents and invoices. The position of the Receiver who must produce order in the records and price the assets is difficult. Meanwhile I am proceeding at once to make enquiries about selling main freezing equipment in South America.

2. It is clear that Colonial Treasurer as Receiver will be fully committed for several months in disposing of plant and equipment to best possible advantage. He will have to spend some considerable time at Ajax Bay and will have to visit South America at first possible opportunity. The sums of money involved are considerable and I see no alternative but to second him for special duties in connexion with disposal of plant until further notice.

3. Receiver requested C.D.C. through local Secretary of Freezer Company to furnish by December 7th a statement of affairs of Company under Section 372 of the Companies Act, 1948 ,

but/

627

but C.D.C. requested extension of two months which Receiver had no alternative but to grant. As considerable expense is being incurred, _____ in maintaining plant I should be most grateful if you would urge C.D.C. to furnish statement at earliest possible date together with details of plant if available and all invoices and shipping documents they may have.

GOVERNOR

P/L: AGD-T/SGT
TYPED:WH/IR

Bu. 21/11

(para. 2 of 624)

[Signature]
7/11

Mr. Jones

as at para. 2 of 624 pl.

[Signature]
21/11

DECODE.

TELEGRAM.

628

From GOVERNOR'S DEPUTY

To AMBASSADOR, ^①MONTVIDEO, ^②BUENOS AIRES, ^③SANTIAGO *see 629.*

Despatched : 24th November, 1955 Time : 16 00

Received : 1955 Time : 0900

Following for Commercial Attache begins.

Colonial Treasurer has been appointed Receiver of Falkland Islands Freezer Company Limited and is charged with disposal of equipment and machinery installed in Freezer at Ajax Bay. Entire plant including buildings and labour charges cost over £500,000 in which £50,000 of Government money is involved. Value of freezing machinery including spares in excess of £100,000.

2. Larger items of equipment are as follows:-

X (a) 2 Mirless 6 cylinder 4 stroke solid injection air start radiator cooled diesel generators of 360 BHP each coupled to 198/KW 230/400 volt 50 cycle rotating field type Brush alternator. Generators capable of parallel operation complete with switchboard 1 Petter compressor set and large quantity spares.

(b) Abattoir. 1 spiral hoist, 2 bullock hoists.

X (c) York-Shipley Ammonia Plant. 1 5½" x 5½", 2 6½" x 6½" compressors all with Brooks motors. 3 15" ten pass condensers. 1 liquid receiver. 1 liquid recirculation unit with 2 liquid pumps and Brooks motors. 1 10" x 7½" Booster with twin Brooks motors. 1 Elliott 10 to 60 long distance thermometer coupled to 5 chambers. Quantity of spares for all York-Shipley units.

(d) Chill rooms (2) York-Shipley wet head units automatic or hand controls with trunking.

(e) Freezing chambers. (4) York-Shipley recirculation units.

(f) Cold Stores (4) York-Shipley 126 AG units.

X (g) By-products plant. 1 Iwel-Laabs fat melter and dryer type 2a. Steam pressure 80 lbs. fitted Radicon reduction gear with Brooks motor. 1 Iwel Turbine centrifugal fat extractor. 1 Iwel centrifugal disintegrator 22" with Brooks motor. 2 150 gallon fat settling tank, 1 each refining and melting kettles. 1 STRIDH No.1 gut machine. All units complete with steam pipes, pumps, fittings including King hoist.

(h) Rails throughout plant from abattoir to freezing chambers with all equipment.

3. Plant is modern and has been in operation only 1953 and 1954 killing seasons. All equipment in perfect working order. Plant is to be sold as complete unit or separately.

4. Grateful if you would make preliminary enquiries to find out company willing to buy in situ or act as selling agent

TELEGRAM

0000
0000

agent (with suitable safeguards). Disposal of plant affords opportunity any company interested to purchase complete self-contained frigorifico.

5. Receiver sailing 28th December for Montevideo with details of plant and will call upon you January to follow up initial enquires.

6. This telegram has been repeated to Ambassadors in Buenos Aires and Santiago.

①

② in Montevideo and Santiago

③

③ in Montevideo and Buenos Aires

GOVERNOR'S DEPUTY

(Buenos Aires, Santiago, Montevideo as the case may be).

P/L:SGM/IR

620

DECODE.

TELEGRAM.

629 (4)

From Trees, Stanley

To Camtyne Misiones 1361 Montevideo

Despatched: 30th November, 19 55 Time: 3960

Received:, 19 .. Time:

Following for McCormick. Understand you are interested in Freezing machinery installed plant of Falkland Islands Freezer Company Ajax Bay of which I have been appointed Receiver. Am arriving Montevideo about second Janaury with details equipment and will call upon you.

TREES

P/L:ISGT/IR

DECODE.

TELEGRAM.

631

From Evans, Montevideo. BA

To H. E. The Governor.

Despatched: 17th December, 1955. Time: 1840

Received: 17th December, 1955. Time: 1100

CONFIDENTIAL.

Addressed to Port Stanley.

Telegram 4 of 15th December info.
(repeated) Saving to Montevideo. Your telegram
No. 1.

I foresee no visa difficulty provided his passport was not (repeat not) issued in Falkland Islands and contains no reference to them or to his official position there. A new passport could presumably be issued at Montevideo if necessary.

2. The visit might prove embarrassing if exploited by local press on the lines of failure of British Colonial development policy in "Argentine" territory. I would therefore prefer visit (?) not to take place unless there is reasonable chance of disposing of plant. My own (?) impression is that prospects are remote.

3. I have repeated your telegram of
25th November to Lima who may be interested.

628

FO Cypher Col. '3' FC.

Replied 622

Note: The two groups followed by (?)
are corrupt.

DECODE.

06381

630

TELEGRAM.

From GOVERNOR'S DEPUTY

To PRODROME, BUENOS AIRES

Despatched : 2/12/55 19 Time : 0930
Received : .. 19 Time : ..

Confidential. Addressed H.B.M.
Ambassador, Buenos Aires, repeated (info)
Ambassador, Montevideo.

My telegram 25th November.

In my telegram under reference for Commercial Attaché it was proposed that Colonial Treasurer as Receiver of Falkland Islands Freezer Company should visit Argentine in January for purpose endeavouring to dispose of machinery and equipment installed in plant here. I should be grateful for confirmation that in existing circumstances there would be no difficulty in Treasurer obtaining Argentine visa in Montevideo for this purpose and that you would have no objection from political aspects to his visiting Argentine and discussing sale with any prospective buyers.

F.O. Cypher 'Col' '3' RMC

HCS.

We have not yet received a reply pl.

Spoke HCS. Give them another week BUC 20/12 H

HCS.

A further week has passed pl. So you wish a reminder sent.

BUC 7/12 reply
10/12

No reply here pl
12/12 Wt

Wt 12/12

Wt 20/12

5 Staging at Montevideo - for your period of transit in Montevideo arrangements have been made by our agents, Messrs Maclean & Stapledon, SA, Casilla de Correo 193, Montevideo -

- (a) You will draw from our Finance and Accounts Department the equivalent of £2 per day for your estimated period of stop-over in Montevideo ie £4 - this is accountable to your firm.
- (b) The agents will pay for your hotel accommodation and baggage expenses
- (c) If your period of transit is extended, the agents will advance you a sum for expenses. This will be a minimum amount to cover what is reasonable required.

6 On arrival at Port Stanley you should contact Mr E.G. Rowe, Estate Louis Williams, Port Stanley. He has been notified by cable of your arrival.

7 Return to UK -

I have applied for a booking from Falkland Islands to Montevideo on 23rd June, 1953 "Fitzroy". Based on this it is anticipated you will be in Montevideo on 28th June and return booking to connect would be on 29th June. As yet I have received no confirmation concerning this return booking. When your booking for the "Fitzroy" has been confirmed the air booking will be made from Montevideo to UK. You will be given particulars of this before departure from the Falkland Islands. On arrival in Montevideo on your return journey you should report to BOAC, 485 Calle 25 de Mayo, Montevideo - Telephone 88942, 81230.

8 The free baggage allowance by air is 66 lbs

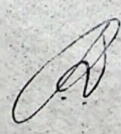
9 Accommodation has been reserved for the night of 26th November at the Eccleston Hotel, Eccleston Square, S.W.1 - Telephone Victoria 8042. BOAC have been informed of the telephone number and will contact you if there is any alteration in reporting time.

10 Your address in the Falkland Islands will be -

Falkland Islands Freezer,
(Colonial Development Corporation),
Ajax Bay,
Falkland Islands

11 Insurance -

- (a) You are insured under the Corporation's Group Accident Policy
- (b) Your baggage will only be insured whilst you are travelling to and from the Falkland Islands for the sum of £150.


J. DICKINSON
for Head of Personnel

✓ cc Manager, Falkland Islands Freezer

CODE.

TELEGRAM.

From Governor, Falkland Islands

To Prodrone, Buenos Aires

Despatched : 23rd December, 19 55 Time : 1600

Received : , 19 .. Time :

631
Following for Evans from Arthur. Thank you for your telegram No.4 regarding proposed visit of Trees. In circumstances Trees proposed visit will be cancelled and every effort made to dispose of plant elsewhere. If visit should prove necessary after all I shall communicate with you further but I hope this will not be so.

GOVERNOR

CYPHER AGD-T/IMR

Handwritten notes and stamps at bottom right:
A further...
...before departure...
...Mrs. Trees...
...[unclear]...

TELEGRAM

Government, British

From

Government, British

To

1951 Jan 10

Destination

1951 Jan 10

Received

Following the news from Britain, the
 Government has decided to visit the
 Government has decided to visit the
 Government has decided to visit the
 Government has decided to visit the
 Government has decided to visit the
 Government has decided to visit the

GOVERNMENT

See