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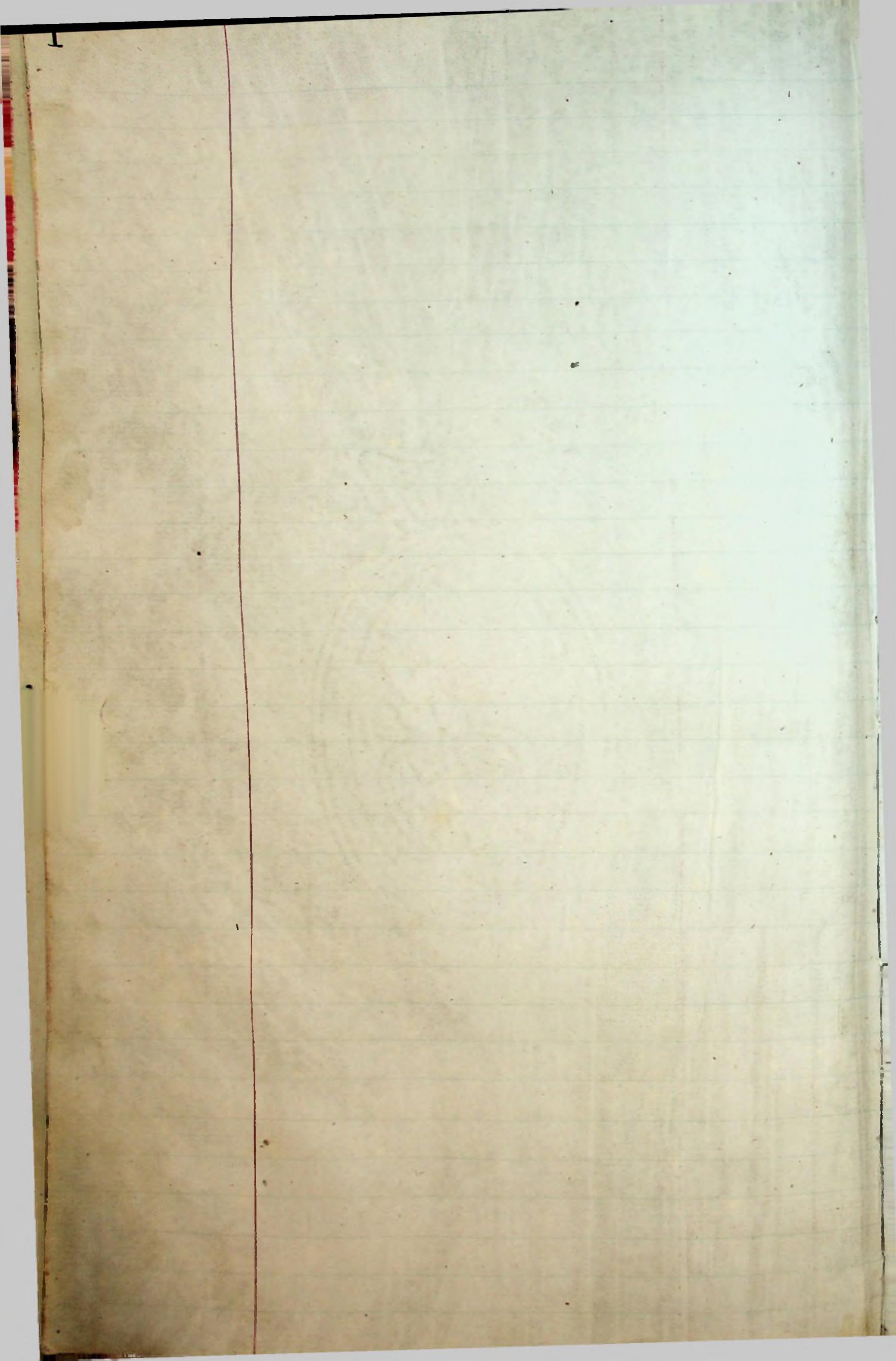
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CONFIDENTIAL  
DESPATCHES  
TO SECRETARY  
OF STATE FROM  
GOVERNOR  
13 November  
1877 to  
20 April 1893

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N<sup>o</sup> 40

Government House  
 Stanley, Falkland Islands  
 13<sup>th</sup> November 1877.

My Lord,

In continuation of my Despatch N<sup>o</sup> 36 of 2<sup>nd</sup> October 1877, I have the honour to forward to Your Lordship, copies of the correspondence which has passed between me and the Manager of the Falkland Islands Company on the subject of the proposed alteration in the Mail Contract.

I also enclose a copy of a Petition which I have received against making the alteration, signed by some of the inhabitants of Stanley.

2. I have laid the matter before my Executive Council and Enclose a copy of the Minutes relating to the discussion which took place regarding it. The following Resolution was unanimously passed at the Council:-

"That in the opinion of the Council it would be highly prejudicial to the interests of these settlements to alter the present Mail Contract with the Falkland Islands Company by removing the obligations imposed by Clause 9 of the said contract with regard to the conveyance and charge for passengers and goods."

Copies of clauses 9 and 6 of the Contract - the latter providing for the notice to be given to terminate the Contract - are forwarded herewith.

3. I may say at the outset, that as far as I am capable of judging, no one amongst the public here acquainted with the circumstances of the case, believes that the loss complained of was to any great extent owing to the restrictions imposed by Clause 9 of the Contract, or that it is solely on account of any loss which may have been sustained in carrying out the contract that the removal of these restrictions is sought for.

After this preliminary observation the drift of the discussion at the Council will be more easily understood.

4. In my letter of the 13<sup>th</sup> September I asked for "a return shewing the number of passengers and a statement of the quantity of cargo conveyed here in the 'Black Hawk' for the public and for the Falkland Islands Company during the two years, it is stated that the company lost £300, a year. Enclose the original accounts furnished to me by Mr. Cobb, which certainly are most meagre and unsatisfactory, but even such as they are, they do not at all tend to show that the loss complained of was owing to Clause 9.

I understand the Mail Schooner "Black Hawk" can carry about 140 tons measurement and over 60 tons dead weight. In account No 2 it appears that in

1876, she only brought down 98½ tons for the Company and about 98 tons for the public. It does not appear whether this was dead weight or measurement.

This remark applies to the return given in the same account for 6 trips made in 1877, in which the figures are 17½ for the Company and 58½ tons for the public.

So much as 73 tons are returned as being brought down for the public, and it is stated that over 20 tons were shut out belonging to the company.

Nobody knowing the place can doubt that except it was for special reasons, say to oblige the other house interested like the company in keeping up the existing monopoly, or to oblige a valued customer in the "camp", the company would not have brought down 13 tons more than they need have brought under the contract. This remark applies to other occasions when over 10 tons were brought down for the public, as stated in the accounts, when it is said the company's goods were shut out.

Looking at it in this way, I find that on two of the four occasions when it is stated in the account that the company's goods were "shut out" namely on the 8<sup>th</sup> Nov 1876, only 7 tons could have been owing to clause 9 and on the 7<sup>th</sup> May 1877 when 12 tons are said to have been shut out, only 5½ tons could really have been excluded by

the clause, and on the two remaining occasions referred to the quantity shut out was 116 tons, and 117 ~~planks~~ shut out of the hold.

5. It will be seen by the accounts that the Mail Schooner comes down frequently half empty and brings very little cargo for the Company on these occasions. There can be no doubt that a little foresight on the part of the Company as to their annual requirements would have prevented the quantity of cargo referred to from being shut out but it is really very inconsiderable and does not tend to support the statement made in Mr Cobb's letter of the 10<sup>th</sup> October in which he states that "It has been in consequence of the expenses incurred in Montevideo on the goods left behind that my Directors have instructed me to ask for the concession named in my letter of 17<sup>th</sup> Aug."

6. In Account No 1 the freight brought down for the Company in five voyages in 1877 is set down in gross at 118 tons. The cargo brought down for them on these five voyages is given in detail in Account No 2 and amounts to 154 tons. This shows how inaccurately these accounts are prepared. In fact it is idle to argue upon them, more especially if one is in the dark as to the

principle on which they are calculated and as to the fact whether due allowance is made for the benefits which the present contract confers with other advantages referred to in the petition, upon the Company in affording regular communication and a means of bringing down cargo for them as well as shepherds and labourers to enter their employment.

7. In a letter dated 25<sup>th</sup> August 1871, from Mr Cobb to Colonel D'Arcy in which he asks for a subsidy of only £ 760 a year the following statement occurs:—

"I place this matter before Your Excellency according to the desire of the Directors of this Company who feel so strongly the disadvantage of an irregular service, that they believe that running the Schooner at a small loss, but at stated times, will be preferable to the present state of the postal communication."

8. With reference to the paragraph in Mr Cobb's letter of the 16<sup>th</sup> August last in which he refers to its being the custom now with regard to Mail contracts "to pay so much for work done and to allow the contractor to make usual mercantile charges for passengers and freight," I may observe the peculiar circumstances of this colony render it necessary to depart from this custom in order to afford the public some sort of protection, inadequate though it be, against the prevailing monopoly.

monopoly which is so prejudicial not only to their interests but to the advancement of the Colony. The fact that the prices at Stanley are so greatly in excess of the "usual mercantile charges," it is well known has already had a decided effect in preventing shipmasters from calling at this port for repairs or refreshment if they can possibly avoid it, and also does mischief in various other ways.

9. With reference to that portion of Mr Cobb's letter relating to passengers it will be seen from the Minutes that the Council were "of opinion that charging £6 for first class and £3.. 10/- for second class passengers was already rather high and that to increase it would be most injurious to the Colony by checked the influx of useful settlers and their families, and that doing away with all restrictions with regard to the conveyance of passengers would place a power in the hands of the Contractors that might be attended with most serious abuse."

10. With regard to the present charge for freight which is 30/- a ton by dead weight or measurement whichever the Contractors choose to go by, it is generally considered high for such a short distance. If all restrictions as to the charge for freight be removed, the

Company would probably impose almost penal charges in order to prevent other stores being brought down than their own and thus forward the interest of their own establishment.

11. Now that a new store has been started by a firm from Monte Video which has already done good towards reducing the local prices I regret to say that it is but too likely that the removal of the restrictions regarding the conveyance of passengers might be availed of to prevent any of the agents of the new store, going and coming between this and Monte Video on their business. The new concern is regarded with very bitter feelings by Messrs. Draw and the Falkland Islands Company who for many years past have had the monopoly of the entire trade of the Colony, excepting the little business done by a few small hucksters, who have hitherto been able to get out a few articles from England owing to the privilege allowed by Clause 9 in the Contract. Amongst those is a person named Charles Williams by whom I believe the petition referred to has been got up. Even this small dealer has I have been informed encountered opposition from the Company or its employes at Monte Video, even while the present contract has been in existence, and I have received a letter from him, in which he says that "after referring to the correspondence from my agent in Monte Video, I find that during the years

1875 and 1876 cargo offered for shipment per  
Mail Schooner to Stanley on my account has  
been refused on eight occasions. Since February  
of this year I have had no reason for complaint.

The statement in the Minutes regarding  
this man's case is so far inaccurate that no  
means exists at the command of the Council  
for proving that when his goods were refused,  
the obligation to carry 10 Tons had not been  
complied with, although it is extremely  
probable that it had not. It is a matter  
of notoriety in the place that a suit had  
been made against this man starting his  
little business.

12. Mr. Cobb states in his letter of the  
17<sup>th</sup> August that even if the Company desired  
to take up the whole space each voyage the  
Colonists would be no worse off than they  
were when the "Yeam" was the Mail Packet,  
as she had no accommodation for cargo whatever.  
This I can state on the authority of my Council  
is not correct, the fact being that the "Yeam"  
although she had no regular hold could  
carry at least 10 Tons of cargo by stowing it  
away in the cabin and other places.  
I have lately read a memorandum written by  
Governor Robinson from which it appears  
that the conveyance of boxes and parcels  
for Government Officers was permitted by

order of the Governor. I was also informed by my  
council that parcels and cargo were brought  
down in the "Foam" for Charles Williams and other  
traders as well as for the general public by  
permission of the Governor. If the proposed  
alterations in the contract takes place, it would  
place the Government Officers in a very embarrassing  
position, and one calculated to prejudice their  
independence if they were obliged to suras a  
favour to have their parcels and boxes containing  
stores from England brought down in the  
Mail Schooner.

13. It is perfectly true as stated in  
the petition that the stores here are frequently  
out of the most necessary articles of daily  
consumption. Mr Cobb states in his letter a  
of the 15<sup>th</sup> September "that as the Company are  
maturing fresh arrangements for the conveyance  
of their own goods, the quantity hitherto carried  
must not be taken as a criterion". From the  
tone of this letter it almost seems to threaten a  
departure from the statement in his letter of the  
17<sup>th</sup> August that "the Company have no intention  
of filling up the hold every voyage, and when  
there is room will freely place it at the disposal  
of persons wishing to ship." I honestly believe  
that the public would be in a bad way as  
regards the conveyance of their goods except they  
had some guarantee such as the present contract  
affords.

affords. It must be borne in mind that this is the only regular means of communication between this and Montevideo and some restrictions regarding the conveyance of goods and passengers are absolutely necessary for the protection of the public.

14. I am sorry to be obliged to say it, but it is unfortunately too true, that the monopolists in this colony carry matters with a very high hand almost amounting to a system of terrorism, which I fear may some day if it be not checked lead to very serious consequences. As illustrating this I may refer to a very curious episode which occurred in connection with this question.

As will be seen from the Minutes a notice was placed on the Public Gazette Board of Stanley signed by Mr. Cobb stating that a petition relating to this question was being taken round Stanley for signature and actively promoted by a gentleman in the Government Office and requesting that the public should not sign it until they saw him and heard the other side. My remarks on this notice will be found in pages 4 to 6 of the Minutes.

Unfortunately the great majority of the inhabitants of Stanley are heavily indebted either to the Company or Messrs. Dean, who

I understand agree on this question of the contract, and there can be no doubt that the publication of the notice, although I heard it was taken down by Mr. Cobb shortly after it had been put up, had the desired effect of intimidating the bulk of the community from signing the petition. It is almost to be wondered at, under the circumstances, that it has even the few signatures that are attached to it.

15. Although this notice in the Gazette, contained an unfounded imputation on the Government, I thought it best not to make it the subject of any correspondence with Mr. Cobb, being especially desirous not to import anything like personal feeling, into a question of this nature. I can truly state that I never saw the Petition in question until after the notice had been published. Before quitting this very disagreeable subject I must say that there is reason to apprehend that any of those persons who signed the Petition would have a very poor chance of having their goods brought down by the Mail Schooner, if the proposed alterations were made in the contract.

16. Everybody acquainted with the place knows that if the Company were to make the necessary arrangements for getting out a more

more regular supply of goods, they would have a more profitable sale for them here, and I believe that the loss complained of in regard to the Mail Service would by this means be greatly diminished if it did not entirely disappear. This I believe could be done without trudging on the 10 Tons required for the accommodation of the public as an average of 30 tons a trip (on a return) or 50 tons (dead weight) would undoubtedly be a sufficient supply for the requirements of the Company, if supplemented as usual by the cargo brought out direct from England in their vessel the "Vicar of Bray."

17. However after all is said and done the Company must be regarded as the best judges of their own interests and if it does not suit them to continue the contract on its present footing it would of course be idle to attempt to argue them into doing so. Knowing what an advantage it must be to have this Service under their control with the handsome subsidy of £800 a year, I am almost inclined to believe that there is some truth in a rumour which has reached me, that the proposal to alter the contract is a pet project of the Manager here, which he has probably recommended to his Directors, who may have given him permission to put

pressure on the local Government to see if anything might result from it. Besides there can also be little doubt, that it is aimed at the new Store, in order to prevent them from bringing down their goods in the Mail Schooner.

18. As I stated at the Council I should be extremely sorry to have the performance of this Service all placed in other hands. As regards the punctual conveyance of <sup>the</sup> mails, it has been on the whole very satisfactorily performed and Mr. Cobb deserves great credit for the way he has managed it. I had a conversation with him ~~the other day~~ in which he showed no disposition to modify his demands. All he said was that people here might instruct their Agents to communicate with the Secretary of the Falkland Islands Company at home in order to ascertain beforehand whether there would be room for their goods in the Mail Schooner. I greatly fear that letters to the Secretary would not receive much attention. Mr. Cobb could always secure that his letters to the Secretary would be attended to, and it rests with himself to get his supplies more regularly instead of having the Schooner come down half empty as she often does.

19. If the Directors persist in pressing for the proposed alterations, I am afraid there would be no alternative left but to put the contract up to public tender. As bearing upon this

this subject - I enclose an extract from a letter which I have just received from Mr Lewis, the agent for the firm of Hoad & Co of Monte Video who have lately opened the new store here. I have heard that it is a firm of good repute but I write by this mail to Her Majesty's Consul at Monte Video to make the necessary inquiries regarding it. If it is really a respectable firm it would be a great matter for the public to have a third store here, well and regularly supplied as it would be almost sure to be, if a house having its head quarters at Monte Video had the mail contract.

However as they have no ties to bind them to the place and as they may before long find that their experiment does not answer <sup>her</sup> they might suddenly throw the contract up and leave the Government in a difficulty, I should therefore decidedly prefer to have the contract continue in the hands of the Falkland Islands Company, if they are willing to perform it on the present terms. Mr. Cobb speaks in this first letter about getting an increase to the subsidy, but in the present circumstances of the colony that may be regarded as out of the question.

20. It will be observed by clause 6 that this contract is terminable on six months notice being given by either party, the times for giving such notice being the 31<sup>st</sup> December and the 30<sup>th</sup> June.

I do not think it likely that the Company will give notice on the 31<sup>st</sup> December next, so that there would be twelve months from that date before the contract could be terminated. This would give ample time for negotiation and I am in great hopes that through your Lordship's good offices with the Directors, they may be induced to continue the contract on its present footing. The fact of the proposal made by Mr. Lewis might be made good use of in carrying the matter through as I feel assured that the Company would hate to see the contract in the hands of a rival in trade.

21. Although I pledge myself to the best of my knowledge to the truth of the statements contained in this Despatch, regarding the very unsatisfactory state of things in this colony, and as I believe that they are by no means exaggerated, I do not think it would serve any good purpose to have a copy of it sent to the Directors. Doing it so might have the effect of preventing the amicable adjustment of the question, which I trust may be accomplished through your Lordship's intervention. These statements are made confidentially and in order to supply the necessary materials to the Colonial Office for any correspondence which it may have with the Directors of the Falkland Islands Company on the subject.

The Right Honble.

The Earl of Carnarvon

The Colonial Office

I have to

(Signed) J. G. Gallagher.

No 39

Government House  
Stanley. Falkland Islands  
12<sup>th</sup> November 1877.

My Lord,

With reference to my Despatch No 32 of the 28<sup>th</sup> September last, I have the honour to forward to Your Lordship a copy of the Minutes of the Executive Council, at which a proposal for removing the Party of Marines from the Colony and substituting a Civil Police Force in their place was discussed.

In my speech to the Council and in the subsequent discussion reported in the Minutes the various points connected with the question are so fully gone into, that it will not be necessary to trouble Your Lordship with many further observations in this Despatch.

I do not think that the removal of the Marines is likely to receive any serious opposition from the Colonists, provided a small but efficient Police Force such as I have referred to could be substituted for them.

As I stated to the Council, "the whole success of the experiment depends on the care taken in the selection of suitable men."

I have no means of knowing whether such men could be procured for the salary offered, or whether it would be possible to bind them by such an agreement and under such penalties as would operate as a salutary and sufficient

check against misconduct.

I should suppose that a £100 a year, with the other advantages would tempt a good man to come out as Sergeant. I need scarcely say that a great deal would depend upon his being thoroughly fit for his position.

It was mentioned at the Council that an ex-marine might be procured in the Colony, who would be willing to act as one of the new constables. This man is at present away in the "Camp" and in making the arrangements it would not be safe to count upon his accepting the appointment.

If it be decided to adopt the proposal it would be necessary to send out from home, a Sergeant and four men of the class referred to at the Council. There would be no difficulty in getting two ex-marines in the Colony to act as Assistant Constables, to be ready to turn out when required for duty.

I did all I could to elicit the exact views of the Council on the question whether this small force would be sufficient for the requirement of the Colony to preserve law and order, and they were unanimously of opinion that it would.

In this I am disposed to concur.

At any rate it seems an experiment worth trying, considering the important saving which it would involve. This according to the enclosed statement would be £396 say £400, a year to Colonial Funds, and about £1240 to Imperial

Imperial Funds making a total saving of over £1600 a year.

This proposal involves the removal of the Staff Surgeon and in the statement £300 a year is put down for a Colonial Surgeon which is the salary I should propose for this Officer, in case the retirement or removal of Dr. Watts takes place. As the new Surgeon would have a monopoly of the private practice of Stanley, this salary would I consider be sufficient for him.

Now that the population has somewhat increased (judging from the success which attended a former experiment of this kind) I think an attempt to get up a Volunteer Force, in an inexpensive way, without at first providing uniforms would be likely to succeed in Stanley.

The various details connected with the proposal are fully discussed in my speech and in the observations of the members ~~at~~ the Council.

Having given the matter my best consideration, I am disposed to think that if a few really good men can be procured at home, the project may be safely tried. As I have no means of knowing whether they can be procured on the proposed terms, I cannot of course pledge myself to the success of the undertaking. However I should hope that the difficulty of getting five men of the right sort would not be

found insurmountable.

I do not wish at all to disparage the services of the Marines but I must say that the attempt to make them fulfil the various offices of soldiers, quasi-Police and cheap workmen for the Government has been by no means very successful. There can be no doubt that they would do far better service to the country if confined to their "more legitimate duties." Of course it would be necessary that they should remain here until the arrival of the new Police Force, and permission might be sent out to allow them to leave their arms behind as proposed at the Council.

With regard to Mr. Drans's suggestion that one of H.M.'s gunboats should be stationed here, I fear there would be no chance of this being granted, but I do think it would be for the interest of the Public Service if the visits of H.M.'s vessels to this isolated settlement were more frequent. Of late years H.M.'s vessels proceeding to and from the Pacific Station scarcely ever call here, and only an annual visit is paid by one of the vessels on the South East Coast of America station.

I have endeavoured to collect all the necessary information bearing upon the proposed scheme, in order to afford Your Lordship the materials for deciding upon it.

I have to  
(Signed) J. H. Gallagher

The Right Honourable.  
The Earl of Carnarvon  
The Colonial Office





No 41.

Government House  
Stanley, Falkland Islands  
15<sup>th</sup> Novb. 1877.

My Lord,

I have the honour to forward copy of a letter from Captain Oliver of the British Ship "Star of India" now lying in this Port, protesting against my decision regarding the detention of that vessel. A copy of my answer to this is enclosed and of my letter conveying the order complained of.

Before making this order I thought it to be my duty to direct an Inquiry into the facts connected with this case under Ordinance No 3 of 1857, a copy of which is enclosed. I also enclose a copy of my letter to the Magistrates which will explain the scope and objects of the Inquiry in question. A copy of the depositions taken at this Inquiry and of the Report of the Magistrates thereon is also forwarded.

Previously to sending this protest, Captain Oliver had sent me a letter, a copy of which is enclosed, asking me to allow the ship to proceed to England in her present state. His application was refused.

2. In directing this Inquiry I was a good deal influenced by the fact that although the first survey held by my order was called a "Government Survey", it was I knew by no means a strong one, being merely composed of the only

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two shipmasters who happened to be in Stanley at the time and a local carpenter, named Horner, whose opinion carries no particular weight. Both the Masters belonged to very small vessels, one being the Mail Schooner "Sparrow Hawk" and the other the Missionary Yawl "Allan Gardiner"; neither of them as far as I know has any experience of large vessels.

The Second Government Survey was composed of the only two available shipmasters who happened to be in the port at the time and the same local carpenter. One of these masters (Ellis) had been obliged to bring his ship in here for repairs in consequence of damage she had sustained in endeavouring to round Cape Horn, and I am officially aware that he anticipated trouble with his own crew. The circumstances of his own position would not unnaturally prompt him to side with a brother shipmaster in a condition which it was likely might at any moment be his own.

Drawbacks such as these have always existed with regard to all so called "Government Surveys," ordered at this port, and there being no competent person possessing nautical experience and fitness to sift evidence and examine witnesses on oath, these surveys have always been held without any such examination and cannot be regarded as at all satisfactory.

Copies of Lloyd's Survey, and of the two  
Government

Government Surveys are forwarded.

Both the Shipmasters who were on the first Government Survey had left when the Inquiry was held, and only one of those who had been on Lloyds or the Private Survey remained, namely Captain Nugent. The Carpenter Biggs, <sup>who</sup> was on it, was also absent.

3. I shall not attempt to analyse the evidence in detail, having no knowledge of the technical points involved but shall <sup>merely</sup> make a few general remarks which seem to me <sup>to be</sup> deserving of consideration.

Both the so-called Government Surveyors, Ellis and Gilliat as might have been expected gave strong evidence in support of their view of the matter but the force of it is in my mind greatly weakened by their evident bias, and since the Inquiry I have received a Memorial and a letter signed by them and two other shipmasters asking me to reverse my decision. In the first <sup>communication</sup> they ask me to allow the ship to go to England and in the second to allow her to proceed on her voyage to Callao. Copies of these communications are enclosed herewith.

In fact they shew themselves open partizans in favour of the Master of the "Star of India". These two ~~big~~ witnesses speak in very light terms of a gale of almost unexampled severity even in these stormy Islands, which occurred here lately.

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one saying "that the 'Star of India' could weather a hundred such gales" and the other something to the same effect. Almost the very day these statements were made, two very strongly built vessels arrived here damaged, having been caught in the gale in question near Cape Horn; and both the captains informed me that in all their experience they had scarcely ever encountered such severe weather and that it lasted for several days.

What makes one refer to this matter is, that if the "Star of India" had proceeded on her voyage without being detained for the Inquiry directed by me, she would have been in these dreadful gales. I cannot help thinking that it was very fortunate for all concerned that she was not.

4. I have had a conversation with Mr. Cobb, Lloyd's Agent, regarding the protest against my decision and he told me his views on the subject were as follows:—

"He knew that Captain Oliver had sent in a protest against the Government decision respecting the 'Star of India' and thought that to put himself right with his owners, he was bound to do so, and that the protest was made on the ground that the weight of evidence at the Inquiry was in favour of the ship's seaworthiness in her present condition, having regard to the nature of the voyage on which she was about to proceed."

In the opinion that the decision of the Government was

against the weight of evidence at the Inquiry, Mr. Cobb said he concurred. He also stated that he made no objection against the manner in which the Inquiry was conducted, or against the steps taken by the Government in the matter but confined his objection to the fact that the decision of the Government was in his opinion against the weight of evidence. Mr. Cobb stated that in making these statements he does not wish to pledge either Captain Oliver or his owners to them."

On this I may observe that my view is supported by the Surveyors appointed by Mr. Cobb himself as Lloyds Agent, whom strangely enough in his evidence he endeavours to discredit. This is a somewhat peculiar line to take considering that on the various ships repaired here from time to time a Government Survey is very rarely held, and that the repairs recommended by the Private Surveyors are almost invariably carried out.

5. I do not attach much weight to the "unanimous opinions," referred to by this witness, of the few shipmasters in the Port for the reasons already stated, but it is by no means correct to say that their opinions are "unanimous." Captains Dyer and Nugent who were on the Lloyds Survey, both men of considerable experience support my view.

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With regard to the shipwrights, the two trading ones in Stanley, Biggs and Horner, hold opposite opinions, and even the latter who states that he considers the repairs already executed sufficient, qualifies this view by stating that "if that sheathing has been on five years, I consider it necessary to open the sheathing to see the state of the caulking underneath." Having been on two surveys, this witness ought to have made himself informed as to the matter of the sheathing, if the means existed for his doing so.

Moreover <sup>Mr. Cobb's explanation regarding</sup> the conflict between the Survey ordered by Government and the Private Survey is directly contradicted by Captain Nugent who says, "when I recommended the repairs recommended in the Private Survey it was to enable the ship to proceed on her voyage in ballast and had no reference to cargo."

The truth is that Mr. Cobb who is a very intelligent and respectable gentleman has no practical knowledge of ships and as Agent for Captain Oliver (who from the very outset has shown the utmost reluctance to carry out the more expensive repairs recommended on the Private Survey) endeavours to make the best fight he can for his client.

6. In consequence of Lloyd's Agent not being a practical man as regards shipping, the Government is unable to derive that assistance from him, which it might naturally expect from one holding

holding his position. This is the more to be regretted as the local "professional" opinion on such matters is I regret to say far from trustworthy.

The case of the ship "Southern Cross" for which Mr. Cobb was Agent affords a very forcible illustration of this. Acting on advice, doubtless received from here, the owners sent a telegram to the Captain, instructing him to abandon the ship to the underwriters, a diver employed by Mr. Cobb, having reported her keel broken. Captain Newman (who was sent out here by Lloyds, and brought a letter of introduction to me from Your Lordship) arrived here in October 1876 and protested against this and applied to me to direct an inquiry into the case which was granted. He brought down with him another diver from Monte Video, and the upshot of the matter was that the ship after undergoing certain not very extensive repairs was considered seaworthy and returned to England in safety. The ship had been detained here for over six months at great loss and Captain Newman complained to me of this saying "that anybody who had the least practical knowledge of ships must have known from the nature and circumstances of the case that the statement of the diver regarding the keel could not possibly be true. Captain Newman

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said that if the keel had been broken in the manner represented by this man the vessel must have sunk long before. It is a matter of notorious, in the place that if Captain Newman had not come out, the ship would inevitably have been condemned. There can be no doubt that a Naval Officer of standing and experience is sadly needed at this port.

7. In one of the communications received from the Shipmasters, to which I have already referred, the writers assert that they have heard from the Chief Officer of the ship, "that the boot-topping was removed for examination on each side of the ship when she was in dock in Calcutta." They also state that they fully believe that nobody would risk the expense of coppering over boot-topping, unless they were satisfied that it and the caulking underneath were in good order.

The sworn evidence of the Second Mate and of the Captain himself at the Inquiry is the other way, with regard to the removal of the boot-topping. If the Chief Officer knows that it was removed as alleged, it makes his evidence all the more damaging to the Captain's case, when he swears positively that the vessel is now, nevertheless unsavoury. During the Inquiry I may observe that Captain Oliver was present the whole time and his Agent for most of it, and they were allowed to put questions to the Witnesses through the Court. If there were

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in a position to prove a matter of this kind on oath, it should not have been left to mere assertion after the inquiry was over.

S. Captain Oliver's case mainly rests on the assumption that the caulking under the boot-topping is good. If he is so sure of this why has he not had a few planks taken off here and there to test the fact? His not doing so seems to me very suspicious and leads one to suppose that it is feared some awkward disclosure as to the state of the ship might be made which it is thought advisable to avoid. It may therefore be on account of this as well as ~~on~~ on the ground of expense that his great unwillingness to remove the shathing arises.

With regard to expense he says in his evidence: - "I would strain a point to get the vessel on to Calao without <sup>the</sup> repairs and run a certain risk in order to save my owners expense, fearing they might blame me in the matter."

In deciding this case I confess I do not attach much importance to the fact whether the boot-topping was removed at Calcutta or not. Even assuming that it was, it would not in the least alter my decision, which I should be sorry to ground upon the technical evidence given at the inquiry which is so conflicting.

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9. As far as I am capable of judging the evidence given in support of the Master's view, amounts at best to mere conjecture. It almost entirely rests on the assumption that because the vessel underwent extensive repairs at Calcutta last year, that therefore she must now be seaworthy. I need scarcely say that the question is not as to the state the ship was in after she was repaired at Calcutta last year, but as to her present state after the serious casualty which has occurred.

10. It is admitted and was clearly brought out on the inquiry that the ship had a very narrow escape from being lost in the heavy gales she encountered. It seems on the face of it improbable that a ship of the age and class of the "Star of India" should after this, only require such slight repairs as have been effected here, to enable her to proceed in safety on her most trying voyage. She was built in 1861 and is admittedly leaky. Very extensive repairs were found necessary at Calcutta last year, although as the Chief Officer states in his evidence "The ship did not encounter very bad weather when she had to put back to Calcutta leaky, she had to contend against a head sea going down the Bay of Bengal, which caused the ship to spring a leak."

The same officer swears "I honestly believe that the ship is far from seaworthy after the accident, and in her present state is not fit to go round Cape Horn, even in ballast." And further on he says "I am willing

willing to go anywhere in her where the captain goes, but I think that if I go in that ship I am running a great risk &c." The magistrates inform me that this man gave his evidence so very reluctantly that the Court had to reprimand him. This no doubt arose from his fear of incurring the displeasure of the owners, but it makes his evidence all the more telling. This officer was of opinion that the recommendations of the first survey should be carried out.

The evidence of the Second Mate who has known the ship for five years, is to the same effect and in the course of it he states that "The ship strains very much in heavy weather and makes more water. I think it is in her topsides, for it is when she lists over, that she makes more water." He also states that since he has been in the ship she has made more or less water.

Then there is the evidence of the Carpenter and the Boatswain, who it is admitted represent the genuine and unanimous opinion of the entire crew, that the ship in her present state is far from seaworthy. It is probable that there may be a certain amount of bitterness and exaggeration in the evidence of these men, especially on account of their imprisonment for refusing to proceed to sea in the ship, but there can be no doubt that in the main they stated what they believed to be the truth.

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11. Moreover a very great confession of weakness comes from the captain himself in making the offer to the crew to take the ship to Monte Vidro, which he refers to in his evidence. That such an offer should have been made and refused completely disproves the insinuation that the objection of the crew to proceed in the ship, arises from what is termed the "Horn Fever". The fact is that the crew are thoroughly scared and after what has occurred it is no wonder that they should be so. Their conduct during the gale and the most trying time they had after it, appears to have been extremely good.

12. Surely in face of all these facts it is not too much to ask that the sheathing or boot-topping (whatever the proper term may be) should be taken off, with a view as Captain Nugent says in his evidence "to see what state the caulking is in." One of the strongest supporters of Captain Oliver's view (Ellis) says in his evidence, I think it quite impossible to tell whether the seams underneath the sheathing are bad, until parts of the sheathing are removed. This I think may be fairly retorted by saying that it is impossible to say that the caulking <sup>underneath</sup> ~~the sheathing~~ is good, until the sheathing is removed.

13. After the evidence which I have quoted of those, who have practical experience of the vessel, and know how she behaves in bad weather, and who now pronounce her unsatisfactory, could I dare allow her to proceed

proceed to sea on the mere theory of three or four prejudiced shipmasters and one local carpenter, that in consequence of the extensive repairs done to the vessel at Calcutta last year, the caulking must, even after the casualty, necessarily be good.

14. That the Agent for the ship (whose interest it would be to have the repairs recommended on the first survey carried out as they would put more money into the pocket of his firm) is opposed to this course cannot at all be taken as a proof that they are not necessary. The fact is that if it had rested with the Agent, he would gladly have carried out these repairs, but from the very first the captain strenuously opposed them. It is not at all improbable that he was cautioned by his owners before leaving, to have as little done here as possible in case he was obliged to touch at Stanley. This very ship put in here five years ago with her rudder damaged and had a new one put in. Stanley prices are the terror of shipowners and most likely the owners of the "Star of India" have reason to remember her last visit. Carpenters when working on ships get 16/8 a day, sometimes more. The same carpenters working on shore only get 8/4 a day. The fact that any repairs executed now, would probably have to be "stripped off" next year, when the vessel has to be re-classed, is perhaps the chief motive for having as little as possible done to her at present.

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15. The captain unfortunately is a weak man, with very short experience as Master and he has certainly done some very strange things in connexion with this matter. It was a very unusual course for him to pursue to read the first Surveyors Report to the crew and it almost seems as if he did it, in order to get them to object to it, that he might have an additional excuse to allege for not carrying out its recommendations. Another strange thing was his saying that there was no suitable wood in the Colony, to enable these recommendations to be carried out. This was proved at the Inquiry not to be true.

Another very peculiar circumstance was that the Captain urged the ~~the~~ Another Government to grant a survey on the ship. His alacrity in pressing for the Government Survey (knowing as he did who the Surveyors would necessarily be) coupled with the fact <sup>that</sup> these Surveyors, unlike Government Surveyors in general recommended less repairs than the private Surveyors looks to my mind somewhat suspicious. The fact that he did not show the private Survey to these Surveyors must also be noted. I have heard since that Captain Oliver was lodging at the time with Horner the carpenter, who was on both the Government Surveys.

16. To come to the practical bearing of the question, I cannot help thinking that the Captain is by no means well advised for the interests of his owners in delaying to execute the repairs in question.  
Leaving

Leaving the order of the Government for the detention of the vessel out of the question, should the Captain get down a fresh crew from Monte Video, they would be sure to hear of the Private Survey, and of the opinion of the first and second Mates regarding it, and to object to proceed in the ship until its recommendations were carried out.

17. It may be as well to state that my order (which has been objected to) has been made under clause 5 of Ordinance No 2 of 1875 and is an "addition" to my first order which was merely to direct the detention of the vessel until the recommendations of the first Government Surveyors were carried out. A copy of this Ordinance is enclosed. The Inquiry was held under another Ordinance already referred to in this Despatch, and the Report of the Magistrates was for my information. However a copy of it was given to the Master of the "Star of India", and also of the evidence. I may observe that Section 2 of Ordinance No 3 of 1871 enacts, "That all the powers, authorities and duties committed by the said Part VIII. to the Board of Trade (referring to Part VIII of the Merchant Shipping Act of 1854), shall in the Colony be vested in and exercised by the Governor."

18. I beg to say that my decision while giving due weight to the Report of the Magistrates and to the evidence given at the

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Inquiry does not rest upon them alone, but upon what I consider to be the outcome of all the surrounding circumstances of the case.

19. I firmly believe that if there was a dock in Stanley, and a Government Officer of nautical experience, he would have recommended the vessel to be docked, in order to have far more thorough repairs done to her, than those objected to, more especially in view of the ugly statements regarding the condition of her timbers, made by some of the witnesses. The fact that there is neither one or the other at Stanley, is turned into a vantage ground by shipmakers, and if I may use the expression they "try it on" in consequence.

20. The "Star of India" is a ship of about 1697 Tons Register, and the Captain told me she was only worth about £8000. This estimate is probably rather high, and the fact that there is such a struggle against spending £300 or so, to repair her, does not look very well.

21. I regret to have to trouble Your Lordship with so long a Despatch and so many details which I have entered into, not because I have any doubt as to the decision I have arrived at, but because I regard this case as involving a very important question. It seems clear to me that it is an attempt in a remote colony [where the local Government

is owing to the circumstances I have mentioned placed at a great disadvantage) to resist the wise and humane legislation of late years with regard to Merchant Shipping and I respectfully ask Your Lordship's attention to this case, in the hope that this attempt may be promptly and completely defeated.

22. No one is more alive than I am, to the obligation imposed upon the local authorities to afford every legitimate assistance to the Masters of vessels but I honestly believe that the lives of thirty human beings would be seriously endangered if the repairs already referred to be not carried out, and I am of opinion that no satisfactory reason has been offered either by the Master of the "Star of India" or his Agent, for not executing them.

I have as already stated no technical knowledge on such matters but it would seem to me to be quite a "leap in the dark" to send the vessel away after the narrow escape she has had, without doing something to test her real condition, and when the lives of so many men are at stake, I cannot accept the responsibility of sanctioning such a course.

I trust Your Lordship will approve of the action I have taken in the matter.

The Right Honble.

The Earl of Barnarvon

<sup>for</sup> The Colonial Office

I have re  
(Signed) J. F. Gallagher

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P. S.

I may mention that in all the earlier stages, the action of the Government was used to help Captain Oliver. The Government Survey was granted a good deal owing to his saying that he believed it would help him with his crew, three of whom had also asked for it. Four of the crew were imprisoned by the Magistrates for refusal to proceed to sea in the ship. The captain had previously stated that he believed them to be ringleaders of the opposition on board the vessel.

After this I sent for the Captain and he told me that not only all the crew but the officers (the latter not openly) were opposed to the ship going to sea until she was "thoroughly repaired." He also told me of the offer he had made about taking the ship to Monte Video, and of its being refused. I questioned him as to the casualty which had happened to the ship, and he told me what a narrow escape she had from being lost. Shortly before this I had heard of the Report of the Private Surveyors, and coupling this fact with what the Captain told me, I thought it my duty to inquire further into the matter.

There was no other way of getting at the facts of the case, than by availing myself of the machinery afforded by Ordinance No 3 of 1857 and I accordingly directed an Inquiry to be held under it. There was no one fit to assist the Magistrates as Nautical Assessor.

With the materials at my command another "Government Survey" was out of the question. The four men who had been imprisoned were released by my order after

the

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the Inquiry on the recommendation of the Magistrate  
who had ~~sentenced~~<sup>During the Inquiry</sup> them. An application was  
made to me as Chief Justice, by the Magistrates  
supported by affidavit, to allow two of the  
prisoners to be examined, which was granted.

I have entered into the explanations contained  
in this Despatch, on the supposition that the  
"Appeal" against my decision may probably  
take the shape of a complaint to Your Lordship  
or the Board of Trade.

I may mention that the Merchant Shipping  
Acts Amendment 36 & 37 Vic. cap. 85 has not  
been extended to this Colony by any local Ordinance.

I should like to be informed whether any  
Appeal to the Privy Council or other Tribunal  
lies against an order such as I have made in  
this case, under clause 5 of Ordinance No. 2 of  
1875, and whether such an appeal is of right  
or by leave. If by leave I trust Her Majesty  
may under the circumstances be advised not to  
grant it. I believe that I have made out a  
very strong case on the merits, against such an appeal,  
and independently of this, I fear that granting it  
would be calculated to paralyze the action of  
the local Government in carrying out the  
provisions of the very valuable Ordinance in  
question, for the future.

Owing to the peculiar circumstances of the  
place, my own training, in conflicts between the  
Master and crew, is generally in favour of the former.

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The master has generally a party in the ship who take his side, but the unanimity of the officers and the entire crew against him in this case, makes it quite exceptional.

I may mention that the only Local Ordinance relating to Shipping are those already referred to, and No 2 of 1873, which extends 30+31 Vic. cap. 124, and No 5 of 1876, which extends 18+19 Vic. cap. 91 to this colony.

I trust your Lordship will excuse these observations written in great haste.

(Signed) G. H. L.

No 47

Government House  
Stanley Falkland Islands  
31<sup>st</sup> Decr 1877.

My Lord

In continuation of my Despatch No 41 of the 15<sup>th</sup> November last relating to the ship "Star of India" which was written in very great haste I beg to make a few explanations and corrections which on reading it over appear to me to be necessary.

From paragraph 6 of this Despatch relating to the ship "Southern Cross" which was detained here in 1876 for over six months it might possibly be inferred that the ship had been so detained by the action of this Government. This however was not the case as I was never called on to interfere in the matter until Captain Newman came out and asked me to grant the Inquiry referred to, which led to her getting away.

As far as I know Mr Cobb, Lloyds' Agent was the person responsible for the detention of the ship.

I may mention that owing to the great improvement in the steaming class of ships effected by recent legislation, very few vessels call here for repairs. This is very

firmly felt and what is called the Plymoll Legislation to which class, Ordinance No 2 of 1875 belongs, is very unpopular here. As owing to the obstinate objection on the part of the master, there was no chance of getting a good job out of the Star of India it entered the local ship repairing interests, to pose in the disinterested attitude they have assumed in this case, of trying as it were to protect the owners from unnecessary expense. This course it is thought might help to purge the port of the very evil name it has amongst shipowners, and it is thought to be a judicious line to take after the recent blunder or worse which happened in the case of the "Southern Cross".

I lately came across a despatch of Governor Robinson in which he describes the Port as being "a by-word and reproach to the shipping and mercantile worlds" from the system pursued here towards disabled ships.

In paragraph 15 the following sentence occurs: "The fact that he did not show the private survey to these surveyors must also be noted." This sentence should have stood thus. "The fact that he did not show the Private Survey to Captains Ellis and Gilliat who were on the second Government Survey must also be noted." The private survey <sup>appears to have been</sup> shown to Horner, when on the first Government Survey and I suppose

suppose to his associates upon it.

The mistake is not very important because if Ellis and Gilliat, who pronounced the ship seaworthy, had been proper surveyors, they would have called for this and other documents.

In the same paragraph I comment on the circumstance that the Captain read the report of the Lloyds' Surveyors to the crew. As the Government Surveyors recommended far less repairs than those on Lloyds' Survey, the value of this survey was of course weakened in the eyes of the crew in consequence of the previous one. This of course rendered it more difficult for the Government to force the crew to do, until the recommendations of the Lloyds' Surveyors were carried out. Considering the very large sums of money that Lloyds' Agent has made for the Falkland Islands Company in repairing ships for many years past, one would expect that he would have a staff at his command whose surveys would be reliable and not repudiated by himself as the Lloyds' Survey in this case has been.

It will be observed that the Second Government Surveyors in their report refer to this as being a "final" survey. The letter of

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instructions directing them to hold this Survey did not at all warrant them in using this expression.

The Second Government Survey was in effect nothing more than the usual survey held to see that the recommendations of the first Government Surveyors had been carried out. In fact Captain Oliver called at the Shipping Master's office, and informed him that these repairs had been executed, and asked for the Second Government Survey, which application was granted.

In the Postscript to my Despatch the following sentence occurs. "I may mention that the Merchant Shipping Acts Amendment, 36-37 Vic. Cap. 85 has not been extended to this colony by any local Ordinance." Through inadvertence a word was omitted from this sentence which should have stood thus. "I may mention that the Merchant Shipping Acts. Amendment 36-37 Vic. Cap. 85, has not been further extended to this colony."

By this I meant to convey that Section 14 of this Act, which allows an Appeal against the decision of the Board of Trade had not been extended here. I am of course aware that Sections 12-13 of this Act are in a modified form

form extended to this colony by Ordinance  
No 2 of 1875.

I may mention that no local  
Ordinance has been passed regarding the  
Merchant Shipping Acts of 1875 or of 1876

I have to

(Sgd) T. H. Gallagher

The Right Honble.

The Earl of Carnarvon

cc cc cc

The Colonial Office

P.S.

Since writing the foregoing I have  
received a letter from the Master of the "Stand  
India", a copy of which is enclosed requesting  
me to ask for a Survey to be held on this  
vessel by the officers of HMS "Volage" which  
arrived here a few days ago. I enclose a copy  
of my reply to this communication

I have represented the facts of the  
case to Captain Carter and Commander Kane  
of HMS "Volage" and both these officers agree  
in thinking that the action I took in the  
matter which has been protested against  
was the only one open to me under the circumstances.  
They also agree with me in the opinion that I could

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not without prejudice to my authority in carrying out in future, Ordinance No 2 of 1875, grant the Survey now demanded unconditionally, the former order given by me having been disregarded.

These officers also approve of the conditions imposed in my letter.

From a conversation I had with Captain Oliver, in presence of his agent, I do not think that he will comply with these conditions. He has just returned from Montevideo, and informs me that he telegraphed twice to his owners, but received no reply from them although he was in Montevideo for nearly three weeks.

If this statement be true it adds another strange element to this very peculiar case. I shall be glad if Captain Oliver on consideration will avail himself of the opportunity now afforded him of having a really competent Survey held upon the vessel. All I want is to be assured by some reliable and impartial authority that the lives of the men who appealed to me for protection are not imperilled by any further step I may be advised to take in the matter. I may mention that I have informed the Master of the Star of India and his Agent that Ordinance No 2 of 1875, contains no provision for allowing an appeal against the order of the Governor in such cases.

(Sgd) T. H. G.

No7

Government House  
Stanley, Falkland Islands  
1<sup>st</sup> Jan'y 1878

My Lord,

In continuation of my Despatch No 40, of 13<sup>th</sup> Nov<sup>r</sup>. last, I have the honour to forward a copy of a letter which I have received from the Manager of the Falkland Islands Company giving notice that "the Directors desire to terminate the present contract in six months from this date."

Since writing my former Despatch I rather expected this would be the case and regard this notice as an attempt to force the hand of the Government in order if possible to compel it to accept the proposed alterations in the contract.

I still think that it would not suit the Company to give up the contract now, more especially as intelligence has been received that their Mail Schooner "The Black Hawk" which had been sent to England to be repaired and reclassed, is on her way out to the Falklands.

During her absence the Mail Service

has been performed by another schooner of the company and it is generally considered here that they could not find sufficient employment for the "Black Hawk" except she is engaged in carrying the mails. I therefore hope that by a show of firmness on the part of the Government, the company may see the necessity of abating their demands, if not altogether withdrawing them.

I have caused a notice to be placed on the Gazette's Board today inviting tenders for this service and it is quite possible that some person in Stanley may undertake to perform the contract on the terms proposed by the government.

With regard to the offer referred to in my former despatch, made by Mr Lewis, the agent here for Messrs Ward & Co, of Monte Video I understand that he expects to receive a definite answer on the subject next mail from that firm. I have received a letter from Major Munro, H.B.M.S. Consul at Monte Video regarding this firm which is not quite satisfactory. The Consul however promised to make further inquiries on the subject and to write to me more fully next mail.

Even if holding out against the unreasonable

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unreasonable demands of the Falkland Islands Company should lead to a temporary interruption of the regular Mail Service, this would in my opinion be preferable to yielding to terms so prejudicial to the interests of the Colony.

The Company themselves would feel very keenly any such interruption and very probably would after a little while be glad to accept the terms proposed by the Government.

I still hope that through your Lordships intervention some satisfactory settlement may be come to with the Directors on the question.

I have &c

(Sgd) J. H. Gallagher

the Right Honble.  
The Earl of Carnarvon

to to to  
The Colonial Office

2<sup>nd</sup> Jan 1878

P.S.

Since writing the foregoing I have received a letter from Lubbock, a copy of which I enclose together with my reply to it

(Sgd) J. H. G.

No 3

Government House  
Stanley Falkland Islands  
6<sup>th</sup> Feby 1878

My Lord.

I have the honour to transmit to Your Lordship Comparative Statements of the Estimated and Actual Revenue and Expenditure of the Falkland Islands Government for the Financial Years 1870-71 - 1875-76 inclusive which I have received from the Colonial Treasurer.

2. I also enclose a Statement of the Revenue and Expenditure from the 1<sup>st</sup> April to the 13<sup>th</sup> May 1876 when I assumed the Government. The statements have been made up from the Cash Books and include an account of all the Receipts and Payments of the Falkland Islands Government during the above periods.

I also enclose a return showing the growth of the Debt during the period from the 1<sup>st</sup> April 1870 to the 31<sup>st</sup> March 1876.

3. It will be seen that certain payments amounting to £6376. 19. 9 were not at all provided for in the Estimates, but at the same time there was also an Unestimated Revenue amounting to £2791. 9. 6 which reduces the Deficiency under this head to £3585. 10. 3

In sufficient provision was made in the Estimates as regards other items amounting

to £17,55.. 10.. 1 and the deficiency arising from this cause after allowing for the excess of the Actual over the Estimated Revenue amounted to. £1194.. 15.. 8.

4. Detailed accounts of the several items under the Heads of Deposits, Repayment of Deposits, and Special Payments are annexed to the Statements, while the cause of the difference between the Estimated and Actual, Revenue and Expenditure is explained in the marginal notes.

It will be seen that the chief excess in the Expenditure occurred under the following Heads, viz: - Purchase of Stores and Materials, Marine Garrison Expenses, Conveyance of Mails and Miscellaneous Expenses. The heaviest excess was in the Purchase of Stores which exceeded the Estimates by £2811.. 11.. 8, £1557.. 11.. 8, having been spent while only £1740 was provided for in the Estimates.

From underestimating the expenses of the Marine Garrison there was a deficiency of £725.. 14.. 10, while the expenditure connected with the Mail Service, both to Montevideo and the West Falklands, exceeded the Estimates by £1210.. 15.. 7.

5. No provision appears to have been made in the Estimates for Special Payments

although very large sums were expended in this way, amounting in the whole to £ 5514. 12. (including the Repayment by the Brown Agents of a Debt to the Post Office, amounting to £ 910. 1. 5, which really ought to have been charged under the Head of Repayment of Deposits.)

Of these the following items were afterwards sanctioned by the Secretary of State in Despatch No 27 of 12<sup>th</sup> Decr. 1875 viz:—

Fire Engine £ 295. 16. 8; Church Gates, £ 75; contribution to repair of Cemetery £ 30; Subscription to Church at Dauvin £ 30; Fire Insurance of the Government Buildings, £ 6. 6/. These amounted altogether to £ 437. 2. 8.

6. Certain other of these Special Payments, viz:— Amount due to Murray family £ 379. 6. 1; gratuity to the late Mr. Griffiths £ 393. 15/; Payment to Mr. Bull for improvements at Pauongr. £ 323. 2/; Superannuation Allowance to Mr. Bull, £ 133. 6. 8; Colonel D'Acy proposed to meet in part by the sale of the new gaol, and afterwards prepared a Supplementary Estimate for £ 1229. 9/; but these arrangements were not sanctioned by the Secretary of State. Subsequently he asked for a supplementary grant of £ 2000, but this application was not acceded to.

7. The difference between the Revenue and Expenditure was met by Loans (called in these Statements Deposits) from private individuals, com-

of which were bearing interest and others not. Several of these Loans have been repaid from time to time as appears under the Head of Repayment of Deposits.

8. There was also spent in the Public Service during this period the Court Deposit on account of the Murray family amounting to £270. 15.. 1 exclusive of £408. 11.. belonging to the same Estate which had been expended previously to 1870 (both of which amounts have since been repaid). I may also observe that the proceeds of certain Intestate Estates amounting to £331.. 14.. 5 had been expended in the Public Service previously to 1870.

9. The liability of the Colony on the 15<sup>th</sup> May 1876, when I assumed the Government consisted mainly of the Balance due on account of these loans, which amounted to £2020.. 11.. 6, and of the amounts due to the Crown Agents and the General Post Office which were respectively, £ 583.. 7.. 8 and £30. There were also some salaries unpaid amounting to £ 97.. 10..

10. Enclose a Statement of the Assets and Liabilities of the Colony at the date in question

I need scarcely say that from the

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natur of the case, there is considerable difficulty in offering explanations regarding complicated trans actions which are spread over such a lengthened period of time, and of which I have had no personal knowledge.

The remarks which are here offered convey the substance of the explanations offered to me on the matter by Mr. Travis the Colonial Treasurer, and I hope that taken in connexion with the returns now forwarded, they may afford your Lordship the desired information.

I have to

The Right Honble.  
The Earl of Carnarvon  
cc cc cc  
The Colonial Office

(Sgd) J. H. Gallagher

No 8

Government House  
Stanley. Falkland Islands  
13<sup>th</sup> February 1878

My Lord,

With reference to my Despatch No 1 of the first January last relating to the Mail Contract I have the honour to inform your lordship that I have received a <sup>copy</sup> tender from Mess<sup>rs</sup> Board of Monte Video undertaking to perform the contract on the Government terms, and to give "ample guarantee for the carrying out of its conditions".

With regard to the question of guarantee I enclose a copy of a letter from Mr Jeffries of Monte Video, addressed to Major Munro H.B.Ms Consul at that city.

In a letter which I have received from Major Munro, he says; - "I know Mr Jeffries well. He is the manager of the Monte Video Gas Company and Graving Dock with other businesses, and is a thoroughly respectable and honourable man."

This is so far satisfactory, but I should like to know what is the proper course to be taken in order to give effect to a guarantee of this

nature made by a person living in a <sup>ing</sup>  
foreign country.

As long as Mess<sup>r</sup>s Hoard & Co keep <sup>us</sup>  
their establishment here, and there is every  
likelihood at present of their continuing  
it, this of itself would afford a sort of  
guarantee for their performing their engagement  
regarding the Mail contract.

I heard yesterday from Mr George <sup>et d</sup>  
Dean, the head in Stanley of the firm of  
Mess<sup>r</sup>s Dean & Sons, that he had some intentions  
of putting in a tender for the contract on <sup>to</sup>  
the Government terms, but is awaiting  
advices from England before doing so.

I have been told lately that <sup>at</sup>  
the Falkland Islands Company want a  
subsidy of £1000 a year and the removal  
of all restrictions as regards passengers  
and freight. I hope the Government  
will not consent to these terms.

I have &c

The Right Honble.

The Earl of Carnarvon

The Colonial Office

(Sgd) T. F. Gallagher

No 13

Government House  
Stanley, Falkland Islands  
15<sup>th</sup> February 1878

My Lord

I have the honour to report that I have most carefully consider'd the suggestions with regard to the imposition of additional taxation in this colony contained in your lordship's Despatch No 16 of the 9<sup>th</sup> October last and in the letter forwarded with it.

2. I may observe that the subject has engaged my attention for some time and I had intended as soon as the questions regarding the land and the removal of the Marines now awaiting your lordship's decision, to have proposed some such measures of taxation as those which have been just passed by the legislative council.

3. Amongst such a very small and peculiarly circumstanced population as that of this colony, the meeting of the two questions referred to must unavoidably be attended with a certain amount of excitement and I did not consider the occasion was a favourable one to

impose new taxes, as the public are already <sup>ting</sup> burdened with the very high prices which they have to pay at the stores for the necessaries of life, and in consequence would I feared be rather prone to resent any additional impost introduced by the Government.

4. Moreover the period since my arrival has been one of unusual depression with the traders and working classes of the colony. Along with other causes the collapse of the sealing industry and of the trade in Penguin Oil has greatly reduced the circulation of money throughout the Islands. There was also a strike in Stanley amongst the carpenters employed by the Falkland Islands Company and Mr Dean for higher wages which lasted for some time and caused a good deal of irritation in the Settlement. As might have been expected the men failed to carry their point the employers being too powerful.

5. As bearing on the question of additional taxation, <sup>and other</sup> circumstance must also be taken into account, which is, that although the loans were incurred and the money spent in the colony as stated in the letter to the Treasury, the greater part of the expenditure in question was in the purchase of stores which put large sums of money into the pockets of the two chief storkeepers, but none into that of the artisans and labouring classes, in the shape of increased employment, all the Government Works

Works being executed by the Marines, a fact which has always excited a good deal of local jealousy.

In view of this and other circumstances connected with this expenditure to which I need not refer, I fear it would not be at all a popular argument to put forward in favour of additional taxation to say that it was imposed for the purpose of extricating the Colony from its present financial difficulties. Even the two storekeepers who made so much money out of the Government as already stated strongly protested against this view of the subject, using arguments not very easy to answer.

6. Besides all this, the imposition of additional duties must necessarily press injuriously on the New Store lately established here, which has to import its goods from its house at Monte Vidro, where everything is most heavily taxed. Hitherto this Store has done good service to the public by underselling the old established houses, which import their goods direct from England in their own ships.

7. I have thought it my duty to refer to the foregoing circumstances as illustrating the difficulties of the situation but I am at the same time fully alive to the necessity there exists for making a strong effort to extricate the Colony from its present financial embarrassment.

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I have therefore introduced the Ordinance doubling the Duties on Spirits and Wine and that imposing a Duty on Tobacco &c, as being in my opinion the measures most <sup>and</sup> ~~fairly~~ least open to objection under the circumstances.

8. With regard to Your Lordship's suggestion to have a Rate assessed on the Annual Value of all Real Property, I should be glad to have a draft Bill of this nature prepared at the Colonial Office and sent out here, framed on the basis of any such Ordinance in force in other Colonies. The details could be afterwards modified, so as to suit the circumstances of these Islands.

In connexion with this I may observe that no Valuation <sup>was</sup> has been made of the Real Property here and no machinery exists for making it, but perhaps it may at be possible to ascertain the necessary data for the purposes of the Ordinance without incurring much expense. I should be glad to receive some advice and assistance on the subject before taking any further steps regarding the proposed measure.

Letter to C.O.  
4<sup>th</sup> Oct 1876.

9. I shall now proceed to notice the suggestions contained in the letter first referred to.

From all I can learn the imposition of even a moderate House Tax would be most unpopular. Some years ago Colonel D'Acy proposed the introduction of a Poor Rate, but the inhabitants of Stanley held a public meeting and protested against the measure.

Despatch to Col D'Acy, A Petition on the subject was forwarded to Lord Kimberley,  
1<sup>st</sup> H.Q. of 24<sup>th</sup> Jan'y 1872 who decided against the introduction of the measure. I  
fear

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fear a Horse Tax would meet with the same opposition.

If notwithstanding it should be found necessary to impose such a Tax, some provision should be made to guard against its pressing too heavily on the few industrious people of the labouring and artisan classes, who out of their hand earned savings build houses for themselves at considerable expense owing to the high rate of wages and cost of materials.

These houses have generally a yard and a little garden for which about a quarter of an acre of ground (costing £25) has to be purchased.

The number of houses in Stanley is little over a hundred, and at present there are about six being built by the class to which I have just referred.

10. A Tax upon horses would yield very little and besides would create more irritation than a more serious impost. There are only about two miles of road in the Colony and with the exception of a few common working carts, no vehicles of any kind, so that the only way that people can go about the country upon any trip of either business or pleasure is on horseback. A saddle horse can scarcely under these circumstances be regarded in the nature of a luxury as at home. I may also observe that the people near Stanley require horses to carry their meat. The Government Lands I regret to say afford very poor grazing for horses in the neighbourhood of Stanley, having for some years past been overrun

with sheep and cattle.

11. The cost of lighting the few lamps in Stanley, (12 in number) only amounts to £18 a year, and since my arrival the work of cleaning the Divers has in a great measure been done by the prisoners. Until the Settlement increases, I do not think that a rate for this or the preceding purpose will be required.

12. Owing most likely to the improvement in ships effected by recent legislation, there has been of late years a great falling off in the number of them calling at Port Stanley for repairs, a circumstance which is very keenly felt by all classes of the community here. The present would be an inopportune moment for increasing the Harbour Dues as suggested, as in a little time the Government would get the credit (no doubt unjustly) of helping to keep ships away from the Port. Whenever they do come here, they are more than sufficiently taxed by the Stanley prices.

13. I may observe that no Public Works except those absolutely required have been carried on since my arrival so that very little retribution under this head can be looked for.

14. Besides those already referred to other measures of taxation may suggest themselves but I do not think it would be desirable to introduce them under present circumstances. Notably as regards the

the Sheep Farmers who with a few exceptions are in a struggling position, I should be sorry to impose a Tax upon them at present.

In 1880-81 they will have to incur a rather heavy expense in purchasing land under the Compulsory Purchase Clause of the Land Ordinance. They will also be placed under increased rent from that period. Besides the introduction of a "Scal Ordinance" (the operation of which will <sup>at first</sup> entail serious expense) cannot be long delayed. postponed.

Then the decision regarding the land question now pending at home, may seriously affect the interests of the Sheep Farmers, and I am of opinion having regard to all these circumstances that the imposition of any Tax upon them just now might impair their ability to meet their increased obligation in 1880-81 and thereby jeopardize the Revenue expected from this source.

15. Having given the entire question the most careful consideration I shall be glad if Your Lordship decides against imposing any further measures of Taxation (at least just now) than those recently passed.

16. These I should hope will after a time ~~realize about £1000~~ give an addition to the present Revenue of about £1000 a year (perhaps more) although nothing like that amount will be received from them this year. Even the duties hitherto levied

are paid very slowly and irregularly.

Thus a considerable saving would be effected by the removal of the Marines and the arrangements regarding Mr. Watts and Mr. Gravis proposed in my former Despatches, all of which measures could I think be carried out without prejudice to the Public service.

Besides the experience of the last two years has proved that the Government can be carried on at considerably less expense than that hitherto incurred.

17. I beg to submit for consideration the following plan for gradually extricating the colony from its present embarrassment.

In my Despatch "Financial" of the 12<sup>th</sup> Nov. last, I have asked for a sum of £1200 to be sent out here by the Mail of the 9<sup>th</sup> instant. This sum I now propose should be advanced by the Government as a loan bearing a moderate interest.

I think I may infer from Your Lordship's reply that the Treasury would not object for a few years to allow a Parliamentary grant of £3500 a year as hitherto. This would leave a good surplus (even if the retrenchment regarding the Marines is not carried out) which could be applied each year for the payment of the interest on the debt and in reducing it. In 1880-81 calculating it at the lowest figure viz 2/- an acre, the produce of the Land Sales, would amount to £2928, which would be more than sufficient to pay the balance of the debt then remaining due, including the £1200 now

now proposed to be borrowed, the greater portion of which would be applied to the reducing of the liabilities. It is true that the expense of surveying the land will be heavy but I have made inquiries on the subject and I am informed that the increase in the rents, which in the two years in question will amount to £813. 16. 11 would be sufficient to pay for the surveys if applied to that purpose.

18. Another plan would be to borrow at moderate interest the whole amount of the present debt, and to pay off all the creditors in the Colony, who for the most part will have to be paid 5 per cent, <sup>and</sup> some of whom I heard lately want to get their money back at once. I do not refer to Mess<sup>r</sup> H<sup>r</sup> & Williams who lent the £550 mentioned in a former despatch. By this means a saving in the item of interest would be effected and the credit of this Government (which has necessarily suffered) restored. I should hope that with Your Lordship's sanction, the necessary loan might be raised through the Crown Agents. I should prefer to see either of these plans adopted to having recourse to further taxation, although I shall be ready to carry out any measure of the kind that Your Lordship may direct.

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19. It would I think be difficult to devise any Tax which would not press heavily on the people least able to bear it, who have already been long suffering from the prevailing monopoly, while the monopolists who are making large fortunes would go comparatively scot-free; it being always in their power to raise their prices so as to make up for anything they may be called on to pay in the shape of Taxes.

20. At the risk of repeating facts already known, I may mention that although a large quantity of wool is produced in the Colony, no means exists here of manufacturing it.

Clothing of all kinds which is such an important matter in this inclement climate is excessively dear. No trees grow in the Islands and the price of wood of which the houses are mostly constructed is extremely high. Boots and Shoes, Bread, Tea and Sugar and other necessaries may be placed in the same category.

The people are in many respects far more dependent on the stores than they would be at home, as nearly everything except meat has to be imported. It is also a very serious drawback that no corn is produced in the Islands, very few vegetables and fruit. It was in view of all these disadvantages which undoubtedly have helped to make this one of the most backward of Her Majesty's Colonies

that

that I thought it my duty to try every  
possible means of retrenchment before having  
recourse to additional taxation, which  
if carried too far may seriously prejudice  
the prospects of the Colony.

I have &c

The Right Honble.  
The Earl of Carnarvon  
~~or~~  
The Colonial Office

(Sgd) T. F. Gallagher

Government House  
Stanley. Falkland Islands  
22<sup>nd</sup> March 1878.

No 23.

My Lord

N<sup>o</sup> 18 of 7<sup>th</sup> Nov 1877  
N<sup>o</sup> 23 of 6<sup>th</sup> Dec 1877  
receipt of your Lordship's Despatches noted in the margin, regarding the means of checking Seal amongst the sheep in the Falklands.

2. This subject has engaged my attention a good deal since my arrival in the Colony and I had a conversation with Colonel W'arey before his departure regarding it. He informed me that much as he desired to see something done to check the ravages of Seal, he nevertheless considered the matter to be one of extreme difficulty owing to the peculiar circumstances of these Islands and said, that although he had been urged by Mess<sup>r</sup> Waldron and Baillon of the West Falklands to introduce a Seal Ordinance, he had not felt himself justified in complying with their request.

3. As bearing on the difficulties of the question I enclose a letter which I have received from Mr. Dran a member of the Legislative Council and the largest Sheep owner in the Western Island, who has read and considered the Draft Ordinance forwarded from the Colonial Office. These difficulties are also shortly referred to in paragraph 9 of my Blue Book.

Book Report for 1877, which is forwarded by  
this Mail.

4. In this despatch I shall not attempt any detailed analysis of the draft Ordinance, which is, I presume, framed on the model of some Australian measure, which was doubtless passed with the approval of the majority of the sheep farmers, or of their representatives in the Legislative Assembly of the Colony. I shall confine myself to making a few general remarks on the local circumstances of the Islands, which ought to be taken into account before deciding upon a question of this nature.

5. I must mention at the outset that one of the greatest difficulties in the way of effectively carrying out such a measure arises from the fact that unfortunately I cannot at all "count upon receiving the general support of the whole community" as would appear to have been anticipated in Your Lordships Despatch No 18 of the 7<sup>th</sup> November last. On the contrary the large majority of the sheep farmers are as stated in my Blue Book Report strongly opposed to the introduction of any such measure at present, for the reasons therein mentioned, which appear to me to be deserving of consideration. All the farmers in the Eastern Island - by far the largest and most numerous

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stocked of the Falklands - are opposed to it, and it is quite probable that some of those in the Western Island who are now in favour of a Seab Ordinance would change their minds when they realize that they must submit to a heavy tax in order to pay their share of the expenses connected with its working.

I enclose a return giving the names of the farmers with the extent of their farms and the number of sheep owned by them, who are opposed to a Seab Ordinance. A similar return of those in favour of it is also enclosed. Besides those given in those returns, there are several other sheep farmers, each holding from the Government an island where they own and keep his own sheep. These islands are nine in number. All these farmers with I believe one exception - that of Mr. Henry Waldron - are opposed to the introduction of a Seab Ordinance, their land being happily exempt from the danger of having the contagion communicated by diseased sheep, straying from neighbouring flocks.

b. In the Eastern Island I think it very probable that the sheep farmers would do all they could to make the Seab Ordinance a dead letter as far as they are concerned, by not proceeding against each other in cases where seab exists on their respective farms, and every effort would be made to cast this whole burthen of working the measure upon

upon the Government. His Scab Inspector and his staff would have to be continually scouring the country in quest of the information which, under more favourable circumstances would be readily supplied to them. The Sheep Ordinance No 3 of 1867 (a copy of which is enclosed) contains very valuable provisions on the subject of Scab but has never been acted upon, even in a single case. Under the circumstances the farmers on the Eastern Island would strongly object to have to pay the larger proportion of the rate, according to the number of their sheep, which they would be liable for under the proposed Ordinance.

1. In the Western Island the Ordinance would probably be at first promptly availed of and every effort made to carry out its provisions "to the bitter end." The island would be divided into two hostile camps, those in favour of, and those opposed to the measure, and I confess I apprehend the very worst consequences from throwing amongst the sheep farmers there, such "an assemblage of discord" as the proposed Ordinance would ~~inevitably~~ <sup>inevitably</sup> have.

Drawing this out of the question it would be simply impossible to carry <sup>it</sup> out in the Western Island or in other remote places without adding to the number of Government Officials and Buildings as stated by Mr. Dean in his letter.

Without estimating the additional expenditure as highly as he does (at £2000 a year) there can be no doubt that it would be considerable. The expense of erecting even the smallest Government building in the West Island, where the artizans would have to be taken from Stanley would be serious. It must be borne in mind that the Government has no staff whatever, not even a policeman outside the settlement of Stanley. There is no gaol or bridewell or Government Building of any sort outside the settlement in which persons could be imprisoned, or as already stated no policeman to take them into custody.

The only two magistrates residing outside Stanley are Mess<sup>r</sup> Waldron and Baillon who live in the Western Island. Both these gentlemen are in favour of a Seab Ordinance; in fact the mooting of the question here has exclusively originated with them. They give objection to having the adjudication of this question to which this Ordinance would give rise, to these two gentlemen <sup>must</sup> ~~would~~ be obvious each in his own district would be likely to appear often at first in the character of Plaintiff and afterwards when the war of reprisals had set in, in that of defendant. However the duty of carrying out this Ordinance in the Western Island would have to devolve upon these two gentlemen, unless the Government were prepared to appoint a stipendiary magistrate to reside there for this purpose. This Officer would require a staff to carry out his orders.

8. It would be altogether impossible for the Stanley Police Magistrate to attend to such cases, and of course putting the parties concerned to the expense <sup>and</sup> delay of coming into Stanley whenever they arose, would be out of the question. I fear also that <sup>upper</sup> the circumstances, it would be almost indispensable to have a Seal Inspector residing <sup>permanently</sup> on the Western Island. The quickest <sup>possible</sup> way to get from Stanley to the nearest place on the Western Island (Port Howard) involves a ride of 90 miles to Port Success, and then one has to take his chance of meeting the Mail Schooner there to get across to Port Howard. She only makes 8 trips backwards and forwards in the year, and she sometimes has to wait eight or ten days owing to contrary winds, before she attempts to start.

To get direct to the Western Island from Stanley in a schooner might take an indefinite time, involving an expense of £5 a day. In point of fact for all practical purposes of intercourse and communication the Western Island (although so near in point of actual distance) is farther from Stanley than America is from England.

The ordinary communication with the smaller islands to which I have referred is so very infrequent and irregular that I do not at all see how the Seal Inspector could

attend to his duties in these islands, without hiring a schooner specially for himself. This at £5 a day would soon mount up to a very heavy bill. Besides he would find it very difficult to get one even at this price, as the few local schooners are required for the greater part of the year by their owners who have more profitable employment for them.

Q. The movements of the Seal Inspector would under these circumstances be necessarily attended with very considerable expense. To get about the "camp," he would have to be well supplied with guides and horses and as pointed out by Mr. Draw, he would have when making his official visits, to depend for his board and lodging upon the owner or agent of the farm whose sheep he came to inspect, which most likely he would have to pronounce infected.

A Seal Inspector should be a man of very high character indeed, to resist all the influences he would be exposed to under such peculiar circumstances. In order to provide every possible guarantee for his fairness and impartiality and to guard him against undue influences, he should be highly paid. There would be all the more reason for this, as the most powerful interests in the Island are opposed to the measure and would be likely to do all they could to mitigate its

its operation against themselves. He would have to be brought out from England, as for obvious reasons it would not be desirable to have a local person (even if qualified) to fill the post.

If he unfortunately should not be of the right stamp, it can easily be imagined that under these circumstances, the remedy may prove worse than the disease. Supposing him to be thoroughly honest and altogether proof against all sinister influences, he may turn out to be over zealous or not possessed of sufficient discrimination or judgment for such a difficult position. He would certainly be armed with a formidable power and against his decision there would practically be no appeal. True the Governor would have the power to remove him, but he would have to send home for another to succeed him. I should presume that in a better organized community like that of an Australian Colony a Seab Inspector would be subjected to a much closer supervision, and that any mistake or misconduct on his part could be far more easily brought home to him, than would be at all practicable in these Islands. There would also be no difficulty there in filling his place, if it were found necessary to dismiss him.

10. From the foregoing sketch, which is by no means exaggerated, of the very primitive and varied circumstances under which sheep farming is carried on in the Falklands, it is not to be wondered that an Ordinance should not suit well here, which probably has been framed to meet the requirements of an advanced Australian Colony, where amongst many other more civilized advantages, the means of locomotion are so much easier; and where I should suppose that all the incidents connected with sheep farming are for the most part so homogeneous, as to be easily provided for by one law uniformly applied in all parts of the Colony.

If any measure like the proposed Ordinance were introduced here, it would, as far as I am capable of judging, be almost a necessity to treat the Eastern and Western Island on a different footing, and the case of the smaller islands would also have to be especially provided for. Besides I think it very likely that Mr. Cobb, the Manager of the Falkland Islands Company, from whom I am expecting a letter, will make a claim to have Lafonia treated as a special case. I understand that about half of the Company's sheep are kept on the peninsula of Lafonia, which is completely fenced off from the rest of the island.

11. I have no desire whatever to exaggerate the difficulties of the situation, and I am most fully alive to the necessity of doing something for this

the repression of Scab, but I think it my duty to state that owing to the circumstances referred to in the Postscript to Mr. Dran's letter, the present is an especially inopportune moment to cast any additional burthen upon the sheep farmers, who with few exceptions are in a struggling condition.

From all I can learn it will give many of them quite enough to do to meet the increased demands upon them in 1880-81, even if no additional Tax is imposed upon them to defray the expenses of a Scab Ordinance. If they have to pay this Tax, I fear it will seriously jeopardize the increase to the Revenue expected in those years. I may also be permitted to say that just now, when the Colony is passing through a financial crisis and has had to submit to increased taxation in consequence, it would be most unfortunate to be obliged to add a new and expensive department to the fixed establishment and to call upon a small <sup>of the community</sup> class like the sheep farmers, who for the most part can badly afford it, to pay for its support.

12. I think that having regard to all the circumstances, there is much force in Mr. Dran's view, that making dipping with some approved "dip" compulsory on all sheep farmers, would meet the present requirements of the Colony, without having "reco-

to the expensive machinery of a Scal Inspector, additional Government Staff and Buildings, &c., required to carry out the Draft Ordinance under consideration.

"Sheep Ordinance", No 3 of 1867 might be amended by adding to it a clause to this effect, and it might also be made in other respects more effective, notably as regards sheep, whether clean or otherwise, found trespassing on an adjoining farm, or being found without a shepherd within a certain specified distance from its boundary. Those who are trying to force a more stringent and inexpensive measure upon their neighbours, might fairly be called upon to wait for a little time to see the results of the amended "Sheep Ordinance", and they will have themselves to blame if they allow it to remain a dead letter as they have done in the case of the Ordinance in its present shape.

13 There is every reason to believe that the law rendering dipping according to some approved process compulsory would be generally obeyed. Owing to the peculiar circumstances of the place either the Company or Mess<sup>r</sup> Dran, would be cur<sup>r</sup> to find out whether a farmer had complied with it or not; in fact it would be their interest to make him do so, as the sale of the materials for the "dip" would be in their hands. One great obstacle in the way of "dipping" namely the great expense of the Tobacco Dip hitherto regarded as the only reliable one, seems likely to be removed, in consequence of the success which has attended

attended the use of the "Lime and Sulphur Dip,"  
 (referred to in my Blue Book Report for 1877)  
 which costs comparatively little.

I have just had a letter from Mr. Waldron, in which he says "I find the Lime and Sulphur Dip, the most efficient I have ever used." This coming from a gentleman who is known to have for a long time past tried the strongest "Tobacco Dip," is a very important statement indeed.

14. I enclose a copy of a letter which I have received from Mr. Waldron, some months ago on the subject of a Scab Ordinance. I have very great sympathy for this gentleman, who I think has done good service by mootting this subject, but it will be seen from his letter, that, intent upon the one absorbing object, he takes no account of the serious difficulties with which the question is beset. Without being over sanguine I anticipate that before long a decided improvement will follow in the condition of the flocks throughout the Islands, if the proposed amendment to the "Sheep Ordinance" is carried out, and I trust that then Mr. Waldron will not have so much reason to complain as hitherto of the injury done to him by his neighbour sheep. I am sorry to say that in the last letter I had from him, he gives a very gloomy account of the state of his sheep at present. It is

however generally believed here, that his neighbours are not altogether to blame for this, and that he a good deal exaggerates (I am sure unintentionally) in ascribing all his losses to them.

15. Owing to the peculiar relations subsisting between the two leading interests here (The Falkland Islands Company and Mess<sup>r</sup> Dran) and the entire population of the Islands, <sup>sheepfarmers</sup> included, their opposition to, or support of a particular measure, necessarily counts for a great deal.

16. As regards the Western Island, although the numbers of sheep farmers on it, for and against the appointment of a Scal Inspector, are about equal, the latter are by far the more influential body. They hold 46,700 acres of land, own 60,100 sheep, and have a population on their farms, women and children included of 141, while the others hold 387,000 acres, own but 34,742 sheep, and the population on their farms (all told) only amounts to 77.

Apart from the subject of the Scal Act, these figures (especially as regards the population) afford a curious insight into the backward condition of the Colony. Under these circumstances I greatly fear that Mr. Waldron and his friends on the Western Island, even with the law to back them, would have a hard time of it in contending with

with Mr. Dean, and his party. I also fear that  
the same fate would await the Seal Inspector.

17. I trust I shall be excused for entering into these lengthened details, which I fear give but a very inadequate idea of the difficulties with which the question is surrounded. I shall not take any further step until I receive your Lordships instructions on the subject.

As I have not much experience regarding it, I shall be glad before introducing an Ordinance to receive any suggestions that may be considered applicable to the very peculiar <sup>state of</sup> circumstances which I have attempted to describe.

Meanwhile the matter shall receive my best consideration.

His Right Honble.  
The Earl of Carnarvon  
H. H. & C.  
The Colonial Office

I have the  
(Sgd) J. F. Gallagher

P. S.

Since writing the foregoing I have received letters on this subject from Mr. Cobb, the Manager of the Falkland Islands Company, and Mr. Mansel the Agent for Captain Pack, which are forwarded herewith.

(Sgd) J. F. G.

N<sup>o</sup> 25

Government House  
Stanley Falkland Islands  
2<sup>nd</sup> April 1878

Sir,

With reference to my preceding Despatches, noted in  
the margin regarding the "Star of India", I have the  
honour to inform you that I received an intimation  
from the master of this ship last month to the effect  
that he had received a Telegram from his owners,  
ordering him to carry out the repairs recommended  
in September last by the Surveyors appointed by  
Lloyds Agent at this Port. As will appear from  
my former Despatches the ship was detained by  
my order until these repairs were carried out.

2. I have since received an application  
from the master (a copy of which is enclosed)  
reporting that these repairs had been carried out,  
and that the boats had been put into thorough  
repair, and asking for the release of the ship. The  
day on which this application was received three  
of the crew made statements before the Shipping  
Master, alleging that the ship was still unseaworthy.  
A copy of one of these statements (they are all  
to the same effect) is enclosed. In reply to the  
master I stated that before deciding with regard  
to his application for the release of the ship, I  
should be glad to receive any information he was  
able to offer concerning the statements of the men.

Yours

No 41 of 15<sup>th</sup> Nov 1877  
No 47 of 31<sup>st</sup> Dec 1877

To this a reply was received from the master in which he says, "I am quite satisfied that the ship is in a seaworthy state and should be glad if His Excellency the Governor would order a Court of Inquiry to be held regarding the statements made by the men in question"

3. I accordingly directed the Police Magistrate to inquire into the matter, and enclose a copy of the depositions made before him. I am happy to say that they are so far satisfactory as regards the seaworthiness of the ship in her present state that (although no completely satisfactory conclusion can be arrived at on that point, unless the ship were put into dock and thoroughly examined, which is not possible at this Port) - I should not be justified in further detaining her. I accordingly released her as requested on the 30<sup>th</sup> ultimo.

4. It is very satisfactory that the officers who gave such strong evidence regarding her unseaworthiness at the former inquiry are now of opinion that after the repairs recently executed she is perfectly seaworthy. The Chief Officer who was too ill to be present at the late inquiry, has written a letter to the same effect, a copy of which is enclosed.

5. With regard to the state of the ship before the repairs ordered by me were carried out, it will be seen that the evidence is of the most conclusive character, that the ship was in a very unsatisfactory condition. The disclosures regarding the state of the ship, which were made when the removal of the Boot-topping took place, have created quite a sensation in the place, and I am most thankful that notwithstanding the very great pressure which was put upon me, I adhered throughout to my original decision to detain the ship until the repairs in question should be executed. It is dreadful to contemplate the consequences which would most probably have ensued had I not done so.

6. In a petition presented to me by certain Shipmasters (a copy of which was forwarded in my Despatch N° 41 of 15<sup>th</sup> November last) it was urged as a reason for releasing the ship, that there was an engine on board by which the pumps could be easily and effectively worked in the event of any further casualty occurring. It has since transpired that the engine was at the time badly in want of repairs, and I understand that there was great danger that, if it were much morosus (as it would necessarily have to be in a leaky ship), it would probably have broken down altogether. Enclosed a Report of the condition that the dry dock engine and boiler were in, made by the engineer of H.M.S.

H. M.S. "Volage," under whose superintendence the repairs referred to, at the inquiry held before the Police Magistrate were executed.

When the master wanted to get the ship away, the engine and boiler must have been in that unsafe state and although the Agent charged with preparing the ship for sea had an experienced engineer in his employment for several weeks after the "Star of India" arrived here, no ship appears to have been taken to repair her. It was only in view of a survey being held by the officers of H. M.S. "Volage," which the master asked for but was not granted, that these repairs were executed. The fact that they would be much more cheaply done by the artificers of the "Volage" than by those in Stanley, I have no doubt also influenced the master in the course he took.

This transaction regarding the engines if it stood alone, illustrates very forcibly the reckless and discreditable conduct of the master. If the engine broke down, there can be no doubt, that the condition of a leaky ship, as the "Star of India" is admitted to be, would be most precarious.

7. I feel that I am perfectly warranted in saying that the action taken by this Government regarding the "Star of India" has not only in all probability prevented a great calamity from happening to the crew of that vessel, but will also

have a most valuable and important influence for  
the future in enabling the Government to enforce  
the observance of the humane provisions of the  
Merchant Shipping Act" of 1876 regarding  
unseaworthy ships. The conduct of Lloyd's Agent  
(from whom owing to his position <sup>the</sup> Government  
might naturally expect assistance in a case of this  
nature) in supporting the captain so warmly as he  
did at the former inquiry in the teeth of the  
recommendations of the Surveyors nominated by  
himself is greatly to be regretted.

The Right Honble I have &c  
Sir Michael E. Hicks-Brace Bart.  
M.P., (Sgd) T. F. Gallagher  
The Colonial Office



No 28.

Government House  
Stanley Falkland Islands.  
27 March 1879.

Sir

With reference to your Despatch No 25 of the 27 July 1878 I have the honour to forward another application from the local manager of the Falkland Islands Company requesting that they may be allowed to purchase a certain quantity of land with Land Orders now in their possession.

2 Before my return to the Colony renewed leases had been granted by Mr Bailey of stations 7 and 8 - the freehold of which the Company had sought to purchase last year with Land Orders, an arrangement which did not receive your sanction.

The old leases expired on the 8<sup>th</sup> of December last.

It was rather unfortunate that the question regarding these renewals was not deferred till my return a few days later, as I might have availed of the opportunity on the expiration of the lease of station 8

to have proclaimed a township at Darwin before granting a new lease.

It would have been better also for other reasons to have waited.

The Company could not have complained of the delay as they had not given the six months notice required in such cases to the Government.

3. Station 8 has been the subject of much controversy and correspondence even so far back as Governor Robinson's time as will be seen in his Despatch No 13 of the 25<sup>th</sup> February 1870.

The application of the Company for a renewal of the lease recently granted was not submitted to the Executive Council there not being a sufficient number of Members to form a quorum.

I enclose a copy of the lease of Station 8 which contains an inaccurate recital to the effect that 1460 acres had been sold to the Company under the Amalgamation Ordinance of 1870.

The fact however is that of this quantity only 460 acres were sold to them under this Ordinance - and the remaining 1000 had been sold by Governor Robinson in 1869 at the special request of Mr Cobb the Company's manager, who asked

that they should be allowed to exercise their right to purchase the freehold of a 1000 acres during the continuance of their lease although they were not strictly entitled to do so - until after its expiration.

The inaccuracy of this recital in the renewed lease paves the way to another error namely the insertion of the words "less 1462 acres &c," and a 1000 acres for which they have made application to acquire as a freehold under the terms of the aforesaid lease - which erroneously implies that the Company have still the right derived from their former lease to purchase an additional 1000 acres of Station 8.

\* This however is not the case as their lease only entitled them to purchase a 1000 acres altogether and they had already availed themselves of this right in 1869.

Notwithstanding this Mr. Cobb sent in an application a copy of which is enclosed claiming a right to purchase an additional 1000 acres of this Station and this is in effect admitted in the new lease as I have already observed.

This claim was reiterated in a recent communication addressed to me

by Mr. Cobb in which he claimed to have the right to select any 1000 acres of the station he pleased - when I informed him that I was aware of what had taken place in 1869 regarding the matter.

The claim to purchase an additional 1000 acres has not been preferred since.

4 My reason for now referring to this circumstance is, that in view of the power of purchasing "any further quantity of land," conferred by the renewed leases, the Company might at some future time, should the Land Order system remain in force claim the right to purchase with Land Orders the whole of stations 7 and 8 (except the 500 acres reserved in the latter) notwithstanding your recent decision to the contrary which was communicated to them before the renewed leases were granted.

This point however would not be of much practical importance, if it be decided to cancel the leases of these stations and to adopt the course recommended by Mr. Bailey in his report forwarded herewith which was prepared after a consultation with me and <sup>which</sup> having regard to all the circumstances is perhaps the best

Solution of the difficulty.

5. It is but just to say on behalf of the Company that the increased value of Station 8 is owing to their enterprise and that if they had been lessees under the proclamations of 1851 instead of that of 1849, they would have been entitled "anytime during their lease to purchase any further quantity of land." Besides instead of only purchasing 460 acres under the Amalgamation Ordinance they might have purchased with Land Orders at the price of 2/- an acre the whole remaining portion of Station 8 before the disallowance of the Ordinance was proclaimed, - if it be held that the terms of their old lease restricting their right of purchase to "not more than a 1000 acres" were altogether overridden by that Ordinance.

6. As bearing upon the general question, a reference to Lord Granville's Despatches noted in the margin will be of interest.

In Mr<sup>2</sup> Walcott's report enclosed in the former of these Despatches he says - "There seems no valid reason or principle why a difference should be made between the Land holders under the two

No 24.

8<sup>th</sup> October 69.

No 50

May 1870

proclamations as regards their purchasing powers."

In the Conclusion of this report he however remarks that "independently of the legal questions there may be local objections to parting with the fee of the land in question" referring to station 8.

Mr. Malcott does not go into the question of purchasing with Land Orders, which of course forms an element in the decision of the present question.

7. Moreover there are strong local objections to parting with the fee of station 8 without making a substantial reserve for the Government and the public.

This would I think be sufficiently provided for by making the reserve of 3000 acres referred to in the report and as regards station 7 which is not of special value I consider a reserve of 1000 acres would be sufficient.

8. Having given the matter my best consideration I think it would be better to allow the Company to purchase with their Land Orders

the freeholds of stations 7 and 8 subject to these reserves - and also the freehold of the whole of section 29, instead of allowing them to purchase 2000 acres on each of the various sections mentioned in the application an arrangement which would be highly prejudicial to the interests of the Government.

How can it be at all regarded as a good one for the interests of the Company and it would seem rather to be put forward to force the Government into coming to some arrangement regarding stations 7 and 8.

It may perhaps prove a useful warning as illustrating the serious embarrassment likely to follow hereafter from allowing the Land Order System to continue in force.

I have &c

(Sgd) S. F. Callahan

The Right-Honble  
Sir W. E. Hicks-Beach Bart. M.P.

& & &  
The Colonial Office

Confidential

Government House  
Stanley Falkland Islands.  
1 April 1879.

Sir

With reference to your Despatches Confidential relating to Mr Taylor the Government Schoolmaster at Stanley.

I have the honor to inform you that he has stated to me that his debts of which he has given me a list amount to £14.4s. exclusive of that due to the Revd C. Hall which amounts to 30/- for which I understand he forwards a P.O. Order this mail.

With regard to the other debts referred to - he has authorized the Colonial Treasurer - to deduct £ 2 - a month from his pay for the purpose of paying them off. This I consider a reasonable arrangement under the circumstances.

With regard to his wife - Mr Taylor has written to me in the following terms - "After very serious consideration I have come to the conclusion, that after the disgrace my wife has brought upon me and my relations, that if I continue to live with her, I should be unable to obtain a living for myself and son, I shall

therefore enter into some mutual arrangement<sup>w</sup> with her and in future we must live apart. I have written to England<sup>xs</sup> for the above purpose, and I will<sup>z</sup> let you know the result." —

I hope Mr<sup>r</sup> Taylor may be able to arrange that his wife is not to join him here - as it is probable that some report regarding her conviction<sup>u</sup> and imprisonment<sup>f</sup> may reach the Colony and I think under the circumstances the presence of Mr<sup>r</sup> Taylor here would be very undesirable and might seriously prejudice her husband in public estimation<sup>v</sup>.

I have &c

(Sgd) S. F. Callaghan

The Right Honourable  
Sir W. E. Hicks-Beach Bart, G.C.B.  
or  
The Colonial Office

Confidential

Government House  
Stanley Falkland Islands  
13 May 1879

Sir.

I have the honor to acknowledge the receipt of your despatch Confidential 5<sup>th</sup> Inst last on the subject of the periodical surveys of the contents of the Colonial Chest.

With reference to the opinion expressed in paragraph 2 of your Despatch that there should be three separate locks to the Colonial Chest I may observe that I have long since entertained the same opinion but was prevented from giving effect to it owing to the fact that the Colonial Treasury in use for many years in this Colony consisted of a sort of cupboard with a very strong iron door in front which had only two locks. At the back it was merely protected by a slight wall of the thickness of a single brick.

On account of our embarrassed circumstances I did not like to go to the expense of fitting out a safe

with three locks of the pattern generally used in the Colonies more especially as hitherto we have had very little money to put in the Treasury.

When the Marines left a strong safe with one lock belonging to the Admiralty was left in charge of this Government which I have utilized by having it converted into the Colonial chest. This has been built into a strong room which stands behind the iron door already referred to.

Before access to the Colonial chest can now be obtained 3 locks will have to be opened and I shall see that your instructions regarding the custody of the keys are attended to and that the returns forwarded shall state that the money has actually been counted and that when circumstances require they shall be in conformity with your circular Despatch of May 7<sup>th</sup> 1878.

I find that the bill to which you refer in paragraph 4 had not been negotiated at the time of the Survey. This bill I am informed was drawn by the F.I.C. in favor of the Post in payment of a £100 due by them on account of Revenue which the Company were unable to pay in cash. It was subsequently endorsed by the Compty in favor of H.M.'s Post Master General in payment of money orders issued in the colonies.

Confidential

Government House  
 Stanley Falkland Islands  
 14 May 1899.

the receipt of

Sir.

I have the honor to acknowledge your despatch Confidential of the 26<sup>th</sup> of March 1899 regarding the case of Mr. Taylor.

I at once made him aware of the tenor of your Despatch and have received letters from him copies of which are enclosed tending his resignation.

There can be no doubt that if left here deprived of his appointment he and his son would be without any means of support and I see no <sup>other</sup> alternative than to accede to his request that they shall be provided at the expense of this Government with passages in the "Sea Witch" which will leave this in a few days direct for London.

Their passages will cost £40- an expense which I feel is unavoidable under the circumstances.

I enclose a copy of a letter from the Revd Mr Brandon who has kindly

at my request consented to take temporary charge of the Government School at Stanley. I entirely concur with him for the reasons given in his letter that he should not be asked to do so for any lengthened period.

From the statement of the emoluments arising from the School pence furnished by Mr Brandon which I believe to be quite accurate it would appear that the Schoolmaster will have £ 50 a year in addition to £ 100 a year allowed by Government with a house and garden.

This ought to secure a good man for the appointment and I trust that a competent and trained Schoolmaster may be found with as little delay as possible to fill the vacancy so unfortunately created by Mr Taylor's departure.

If his wife's address be known it would be well that she was advised of her husband's departure from the Colony in order to prevent her coming out here in quest of him, which would be very undesirable under the circumstances.

I have &c

The Right Honorable  
Sir H. E. Hicks Beach Signed S. F. Callaghan  
& & & Bart. M.P.



Confidential

Government House  
Stanley F. I.

5 July 1879.

Sir

I have the honor to forward a copy of a letter which I have received from Mr. Waldron one of the most extensive and successful sheep farmers in the West Falkland Island "as to the status of the wild cattle" under the Amalgamation Ordinance No 6 of 1870 and regarding "the responsibility attached to the master for the acts of his servant".

2 Mr. Waldron obtained a lease of a large tract of land in the West Falkland Island which expressly purports to be under this Ordinance and was granted before its disallowance was proclaimed in the Colony.

For several years past there has been a dispute on the subject of the wild cattle between himself and Mr. McElmurry who holds a farm adjoining Mr. Waldron's under a similar lease which was also granted before the disallowance of the Amalgamation Ordinance was proclaimed.

A copy of one of these leases is forwarded and of the Amalgamation Ordinance.

Legal

3. Legal proceedings have been recently commenced on the subject of this dispute by Mr. Dr C. Climont who has served Mr. Waldron with a writ in which he claims £ 2000 damages.

Before the case can come on for trial a question of boundary which may perhaps turn out to be the main point at issue will have to be settled and this cannot be determined until sometime in November next when it is hoped the snow will have sufficiently disappeared to enable Mr. Bailey to trace out the boundary formerly marked by him when Surveyor General.

4. It is greatly to be regretted that litigation should arise on the question of the wild cattle between two Government officers and I thought it might have a good effect if I were to see them both together and hear their views on the subject.

They both came to me but it was quite evident that there was no hope of a settlement at that stage of the proceedings.

On the occasion of this interview Mr. Waldron raised the questions contained in his letter.

5. I drew his attention to the decision  
of

of the Judicial Committee of the Privy Council on the matter and to Section 14 of the Land Ordinance No 4 of 1871 which enacts "that every person holding land whether by fee simple or by way of lease or licence shall be entitled to kill and appropriate to his own use any wild cattle that may be on his land".

A copy of this Ordinance is enclosed.

W<sup>r</sup> Maldron seemed to think that the effect of the decision of the Privy Council as between the Crown and the owners or lessors of land was generally understood but that serious doubts existed especially in the West Falklands as to the law regarding the rights of owners or lessors over themselves in respect of the wild cattle.

This I believe to be the case - but what precise form these doubts take I am unable to say - not deeming it prudent to make many inquiries on the subject.

6. I am inclined to think that the doubts have arisen in a great measure owing to the different language used on the subject in the Amalgamation Ordinance which has already given so much trouble and in the Land Ordinance of 1871, before referred to.

Section

Section 4 of the Governor enacts "that the Wild Cattle on the West Falkland Island shall be considered "fore nature" as is now ruled in favor of lessees in the East Falkland."

In the Earl of Kimberley's Despatch No 16 of the 7 January 1871 conveying to the Governor Her Majesty's Disallowance of the Amalgamation Ordinance - the following passage regarding the decision of the Privy Council occurs.

"That decision is not likely to be generally known and will certainly be imperfectly understood in the Falklands. It will probably be supposed as was the impression in the Colony when it was first delivered to authorize settlers to kill the wild cattle whenever they find them on waste land." -

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A printed copy of this decision is enclosed in Mr. Cardwell's Despatch No 17 of the 8<sup>th</sup> August 1864 together with a report of the Emigration Commission thereon.

I may mention that there is no longer any "waste land" remaining it having been all let - so that no further dispute on the question of settlers killing wild cattle on the waste land of the Crown can arise.

7. The doubts referred to by Mr. Waldron he has sought to have cleared up in Questions 1 and 2. of his letter which unfortunately are not very clearly worded.

As bearing on the dispute between myself and Mr. Dr. Clément he wishes to know the legal effect of the decision of the Privy Council declaring the Wild Cattle to be ~~foræ nature~~ and of the Section of the Amalgamation Ordinance to the same effect.

With regard to this dispute I understand Mr. Dr. Clément alleges that for some time past Mr. Waldron's servants have been in the habit of pursuing the Wild Cattle started on their master's land - into his and then killing and appropriating them for the use of Mr. Waldron.

I did not like to go too much into particulars at the interview. but as far as I could collect from Mr. Waldron he seemed to incline to the opinion that the Wild Cattle having been declared ~~foræ nature~~ he or his servants have a right to act in the manner alleged by Mr. Dr. Clément provided always that the cattle have been first started on his own land - and he appeared to think the only offence committed in thus acting would be that of trespass

which

which is regarded as a very serious one  
in the Falklands.

In fact I do not believe that any  
legal proceedings have ever been taken  
on account of it although it must  
be of constant occurrence.

I may observe that there is no tillage  
and the farms consist of pasture  
land - which is all unfenced and  
it would be no man's interest to be  
too particular on the matter of trespass  
as it would be sure to lead to an  
endless war of reprisals.

Although I have formed my own  
opinion on the point raised in this  
question I think it would be of  
great value to have on record in the  
Colony a more authoritative statement  
from home of the law bearing upon it  
as I find that a great deal of misconception  
exists on the subject and owing to the  
peculiar local circumstances to which  
I have referred it is one of special  
importance.

8. I do not fully understand the  
drift of Mr. Maclaurin's first question  
but I think he considers the wild  
cattle captured by his servants  
under the circumstances described in

question 2 (in which I take it he supposed them to act with his consent or at least not against his orders) to become his own by right of capture and that the owner of the land on which they are thus captured has no property in them.

This view is manifestly at variance with Section 14 of the Land Ordinance of 1871 to which I drew Mr. Waldron's attention but it will be seen that in his questions he altogether prescinds from this Ordinance. In fact he seems to think I ~~had~~ <sup>should have</sup> erroneously that Lessors under the Amalgamation Ordinance especially those who got their leases before it was formally disallowed in the Colony stand on a different footing regarding the wild cattle from those holding under the Land Ordinance of 1871.

On this point I also drew his attention to Ordinance No 1 of 1879 passed in April last - a copy of which is enclosed - which in Section 2 enacts (subject to a proviso not affecting the present question) that leases under the Amalgamation Ordinance shall "have the same force and effect in all respects as if such leases

Ordinance No 1  
of 1879.

had

*Land Ordinance  
1872*

had been granted under and in accordance with the Land Ordinance of 1871 & the Land Ordinance of 1872." A copy of the latter Ordinance is also enclosed.

I cannot say for certain but I rather think that Dr. Waldron's contention on this point is that his lease was valid without this Ordinance and it cannot have any retrospective action in affecting any claims or rights arising out of the transactions in dispute between him and Dr. Th<sup>c</sup> Clement all of which took place before it was passed.

It must be borne in mind that Section 3 of the Land Ordinance of 1872 places all leases under the Amalgamation Ordinance in a less favorable position than that which they held under it - with regard to the purchase of any further quantity of the land etc.

In view of this the point just mentioned must be regarded as of peculiar significance.

9. I am myself on legal grounds as well as those of public policy strongly in favor of enforcing on all classes of leases the rule laid down regarding the Wild Cattle in Section 14 of the Land Ordinance of 1871.

However both the parties in this case are men of good means and personal feeling enters very strongly into it. Besides they have no legal adviser to guide them. I am told it is not unlikely that an Appeal to the Privy Council may be lodged against the decision of the Local Court. Under these circumstances as the matter is not pressing - I have thought it desirable to obtain your opinion on the points raised by Mr. Waldron and those to which I have referred.

It may perhaps be as well for me to state that I am averse to the objection against making a matter that may come before me judicially the subject of correspondence while it is pending but the present question is one of such importance to the interests of the Colony, that I trust I shall be held justified in taking this course, having regard to my Executive capacity.

10. Both the parties have been made aware of my intention to refer the matter home and I have some hope that if an authoritative declaration of the law upon the subject be received from the Colonial Office - before the case

comes on for trial - it would have great weight with them - being both Government leases - and that when the boundary question is settled an amicable adjustment of the other dispute may be arrived at - a result most desirable under the circumstances.

11. With regard to Mr<sup>2</sup> Waldron's third query - it will be seen that although it is put with reference to the killing of Wild Cattle - it really relates to the general question - as to the liability of Masters for the acts of their Servants.

This query is evidently shaped to meet a case of probably not unfrequent occurrence here - owing to the peculiar circumstances of the farms in the Falklands which are generally of vast extent and unfenced as already stated.

Many of the Sanchos ~~and~~ other Servants live at considerable distances from their Master's house and are practically beyond his control.

12. After all the former controversies regarding the Wild Cattle of the Falklands it is disagreeable that the subject should crop up again and I have done all I could to prevent it.

In the event of your thinking it desirable to submit the matter for the consideration of the law officers of the Crown I fear I have scarcely put it in the formal ~~way~~ shape in which such a reference should be made.

This ~~it~~ was extremely difficult for me to do - as I have been obliged from the nature of the case rather to guess at the doubts - which are said to exist on the subject and cannot therefore present them in a precise form.

I trust however that this ~~Draft~~  
will afford sufficient materials for preparing a case if it be considered desirable to take the opinion of the law officers on the subject.

The Right Hon<sup>ble</sup>  
Sir H. E. Hicks Beach Bart.  
Dr or M.P. (Sgd)  
The Colonial Office.

I have &c  
T. F. Callaghan

*Duplicate*

Entered in Confidential 15 June 1892

RETURN of ~~ALL~~ CASES TRIED BEFORE the POLICE MAGISTRATE for the MONTH of

1892

Date.	Name.	Charge.	Prosecutor.	Punishment awarded.		Magistrate's name.	Remarks.
				Fine	Imprisonment		
1891 17 Sep	J. Jones	Unlawfully concealing wrecked goods	Collector of Customs	£ 5/- costs		R.M. Roulledge	
" "	W. Page	do	do	Not guilty		R.M. Roulledge	
30 " "	B. F. Foster	Unlawfully wounding	Supreme Court	6 months without hard labour		R.M. Roulledge	
26 Oct	H. Holders	Unlawfully concealing wrecked goods	Chief Constable	20/- 5/- costs	or 7 day	R.M. Roulledge	

Stanley,

Applicable

100

RETURN of ~~ALL~~ CASES TRIED BEFORE the POLICE MAGISTRATE for the MONTH of

Date.	Name.	Charge.	Prosecutor.	Punishment awarded.		Magistrate's name.	Remarks.
				Fine	Imprisonment		
1892 1 Jan	A. Halliday	Harbouring Prisoners	Acting Chief Constable	20/- + 5/- costs	and placed on probation for 12 months	R.M. Routledge	
March	J. Campbell	Castration of two uncastrated dogs re handing of dogs	do	Not guilty		Stan Al Baillie J.P. Stan C.A. Maser J.P.	
25 May	J.S. Macfarlane David Ferrie	Castration of 8c: 24 (Ord 11. 1853)	Harbour Master	15/- } assessed 15/- } amount of damage		R.M. Routledge	<p>Cy. "Should not the word 'damage' not fail to be used 'without cost' should also be stated (qd) R.T.G. 31. 5. 92</p> <p>The punishment awarded was that the boys should pay to the master the amount of the cost of repairs to the boat which amount has now been treated as damage. Then no mention is made of it being understood that</p>

Stanley,

here are none attaching to the  
convicted (signed) R.M.R.  
Police Magistrate, 1. 6. 92

Confidential

Government House.  
Stanley Falkland Islands  
14. August 1879.

Sir

I have the honor to acknowledge the receipt of your Despatch No 21 of the 28<sup>th</sup> June last with its accompanying enclosures relating to the notice given by the Falkland Islands Company that they will cease running their Schooner between Monte Video and Stanley after the present year.

2. It is to be regretted that the letter from the Secretary does not state why the Directors are not satisfied with the present Contract which they entered into so recently. I am not aware that anything has occurred to render the terms of the Contract less advantageous to the Company than when they entered into it.

3. If I might hazard a conjecture it seems to me to be probable that the Company have heard of the offer of a £1000 a year Subsidy made by

the

the Government to the Pacific Steam Company and of its refusal by them and supposing steam to be out of the question they think it a good opportunity to put pressure on the Government to get a £1,000 a year for running their Schooner.

*No 61. 56  
9<sup>th</sup> Aug 79.*

There is at present no other local competitor likely to undertake the service and in view of the facts stated in paragraph 10. of my Despatch noted in the margin regarding the two parties who sent in tenders for the Contract last year the Company doubtless think that they have the Government in their power.

This I greatly fear is the case unless the occasion be availed of to try and secure to the Colony the advantage of steam communication.

4. I have not yet received any communication from Her Majesty's Chargi d'Affairs at Buenos Ayres respecting the Mfrs Petersen's project but I am not at all sanguine as I believe I stated before in a letter written to the Colonial Office when I was at home last year - that even if it be carried out - it would be very advantageous to the Colony. Trading

to

to Chupat and other places on the coast would probably be the primary object of running this steamer.

In such outlandish places there would probably be a good deal of delay in getting a cargo and if she had to wait for any time I do not think there would be much chance of her making from nine to twelve voyages in the year to Stanley as would seem to be contemplated in the letter from the Chargé d'affaires.

Moreover if there be only one steamer to perform this service as I suppose would be the case if she broke down an event by no means unlikely in these stormy latitudes, more especially as I fear it is not likely that a first-class steamer would be selected for this remote coasting trade. She may be laid up for a considerable time and we should be in a worse position regarding communication with the outer world than we are now, as the Company here have a second schooner.

I do not at all know what subsidy Mpsr Petrean would require for running their steamer to Stanley as proposed but I should suppose it

would

would be not less than £1000 a year.

5. Without in any way wishing to discourage this experiment which may after all prove more successful than I anticipate and would be at any rate well worth trying I should <sup>prefer</sup> to have steam communication introduced in these islands by one of the large Steam Packet Companies which run to the West Coast of South America through the Straits of Magellan and which have several steamers in their fleet.

6. I have lately received a letter from Sir George Kars (who was until recently engaged in surveying in the Straits of Magellan) from which I am sure he will not object to my quoting an extract which bears upon the present question.

It is as follows "It is quite true that the Falkland Islands should be in communication with Sandy Point you want wood and they want cattle and sheep - the Pacific mails would take your produce. If English steamers won't call the Germans would and when the trade is developed

Your

your own people could join in". - I do not know the name of the German Steam Company on that line, but Sir George Hares who is now at home at the Board of Trade could doubtless give most valuable information on the subject and perhaps you may think it desirable to have a communication regarding it addressed to him from the Colonial Office.

7. I write by this mail to Her Majesty's Vice Consul at Montevideo to ask him to sound the local agent of the German Company referred to by Sir G. Hares as to their views upon the subject with a request that he would be good enough to inform the Foreign Office of the result of his inquiries which will doubtless be communicated to you soon after this Despatch reaches home.

It is important to Lantyne as the next mail leaving Stanley after this will not be until the 9<sup>th</sup> October

8. As stated in my Despatch forwarding the Estimates I should think that a subsidy of £2000 would

be

be sufficient for the purpose.

For this I should hope we should have a monthly mail from home and back I should much prefer to have the service in the hands of an English Company like the Pacific and perhaps they may be induced to accept the offer when they are informed of the considerable amount of freight they would have from those Islands which is referred to in Mr Cobb's letter enclosed in my Despatch No 6 of the 7 of January last.

If however they refuse I should hope that the German Company mentioned by Sir J. Evans would accept such an offer.

9. With regard to the sum from which this sum of £2000 is to be provided I should hope that the Lords Commissioners of the Treasury would not object to contribute £1200 from the Imperial Exchequer in 1880 and the Colony would contribute the remaining £800 provided for in the Colonial Estimates for the Mail Service of that year.

It should be borne in mind that although in my Despatch forwarding the Estimates - I ask that a Parliamentary

Grant

Grant of £1200 should be voted for 1880 it is only as a precautionary measure but any deficiency should arise in the Customs duties and it is highly probable that only a very small portion of any of this grant will be required and the greater part of it will I anticipate not be drawn for.

After 1880 no Parliamentary grant at all will be required and in 1881 the Colony would be able to contribute a £1000 a year to the Mail Subsidy.

10. It is scarcely possible to convey an adequate idea of the vital importance it is to these Islands to have this question of Steam Communication promptly and satisfactorily settled.

The great majority of the sheep farmers are bound hand and foot to the Falkland Islands Company and the Messrs. Dean who act as bankers for them charging most unusual interest for their advances.

With the present low price of wool the yield from the farms is almost entirely eaten up with Interest and exorbitant charges for Schooner hire.

and

and freight home in the sailing vessels belonging to the two firms referred to.

Both these houses have for many years past kept up a monopoly perhaps the closest and most grinding now remaining in any part of the world and the entire community may be said to be at their mercy.

It is almost impossible for the employes to get their wages in money and they are for the most part obliged to take instead stores supplied by these houses at exorbitant prices.

In point of fact as stated in my Blue Book Report for 1878 the truck system is to a great extent in force in the Colony - but owing to the peculiar circumstances of the place and the power possessed by these leading houses - it would be almost impossible to enforce any law against it.

11. The only possible remedy for the state of things I have described would be by the introduction of <sup>Steam</sup> ~~Wood~~ communication which soon be followed by the opening of new stores. This would shortly put an end to the existing monopoly and to the ruinous freights charged for wool &c — The two houses

referred

referred to have hitherto had all the carrying trade of the colony in their hands which has prevented the few other traders who have attempted to set up in business from time to time from importing goods as they required them and the Falkland Islands Company by having the control of the <sup>Imports</sup> mail has also been enabled to throw serious obstacles in their way. The Trader from Monte Video who two years ago started a store here has been obliged to succumb to the opposition - and he left some months since.

12. I can now speak from some experience of the place and I venture to predict that if the present state of things is allowed to continue the Colony will never progress nor prosper.

The bulk of the people especially those living in Stanley as may be expected under such a system are the most thriftless and extravagant I have ever seen.

They never know exactly how they stand having a sort of perpetual running account with the stores.

It would seem as if habits of thrift

and

and economy were entirely unknown  
In fact the system practically renders  
such habits almost impossible.

I am happy to say that there are some  
exceptions to the rule chiefly amongst  
the Scotch Shepherds in the Camp.

13. I trust I shall be excused for  
pressing this matter so earnestly  
and from the letter to the Treasury  
of the 4<sup>th</sup> of January (enclosed in  
your Despatch No 3. of the 31<sup>st</sup> of that  
month) in which the arguments in  
favor of Securing Steam Communication  
for these Islands are so forcibly  
stated I feel assured that you are  
fully alive to its great importance.

Having no data to guide me I  
cannot of course say if a Subsidy of  
£2000 a year will be sufficient  
but even if the Government are  
required to make a larger contribution  
from the Imperial Exchequer than I  
have suggested, I have no doubt  
that in a short time they would be  
fully repaid by the marked improvement  
in the general condition of the Colony  
which must have great inherent  
vitality to have so long survived  
such a pernicious state of things as

I have very inadequately described.

14. Providing a supply of coal in Stanley and other matters of detail would have to be attended to before the Steam Service could be commenced and this would necessarily require some time.

In case the arrangements should not be completed by the end of this year it would be somewhat <sup>hard</sup> under the circumstances if the Company should refuse to carry on the Mail Service with the Black Hawk on the present terms for a few months until everything is ready.

They are however very grasping and I rather anticipate they will ask to be paid at the rate of £1000 a year. If so I think it would be better to agree to their proposal than to be obliged to have the service performed by some inferior and perhaps unsafe local vessel even for a short time.

15. However I think it would be unwise to give way on this point at once, as it is quite possible if the

Government

Government assume a determined attitude that the Company may yield as they did last year.

I feel certain they would not at all like to give up the service which gives them a good deal of power and I think it very likely that their present action is prompted by the local manager now at home on leave, who is anxious to distinguish himself by renewing the contention of last year, there being as he supposes no rival in the field.

I venture to suggest that the Government should firmly insist on the Company carrying the 10 tons for the public required by the present Contract.

Although it has not proved as effectual a protection to them as could be wished it is nevertheless such as it is the only one they have.

The whole proceedings of the Company regarding this Contract suggest the reflection that if they are so stiff with the Government what must they be in dealing with those out here who are entirely at their mercy.

I may be permitted to observe in conclusion that if the present

favorable

favorable opportunity of securing  
to the Colony the advantages of  
Steam communication be not  
availed of I fear the monopolists  
will become more powerful than  
ever.

I have &c

Lgd (T. F. Callaghan)

The Right Honble

Sir M. E. Hicks-Buch Bart  
M.P.

& & &

The Colonial Office.



Confidential

Government House  
Stanley Falkland Islands  
8. October 1879.

Sir

In continuation of my Dispatch Confidential of the 14 August last relating to the question of Steam Communication between this Colony and Monte Video. I have the honor to inform you that I have received a Dispatch from Mr. Fox from Buenos Ayres enclosing a Memorandum on the Subject which has doubtless already been communicated you from the Foreign Office.

From this it appears that the Scheme of Miss Petrevaldo's has never been realized.

With regard to the project of Imp<sup>r</sup> Picaglio referred to in the Memorandum I am unable to offer any definite opinion whether the contemplated Service could be extended to Stanley advantageously for the interests of this Colony but as far as the

limited

limited means at my command enable me to form an opinion on the subject. I should think it could not.

However it is not certain whether Capt<sup>r</sup> Piazzis contract will be accepted by the Argentine Government or not, and even if it be, it will I suppose take a considerable time before suitable steamers for the ~~some~~ proposed service can be built or procured.

2. With reference to the statement made by Mr. Dean (mentioned in Mr. Ford's Memorandum) that he would run one of his vessels for one trip to Montevideo for the mails. I find upon inquiry from Mr. Dean who has returned here that he alluded to some offer he made last year to the acting Governor and that not much reliance can be placed on his running one of his vessels with the mails even for one trip next year.

He has only one fit to perform the service ~~and~~ and when required by the Government this vessel would most likely be engaged in the

Coasting

trade round the Islands in which she is almost constantly employed.

3.

I enclose a copy of a letter received by Mr. Linnell & Mr. Vice Consul at Monte Video from the Agent there of the German Steam Ships Company "Hosmos" which has probably already been forwarded to you from the Foreign Office.

I think I can safely promise on behalf of this Government that all facilities required by the Agent will be afforded to the Company in case the project is carried into effect.

It will be observed as he states that these steamers "do not touch at any English Port neither coming nor going" but as both Antwerp and Ramsgate are such a short distance from England I should hope that no serious practical difficulty will arise on this account.

4

The real difficulty I fear will be as regards the amount of subsidy required by the "Hosmos" Company.

I

I venture to throw out a suggestion with a view to reducing this amount - that instead of requiring the Company to send a steamer to call at Stanley every month, on the way out, and every month on the way back it would be sufficient if their steamers called here with the mails six times a year on the way out (that is every second month) and six times on the way back.

Perhaps it might be possible to arrange it so, that the outward bound steamers should call here say in January, March, May, July, September, and November, and the return one in February, April, June, August, October and December which would give us a steamer a month.

Arrangements could I presume be made by the Post master general to forward from England extra mails for the Colony to the care of H. Dris' Consul at Sandy Point which could be brought on by the steamer calling here on the return voyage.

Mails could be despatched from

the

the Colony far home by the outward bound steamer addressed also to the care of the Consul at Sandy Point to await the first opportunity for transmission to England.

5. I should hope that the ~~Hawaiian~~ Company would undertake to perform a mail service of this sort which would be a great step in advance of the present arrangements for a comparatively moderate subsidy especially in view of the fact that it has been estimated by a very competent authority that the earnings of the steamers from Imports and Export trade of the Islands together with the passenger traffic would at present amount to about £12,500 a year. This would be almost certain to increase in a short time.

I have written by this mail to Mr. Lemon to request him to be good enough to inform the Agent at Fronta Vido, that the question of subsidy or will have to be determined by the Colonial Office and not as he seems to suppose

by

by this Government

6. If the project be carried out it must not be lost sight of that the quantity of coal usually kept here would not be at all sufficient for the contemplated service and the Company would have to make arrangements for sending the necessary supplies to the Colony.

Also it is probable that either The Falkland Islands Company or Messrs Dean & Sons would be appointed Agents for the Steam Ships Company and the utmost care would have to be taken to prevent them from using their position as Agents, to throw any obstacles in the way of the public importing or exporting their goods.

I fear they are almost certain to make a determined effort to keep up the monopoly which they have enjoyed so long and I think that the Contract should be carefully framed so as to protect the public as far as possible on this important

point.

point.

I have the honor to be  
Sir  
Your most obedient  
humble Servant  
J<sup>d</sup> S. F. Callaghan



Confidential

Government House  
Stanley F. I.  
12 January 1880.

Lor.

I have the honor to acknowledge the receipt of your Despatch No 40 of the 18<sup>th</sup> of November last on the subject of the future mail communication with this Colony and to inform you that I have made an arrangement with Mr. Cobb for the conveyance of the mails cargo and passengers in the "Black Hawk" for one trip to and from Monte Video on the same terms as in last year's contract.

2. I communicated to him that portion of your Despatch referring to the irregular postal service with which this Colony may have to content itself for the future & that I had received instructions to pass an Ordinance to meet this contingency.

I hinted that this Ordinance would probably contain a clause fining ships arriving without mail

if

if any had been tendered by the Council at Monte Video ~~and elsewhere~~ and been refused.

Mr. Cobb seemed evidently a good deal taken aback by this and I have some hope that he may yet accept the Government terms. He said however that he could not make any arrangement except for one trip.

3. Although the sketch of the proposed Ordinance does not contain any clause like that referred to I think it will be necessary to make some such provision to meet the circumstances.

There can be no doubt that the Company intend to run the Black Hawk to Monte Video ready as often as hitherto for cargo but I believe the intention is to have their own letters addressed to Mr. Humphrey's their Agent at Monte Video and sent on here in the Black Hawk - leaving our mails behind.

Although I cannot say this for certain I greatly fear that it is but too probable.

The clause referred to would

meet

met his state of things although, perhaps there would be some difficulty in obtaining the necessary evidence of a tender of mails by the Consul.

I do not like without receiving your sanction to introduce such a clause in the proposed Ordinance.

If you approve of its introduction I shall be much obliged by your sending me out a draft clause carefully prepared providing for the evidence to be received and for any other points that the case may require.

4. It has occurred to me that the Government at Monte Video especially now that England has renewed Diplomatic relations with it may render us valuable assistance.

I write by this mail to Mr. House Her Majesty's Minister there to request his good offices in the matter.

It could perhaps be arranged that the Consul should hand over our mails to the Harbour Master or some other Government

official

official at Monte Video who might be empowered to ~~compel the~~  
under some clause in the port regulations to compel the masters of all vessels clearing for the Falklands to receive them and convey them to their destination at a moderate postage.

I should hope that through your intervention the Foreign Office may be moved to communicate with Mr. B. Monson regarding the matter as this I am sure would have great weight in inducing the Government at Monte Video to arrange it in the manner proposed.

Even if this be satisfactorily settled so far, the public here would have no means of getting down cargo as hitherto - which would utterly ruin a few petty traders who have dared to start a business here.

I sincerely trust that the Government will much give way on the 10 ton cargo clause to the Falkland Islands Company which I cannot help thinking ~~loss~~ would be forced into compliance with the Government terms after a

little

little experience of the new regime.,

5.

However even if they do I should not regard it as a matter for much rejoicing as in my opinion the only possible deliverance for this Colony from the oppressive Monopoly under which it has suffered so long would be by securing for it Steam Communication - A subject which I am glad to learn is especially engaging your attention.

Even if the steamers called here only four times on the way out and four on the way home instead of six times both ways as proposed in my <sup>former</sup> Despatch this would be infinitely preferable in my opinion to the mail Service performed by the Falkland Islands Company.

The question is really not one of the mere conveyance of mails but of bringing this remote & struggling Colony within the pale of Steam Communication with the outer world and securing for these Islands a prosperous future which would be utterly impossible under the existing state of things.

With

6.

With regard to the Schooner which you State might be purchased by this Government for a comparatively small sum and leased to some one here at a merely nominal rent - I greatly fear that this arrangement would not owing to the peculiar circumstances of the Colony be likely to answer satisfactorily.

I do not think there is any chance of finding any competent person in the Falklands who would undertake to work the Schooner at his own cost and keep her in repair.

Both these obligations would I am afraid devolve on this Government and the experience of former years when the Mail service was performed by the Government Schooner "Farnham" at a very considerable loss - is by no means encouraging on this point.

The two leading firms interested in the present monopoly have all the Ships Carpenters in Stanley engaged to them by a sort of general retainer and might easily

combine

combine to prevent the mail Schooner whether in the hands of Government or of a lessee from being repaired at any reasonable terms - or even at all.

The expenses at Monte Video for repairing ships are also exceedingly high.

I need scarcely say that if I thought it at all practicable I should gladly adopt the proposed arrangement regarding the Schooner in order to relieve the Colony from its present difficulty regarding mail communication.

7. Pending some settlement I hope I shall be able occasionally to charter one of the local Schooners to carry mails and cargo &c from this to Monte Video & back - they are unfortunately by no means adapted for the service especially as regards passenger accommodation.

8. I think that a great deal of good would be effected if the F.O. were to apprise the new Minister at Monte Video

of

of the position of this Government regarding this question.

The policy of the monopolists has been always been to throw every obstacle in the way of intercourse or trade between this Colony and Monte Video.

However I have no doubt that both would considerably benefit by such commercial intercourse and that after a little time it would well repay a steamer to run between the two places aided by a comparatively small subsidy from this Government.

If the attention of Mr. Morson is directed to the subject I have every hope that he would be able to render most valuable assistance in bringing about this most desirable result.

I have the honor of

(Signed) S. F. Callaghan.

The Right-Honorable  
Sir H. E. Hicks Beach Bart  
G. P.

or n or  
The Colonial Office





Confidential

Government House  
Stanley F. I.  
17 March 1880

Sir:

In continuation of my Despatch Confidential of the 12<sup>th</sup> of January last on the subject of mail communication with this Colony I have the honour to inform you that there is no prospect at present of the Falkland Islands Company accepting the Government terms regarding the Contract.

I have just received sudden and unexpected notice that the Black Hawk is about to leave for Monte Video and I propose to send a mail by her - which the Master will have to take, in accordance with Ordinance No 1, of 1880.

I hope also he will have to bring us a mail from Monte Video as I gather from a Despatch received last mail from Mr. Thos. son Her Majesty's Minister there that he has the legitimate right to refuse

The Right Honourable

Sir W. E. Hicks Beach Bart

^ ^ ^ Mr. P.

The Colonial Office

to

to allow any vessel bound to the Falklands to clear from the Consulate without an undertaking to convey the mails at a reasonable rate."

Mr. Thompson also kindly forwarded to me a copy of the proposal made by the Holms Steam Company to the Colonial Office on the 24<sup>th</sup> November last.

The offer to perform the service for £150 for each steamer calling out and £150 for each steamer calling on the return seems to me to be a very reasonable one.

If it be thought too much to pay £1800 a year for 8 trips each way, I hope at any rate that there will be no objection to carrying out the arrangement proposed in paragraph 5 of my Despatch Confidential of the 12<sup>th</sup> January last that the Steamers should call here "four times on the way out and four times on the way home".

This would only require a subsidy of £1200 of which the Colony could contribute £800.

I enclose a copy of a letter on the

Subject

subject which I have received from  
Bishop Stirling who from his  
position and long experience  
of these Islands is entitled to great  
weight and I trust that the  
Government will not allow  
the present favourable opportunity  
of promoting the welfare of the  
Colony to be lost for the sake  
of a few hundred pounds.

The uncertainty that prevails  
at present regarding mail and  
passenger communication is most  
painful and embarrassing; the  
public have no means of getting  
down cargo - and it is quite time  
that something should be done to  
put an end to this state of things.  
It is of course out of the  
question to give way to the Company  
on the 10 tons clause.

No vessel left this for Mauritius  
since the 12<sup>th</sup> of January last and  
I had therefore no opportunity  
of forwarding a mail.

Unless some step be taken  
by the Government such opportunities  
will I fear for the future be  
rare.

I trust you will excuse this despatch  
which

which has been written in great  
haste owing to the short notice  
of the departure of the Mail.

I have the honour to be  
Yrs &c  
S. F. Callaghan.

P. S.

With regard to the other terms  
proposed by the Holmoss Company  
it would seem to me that the  
Steamers should be bound to  
remain here at least six hours  
of daylight and that there should  
be some restriction on the charges  
for cargo and passengers, to  
prevent them from being exorbitant.

It would be easy to regulate  
the charges by a reference to those  
made by the Royal Mail and Pacific  
Companies for conveying passengers  
and cargo the same distance.

There would be no difficulty in  
exempting the Holmoss steamers  
from all Pilotage lights and harbour  
dues in Port Stanley

Sgd S. F. C.

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Confidential

Government House  
Stanley F. Islands.  
30 April 1880

*Governor's action approved by Lord Kimberley  
in des of 3 Aug 1880*

Sir I avail of the opportunity offered by the departure of the Mission Schooner Allan Gardner to send a mail home via Sandy Point.

Our last mails from England arrived here in the Rosmead Company's steamer 'Ramius' on the 21<sup>st</sup>. instant.

2. From advices received from Her Majesty's Vice Consul at Monte Video I learn that Mr. Humphreys the Agent of the Falkland Islands Company there informed him - that his instructions were rather to lay up the 'Black Hawk' at Monte Video, than to bring down our mails then waiting at the Consulate to be forwarded to this Colony.

Under these circumstances the Vice Consul acting on advice received by telegram from Mr. Weston who was at Buenos Ayres

at the time made an arrangement with the Captain of the "Pamies" to bring down the Mails for £150.

3 As I fear it will be some time before any of the local vessels leave this for Monte Video, I have thought it best under the circumstances to arrange with the Captain of the "Pamies" to call here on her return voyage about the 15<sup>th</sup> of June next. For this service I propose to pay him £150 and I think there is every prospect of the Steamer getting several passengers besides.

I may observe that after paying £300 to the Captain of the "Pamies" for the two trips referred to the amount provided for the Mail Service in the Colonial Estimates for the six months ending on the 30<sup>th</sup> June will only have been exceeded by £25.

4 It is rumoured that the Black Hawk which arrived on the 25<sup>th</sup> instant from Monte Video

when

where she had been despatched to bring down cargo for the Company is for the future to be kept almost entirely employed in the trade round the Islands and will not for a long time be sent up to Monte Video.

5. Although the Master was instructed to refuse to convey Her Majesty's Mails to this Colony on the occasion referred to, the Company took care to have their own letters addressed to the care of their Agent at Monte Video to be forwarded by him in the "Black Hawk" to their local Manager here.

I venture to say that if the Master of any foreign vessel about to proceed to the Falklands had been asked by the Vice-Consul to perform this service he would <sup>have</sup> gladly undertaken it.

The refusal of the Company to do so is all the more cruel considering how much this remote colony is cut off from the rest of the world.

The "Black Hawk" was sent

up

up to Route Vicksburg on the Company's business - and as she was there, <sup>had</sup> bringing down the mails would have involved no trouble or expense whatever.

Had the Master been asked to bring down cargo for the public which was the original point of controversy - one might understand this refusal.

## 6

I am at a loss to know on what grounds the S. I. Company or their Agents have acted in what I cannot help calling this discreditable manner!

The Company of their own accord terminated the Mail Contract with the Government - which they had entered into after considerable deliberation - six months before.

If anybody has a right to complain surely it is the Government and the Public who have suffered most the greatest inconvenience from the interruption of regular communication between this and home.

It cannot be said that the Company

have

have any cause whatever for complaint against the Government in the matter - and yet they have acted in a way which would be scarcely defensible if they had been badly treated by the Government.

To Unfortunately we are too familiar here with such tactics on the part of the Monopolists - when they want to crush a small trader who dares to start in business - but surely to adopt such ~~measures~~ a course towards Her Majesty's Government is going somewhat too far.

They ought to have known that such conduct - instead of forcing the Government into compliance would have rendered any settlement or compromise of the question at issue utterly impossible.

The conduct of the Company is the more extraordinary as in their various transactions with the local Government they are invariably treated with the utmost fairness and liberality.

Now that they have assumed such a hostile attitude towards

the

the Government it may be a question for consideration whether it would be desirable to renew their leases as they fall in.

A Company with such a large stake in the Colony ought to see that their true interest lies in supporting instead of weakening the authority of the Local Government especially where the Executive has little else besides the loyalty and good will of the community to rely upon.

It is quite possible that the Company's Agents may have exceeded their instructions and perhaps you ~~may~~ will think it desirable to demand some explanation from the Directors on the subject.

8. I trust sincerely that what has occurred will show all the more clearly the necessity for steam communication which everybody feels to be the only chance of deliverance from what may be truly called the tyranny of the monopolists.

I fear that the Pacific Company's

Steamers

Steamers are too large and expensive to undertake the Service with any prospect of success.

Moderately sized vessels like those of the "Holman's Company" are worked at comparatively little cost and I believe they would be certain with a moderate Subsidy from the Government to make the enterprise pay.

The Passenger traffic alone has been estimated on good authority to amount from about £ 2500 to £ 3000 a year.

No local opposition could prevent the greater portion of this falling to the Steamers once the Service was regularly established.

Moreover I feel assured that after a little time they would get a large share of the freight of produce exported from the Islands which has been estimated at £ 10,000 a year.

From a conversation which I had with the Captain of the "Hawke" I gather that the charges of the Holman's Company for passenger and freight would be decidedly

Moderate

Moderate.

There would also I find be no difficulty in arranging that the steamers should remain here at least six hours of daylight a point to which I referred in a former Despatch.

Having regard to all the circumstances I ~~do not~~ consider that the offer of the "Kodosos" Company to perform the service for £150 a trip is very reasonable and I trust that such a favourable opportunity of promoting the prosperity of the Colony will not be lost.

The assistance required from the Treasury would be comparatively small in fact considerably less than the annual savings lately effected here.

It is not too much to say that the existing state of things in this Colony - is scarcely creditable to the British Flag and I am convinced that the only hope of improvement is by establishing steam communication with the outer world.

The Right Honble

Lieut. Gen. Hicks Beach Bart.

Chairman M.P.

I have the

Hon. Col. S. F. Callaghan

