

**CONFIDENTIAL.**

1935  
~~1929~~

C.S.

No.

C/14/35

S. of S. Confidential

SUBJECT.

1935.  
192

11th July,

BRITISH GRAHAM LAND EXPEDITION -

Appeal from President of Royal Geographical Society for additional financial assistance.

Previous Paper.

D/4/34

MINUTES.

1-14 S. of S. Confidential despatch of 11/7/35.

M.

Submitted.

mch  
et

26. 8. 35

The worst kind of blundering -  
the most miserable perhaps being the  
original grant for the Research fund  
without presumably any kind of  
investigation

26/8/35

Subsequent Paper.

P. A.

mch

26. 2. 35

FALKLAND ISLANDS.  
CONFIDENTIAL.



Geographical Society,  
Downing Street,  
11 July, 1935.

Sir,

I have the honour, on behalf of the Council of

the Geographical Society, to convey you in connection

With reference to my despatch No. 71

of even date, I have the honour to transmit to you

the accompanying copy of a confidential letter from

the President of the Royal Geographical Society,

appealing for additional financial assistance for

the British Graham Land Expedition 1934-7, together

with a copy of a reply which has been returned.

I have the honour to be,

Sir, Council of the Society and

a number of public-spirited

personalities.

humble servant,

Have of the expedition since received in a

telegraphic despatch to "The Times" shows that all goes

well with the party.

There has accordingly been no occasion for the Society to

modify its views since as to the importance of the undertaking

of the leadership of Mr. Kyall. Indeed in the former

connection, I think it will be agreed that the significance

of the expedition from the international standpoint and the

value of the support from home has been considerably

enhanced

GOVERNOR,

H. HENNIKER-HEATON, ESQ., C.M.G.,

&c., &c., &c.

The Under Secretary of State  
for the Colonies,  
Colonial Office, S.W.1.

(Sec.) MALCOLM MacDONALD

Royal Geographical Society,

Kensington Gore,

LONDON, S.W.7.

23rd March, 1935.

CONFIDENTIAL

Sir,

I have the honour, on behalf of the Council of the Royal Geographical Society, to address you in connection with the affairs of the British Graham Land Expedition, now operating in the Falkland Islands Sector of the Antarctic.

As it is primarily with the problem of its finances that this communication is concerned, I feel that I need not occupy your time with a reiteration of the many cogent grounds - national and international, scientific and economic - which aroused the interest and prompted the cordial support of H.M.'s Colonial Office, on the recommendation of the Polar Committee, as well as that of the Council of the Society and a number of public-spirited institutions and distinguished personalities.

News of the expedition since received in 4 telegraphic despatches to "The Times" shows that all goes well with the party; that they are making good progress and are confident of being able to carry out their programme. There has accordingly been no occasion for the Society to modify its views either as to the importance of the enterprise or of the leadership of Mr. Rymill. Indeed in the former connection, I think it will be agreed that the significance of the expedition from the international standpoint and its claim to steadfast support from home has been considerably

enhanced

The Under Secretary of State  
for the Colonies,  
COLONIAL OFFICE, S.W.1.

(Vide correspondence circulated to Polar Committee on 22nd June, 1934).  
...lively effect has just been given by the well-known Norwegian, Consul Lars Christensen, who according

enhanced since it left these shores, firstly by the incidence of two American expeditions to the same region - those of Admiral Byrd and Mr. Lincoln Ellsworth, respectively - ; and secondly by the lively challenge offered to our territorial claims in the Antarctic on the one hand by the Government of the United States, and on the other by the international-law experts of Norway, if not actually by that Government itself. May I be allowed to quote briefly the utterances to which I allude:-

(i) H.M.'s Ambassador at Washington in a communication to the Foreign Office dated 20th November, 1934, reported a conversation which he had recently had with the United States Secretary of State on the subject of Admiral Byrd's activities, in the course of which the Secretary made the following assertion:-

"..... It is proper for me to say, in the light of long-established principles of international law, that I cannot admit that sovereignty accrues from mere discovery, unaccompanied by occupancy and use".

(Vide correspondence circulated to Polar Committee on 21st January, 1935).

(ii) H.M.'s Minister at Oslo, in a report submitted to Sir John Simon on 12th May 1934, explains the opinion generally held by the public in Norway in regard to British territorial claims in the Antarctic, and adds that this opinion is encouraged by their Professors of International Law, who contend that:-

".....In particular the doctrine that large "Sectors" of sea and land extending to the Pole can be annexed by a state whose Nationals have merely visited a part of the coast line is quite untenable".

(Vide correspondence circulated to Polar Committee on 22nd June, 1934).

To this attitude lively effect has just been given by the well-known Norwegian, Consul Lars Christensen, who according

(11)

to an Oslo telegram appearing in "The Times" of 14th inst., has hoisted the Norwegian Flag on a tract of land in the Australian Sector, apparently in the vicinity of Enderby Land.

Surely a British land-expedition like the present, if as we hope, it succeeds in carrying out the programme which it has set itself, will tend materially to strengthen the position impugned in the cases above quoted. But I am sure I need not labour that aspect of the enterprise.

Before discussing the finances of the expedition, I should like, if I may, to explain to you the position of this Society in regard to such undertakings in general and to this one in particular.

We are by no means a rich institution and depend mainly on the annual subscriptions of our Fellows for the funds which we devote to our work. Consequently our annual Budget is framed on very close estimates, the details of which vary hardly at all from year to year. For a long time past it has been the practice to provide in each year's budget a sum ranging from £400 to £500, to be distributed among expeditions applying for our approval and material support, according to the recommendations of a Committee appointed each year from among members of Council. It is the duty of this Committee to scrutinise closely the plans, composition, and resources of such applicants and to report on them to the Council.

Last year five applications were received, including Mr. Rymill's. One of these having been rejected the year's budget allotment of £450 was divided among the four others as follows:- £15, £35, £150 and £250. It was the last mentioned sum, £250, that was recommended for the Graham Land Expedition. Though even this was a large grant for

the Society to make, the Expedition Committee urged that there had never been a British land expedition to the Sector in question and that it should be regarded as an expedition of major importance which it was a national duty to support. As a result of further discussion in the Council it was decided that the Society should contribute £1,000 to be spread over the three years during which the Expedition expected to be pursuing its task. Ultimately, on it being pointed out that once the party had reached the scene of their labours it would not be possible, or indeed necessary, for funds to be remitted to them, and that the money was needed now, it was decided to pay over the whole £1,000 forthwith and leave it to the Society's Finance Committee to arrange the spread of the amount over the next three budgets. In addition to this financial assistance, the Society supplied the expedition with a number of instruments including a costly Wild Theodolite which will have to be replaced; they also placed a convenient room in the building at Mr. Rymill's disposal for use as an office for the conduct of his correspondence. Lastly, the Council nominated a small but expert Sub-Committee to assist the leader in his preparations. I mention these several amenities in order to make clear how very heartily, considering its modest resources, the Society supported the enterprise.

In like manner the Polar Committee on being informed of the decision of the Secretary of State to authorise a generous contribution of £10,000, proceeded to constitute a small interdepartmental Committee whose functions would be "to keep touch with Mr. Rymill and to give him such help as may be in their power". (Sir Harry Batterbee to President R.G.S. dated 6th March 1934).

The two Sub-Committees ceased to function when the  
 "Penola"

"Penola" sailed, but some time before leaving this country Mr. Rymill had asked four friends to constitute themselves an 'informal Committee', as it were, to assist his friend and representative Mr. J. M. Scott in looking after the Expedition's affairs and interests during its absence.

When these gentlemen came to realise that mainly owing to the unexpectedly heavy cost of reconditioning the "Penola" the liabilities incurred in the fitting out of the expedition were considerably in excess of the funds available for meeting them, and that the commercial firms affected were getting impatient for the settlement of their accounts, they decided that the now difficult task of straightening out the accounts and dealing with the creditors, must be entrusted to a business firm and to this end Mr. Rymill, then at Port Stanley, was asked to execute a Power of Attorney in favour of Messrs. Binder, Hamlyn and Co., a well-known firm of Chartered Accountants who had consented to assume charge of the Expedition's business affairs. The Power having been duly executed before the Government authorities in the Falkland Islands, was despatched home and reached Messrs. Binder Hamlyn and Co., on 13th February, whereupon they began to enter upon their duties.

I have now received from them the letter of which I attach a copy together with the statement of accounts to which it gives cover.

The accounts are set forth so clearly by Messrs. Binder Hamlyn in their three "Statements" and their covering letter that little is required from me in the way of explanation of details.

As regards Statement "A" I would only emphasise the fact that the £2,000 borrowed by mortgage on the "Penola" is at 7½% Compound interest so that it would be a considerable economy

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economy if it could be paid off now.

As regards Statement "B" I would say that Messrs. Binder Hamlyn scrutinised one and all of the claims carefully and as now presented they must be regarded as 'in order'. The only item that seems to call for special remark is the heavy account of Whites Yacht Building Company. It will be noted that their bill for reconditioning and refitting the "Penola" amounted to the large sum of £3,809.10.7. of which they had received £3,000 on the departure of the ship and are now owed a balance of £809.10.7. As some discussion arose in regard to this item at the time of Mr. Rymill's departure it may be well in his interest if I just explain what the position was. In the first place he was, it appears, led to believe by the Marine Architect and Surveyor who was representing him in transactions connected with the vessel that there was every hope of getting a considerable reduction on this balance of £809.10.7. due to Messrs. Whites. Again Mr. Rymill was counting at the time on receiving £2,000 from his brother in Australia. It was in these circumstances that after a talk with Mr. Scott just before he left, he went away in the belief that by the receipt of the £2,000 from Australia and the expected reduction of Messrs. Whites' account, the Expedition account would be practically square. Unfortunately, the £2,000 did not materialize while as regards Whites' account, though it is possible that if there had been funds to pay the balance in cash at once a reasonable reduction would have been conceded, Messrs. Binder Hamlyn after going into the account very fully, at a friendly meeting, with the Firm's representative, came definitely to the conclusion that the charges made were not excessive considering the great urgency and pressure under which the work was done, and that it was not possible at this stage to ask the

firm



firm to reduce their charges. It will be realised, however, that it was the very heavy total cost of the ship - no less than £7,370.9.5 - which could not have been foreseen, that so completely upset the finances of the expedition. It had been originally estimated that a suitable vessel could be found for £2,000, and when on expert advice the "Penola" was secured for about £2,200 it was considered that she was a bargain. But it cost another £5,000 to recondition and refit her!

As to Statement "C" it will be understood that certain of the estimated items are, in a great measure, necessarily based on conjectural estimates.

I will comment on them briefly:

The £2,000 obtained by mortgage on the "Penola" was included in the list of receipts in Statement "A".

The £383. 18. 1. provides for compound interest at 7½% payable up to the 3rd March 1937.

The next item, £400, represents a definite undertaking to pay Mr. Hampton, the Air Pilot and Mechanic, that amount on the return of the expedition.

The remaining three items, £500, £480 and £1,000 are, of course, putative, but in arriving at the totals, the Society is satisfied that every reasonable step has been taken, both by enquiry from Mr. Rymill at Port Stanley and from expert opinion, to make them as reliable as possible.

I will now, if I may, summarise the position to which the foregoing paragraphs bring us:

(a) The sum of £2,656.15.7. is urgently needed in order to satisfy outstanding creditors.

(b) £2,000 has been borrowed by mortgage on the "Penola" and has been expended. As this amount is subject to compound interest at the high figure of 7½% it would consequently be a great economy if it were possible to pay

it off now.

(c) An amount of £2,380 is likely to be needed to see the expedition through and bring it home, but the totals are clearly conjectural and the provision of this sum is not immediately urgent.

It will be seen that in forwarding the Statements of Account Messrs. Binder Hamlyn represent that while it would be possible for them to assist during the course of the next two years in raising money on the assets of the expedition, namely, the Contracts for "The Times" and Messrs. Chatto and Windus and the possible value of the "Penola" at the finish they would not as a business firm of chartered accountants be in a position to raise money by canvassing the public, or private individuals, for further subscriptions. They therefore ask the co-operation of the Society and its advice as to how the provision of funds is to be effected.

As for immediate needs it would be out of the question for the Society to provide the £3,000 approximately required to satisfy creditors. The Council, therefore see no alternative but to make an urgent appeal to the Secretary of State for the Colonies to come to the financial rescue of the expedition.

If the Council may venture so far as to assume the sympathy of the Secretary of State in regard to the fortunes of this expedition in general, may they go a step further and make concrete suggestions as follows:

As regards (a), would the Secretary of State be pleased to sanction from resources at his disposal the immediate provision of £3,000 sufficient to meet the outstanding claims, with a margin of £300 odd, to meet miscellaneous expenditure pending further finding of funds?

As to (b), could the Secretary of State see his way to take over the mortgage on the "Penola"? This is not

urgent

(5)

urgent but it would clearly be much in the interests of the expedition's finances as a whole.

As regards (c), the amount arrived at under this head is so hypothetical that the Society does not feel it possible to ask the Secretary of State to take it into definite consideration at present; and though, at the moment, it is felt that it would be useless to make any fresh public or private appeal for funds it is hoped that later on when the work of the expedition is more advanced it may be possible to obtain further contributions, while in the event of the success of the expedition the £2,000 due on the literary contracts will be available. Lastly, there will be the amount, completely uncertain I fear, that may accrue from the insurance on the "Penola" or the proceeds of her sale.

You will, I am sure, understand that it is difficult for the Council of this Society to sanction in advance the devotion from their limited resources of any further specific but hypothetical sum to the needs of the expedition, but I should be prepared, as President, to recommend to my colleagues that the Society, having contributed £1,000 as compared to the £10,500 generously provided by the Secretary of State, should accept responsibility for a tithe of any further amount which the Secretary of State may graciously sanction.

I hope very much that the above suggestions for a solution of this difficult problem will be regarded with benevolence by the Secretary of State.

May I say in conclusion that, if the Secretary of State should so wish, my Council would be prepared to nominate a deputation to wait upon him and to give any further information in their power.

I have, etc.,

(Sgd) P. Z. COX.

(4)

4th March, 1935.

File No: 3258.

The President,  
Royal Geographical Society,  
Kensington Gore,  
LONDON, S.W.7.

Sir,

BRITISH GRAHAM LAND EXPEDITION 1934/37

We have the honour to address you on the subject of the finances of the British Graham Land Expedition 1934/37 and to ask for the kind co-operation and support of the Royal Geographical Society in connection therewith.

As you are aware, the Expedition left the Port of London for the Antarctic in September last, in the Research Ship "Penola" under the leadership of Mr. J. R. Rymill, and from wireless messages which have since appeared in the Press we are glad to know that the Members of the Expedition have made a satisfactory start upon the programme which they hope to carry through during the coming three years.

Unfortunately owing to unforeseen circumstances and some unexpectedly heavy liabilities which they were called upon to incur near the time of the "Penola's" departure, combined with the failure to materialise of some anticipated financial assistance, which was expected to provide £2,000, the finances of the Expedition, when fully gone into, were found to be in an unsatisfactory and tangled state badly needing expert treatment. To this end some friends of Mr. Rymill, acting on his behalf, approached my firm with the earnest request that we should overhaul the accounts of the expedition and act henceforward as agents in this country for its business affairs. This we consented to do, but before we could properly function in that capacity it was necessary that our title to do so should be legally regularized;

accordingly

accordingly on the 14th December, the "Penola" then being at Port Stanley, Mr. Rymill arranged to execute before the Falkland Islands authorities a Power of Attorney in favour of three of the partners in this firm. The document having been received by us on the 13th February and found in order we are in a position to act on the Expedition's behalf, and for the past week or so we have been occupied in making a thorough examination of the financial position. We beg now to lay the facts before you.

The accounts which we regret to say show a considerable deficit are and have been at your disposal in detail, but for the purpose of this representation we think the position will be shown more clearly if we put it before you in abstract form.

We attach the following three Statements dealing with the finances of the Expedition:-

STATEMENT "A"

Statement showing list of Receipts up to 28th February, 1935.

STATEMENT "B"

Statement showing:-

- (i) Liabilities, including advances for expenses, of the Expedition incurred up to 28th February, 1935.
- (ii) The amounts paid in respect of these liabilities up to that date, and
- (iii) The balance of the liabilities then remaining to be settled.

STATEMENT "C"

Statement showing the estimated additional expenses which will arise before the work of the Expedition can be completed.

So far as the cash position is concerned, it will be seen from the Statements that the total sums received to date have amounted to £16,691.17.10d and that the payments made have amounted to £16,200.14.8d leaving a balance of £491. 3. 2d cash in hand.

The liabilities incurred by the Expedition up to 28th February, 1935, however, as shown in Statement "B", amount to £19,348.13.5d against which sums totalling £16,200.14.8d, as

mentioned

mentioned above, have been paid, thus leaving outstanding liabilities as at that date of £3,147.18. 9d, against which there remains only the sum of £491.3. 2d of cash in hand. It follows that a further sum of £2,656.15 7d is required immediately to meet these outstanding liabilities. Adding to this figure the further liabilities which it is estimated will have to be met in the course of the Expedition amounting to £4,763.18. 1d, as per Statement "C", we get a total of £7,420.13. 8d as the sum which, to the best of our knowledge and belief, will be required to enable the Expedition to carry out its programme and return to this country.

Against these estimates there will be, it is expected, certain sums realisable from the work of the Expedition if, as we hope, it is successful in carrying through its programme.

These are as follows:-

- (a) From "The Times" for supplying exclusive articles, pictures, etc. for that paper, £1,000, subject to reduction if the Expedition should not succeed.
- (b) From Messrs. Chatto & Windus, Publishers, for Licence to publish a book in English to be delivered within six months after the return of the Expedition, £1,000, of which £500 is to be payable on delivery of the manuscript and £500 on publication.
- (c) Proceeds of sale of the "Penola" on her return.

It appears impossible to give anything but an hypothetical estimate for this item.

If the ship is fortunate and suffers no severe crushing in the ice, such mild docking and repair as would suffice for her return home could be done at Port Stanley for the small sum which we have included in Statement "C".

If, on the other hand, she was to suffer injury to her hull involving the necessity for extensive repairs in order to make her fit for the voyage home, it might be cheaper to sell the ship at Port Stanley and bring the party home by Passenger Ship. If these repairs were not to exceed £500, however, it might be advisable to have them undertaken at Port Stanley and bring the ship back to this country for disposal here.

The immediate problem with which we are confronted is that of finding forthwith the sum of £2,656.15. 7d to be utilised together with the balance in hand of £491 3. 2d in settling the existing pressing liabilities. The creditors concerned have been

inclined

①

inclined to exercise patience on hearing that the finances of the Expedition have been entrusted to the hands of Chartered Accountants, but they cannot be expected to remain inactive much longer.

As to the question of raising money, as contemplated by Mr. Rymill, by charges on any of the Expedition's assets or on the contracts referred to, we are of course prepared to do anything that we can to assist, but negotiations in this connection even if they were successful, would take too long to meet the immediate needs of the case. We have, on the other hand, no organisation to enable us to canvass in public or in private for contributions to the expenses of the Expedition, nor is this course one which, as I am sure you will realise, we in our capacity of Chartered Accountants could properly follow.

Being cognisant as we are of the strong interest which the Royal Geographical Society has in the promotion of Antarctic exploration, we write to you to enquire whether we may have the benefit of any advice which the Society may be in a position to give us as to how provision can be made for funds sufficient to meet outstanding liabilities and cover such further expenditure as it may be estimated is likely to be incurred.

Yours faithfully,

(Sgd) BINDER, HAMLYN & CO:

PSS/MFS/BGLE.  
Encls:

Copy

Downing Street,

2nd July, 1935.

88010/35.

Sir,

With reference to your letter of the 23rd March I am directed by Mr. Secretary MacDonald to state, for the information of the Council of the Royal Geographical Society, that he has decided to authorise a further payment of £3,000 from the Research and Development Fund of the Dependencies of the Falkland Islands towards the expenses of the British Graham Land Expedition, 1934/37, subject to the following conditions:-

- (1) that steps will be taken to endeavour to raise from other sources the balance of the funds required by the Expedition;
- (2) that this third payment from the Research and Development Fund of the Dependencies of the Falkland Islands will be treated as an advance, to be repaid if and in so far as the funds of the Expedition after its return will permit.

2. The Crown Agents for the Colonies have accordingly been requested to pay, subject to the above-mentioned conditions, the sum of £3,000 to Messrs. B.H. Binder, R.A. Hamlyn, and H.J. Binder, in favour of whom a Power of Attorney was executed by Mr. John Rymill in the Falkland Islands on the 14th December, 1934.

3. I am to add that Mr. MacDonald cannot see his way to entertain the suggestion that the mortgage on the "Penola" should be taken over by the Government.

I am, etc.,

(Sd.) G. Jones.