

to 100, per Potosi 1/1/19.

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28th January, 18.

"POTOSI"

539.

I confirm my despatches (2) numbered 538, dated 7th and 24th November per s.s. 'Orita'. As I informed you by cable no despatch cover arrived by that vessel and from your reply I note that it had been mislaid by the G.P.O. London. The non-arrival of this cover is most annoying, but under present conditions we must look for occasional inconveniences of this kind.

2. Cables exchanged between us are confirmed as per copies enclosed.

3. It was with much satisfaction that I received the instructions contained in your cable of the 6th ultimo, authorizing me to contract with sheep-farmers for their surplus sheep for canning this season on the following terms :-

40 lbs and upwards	3d per lb.
35 to 39 lbs, both inclusive	2d
Under 35 lbs	3/6 each

all cold dressed weight.

Immediately after the receipt of your message I addressed a circular letter to all farmers, embodying the above, and the improved terms have given general satisfaction. It was then possible to arrange something definite with the various stations for assistance in the way of men for Goose Green, and I was pleased to be able to inform you by cable that I had every prospect of obtaining sufficient men locally. Mr. Evans

The Secretary,

LONDON.

was the first to come forward with the definite offer of six picked men; I then sent Mr. Weiss practically all round the Islands to see the men themselves in company with the managers, so that he could allocate the work, arrange wages and explain matters generally. Between the stations and Stanley we have fixed with fifty men, thus bringing our numbers up the necessary hundred. There are still some, including the Governor, who think we may be let down, but personally I feel confident that the work will be carried through as well as in any former year. Messrs Langdon & Greenshields have discouraged their men going to Goose Green and if they cannot give better reasons than any so far advanced I will refuse to take their sheep. In view of the record large numbers available for killing we have thought it wise to commence operations at the earliest possible date and will endeavour to make a start by the 22nd proximo. I hope to be able to pick up the West men at Port Howard on the 19th proximo, but am prepared to send the "Walk-land" to the various ports for them if necessary.

4. I was beginning to feel uneasy at the lack of news about the shipment of our tinplates, in spite of various enquiries on the subject. My third cable to the Brecht Company, B.A., stirred them up a bit, and they took the matter up with New York. I was somewhat surprised to learn from them that their Head Office had received payment for the tinplates early in December, and that you were in possession of all the particulars. Your cable saying that the Home Government is assisting to obtain permission from the American Government to get them forwarded and that you were hopeful to catch an opportunity from Monte Video on the 27th February or the following one on the 20th March was most welcome. This is however all ^{too} uncertain, even the sailings, and I cabled at once to the effect that we must act quickly

otherwise the opportunity would be lost. Since the receipt of your cable of the 24th instant I have booked 130 boxes I XX from the Brecht Company and 120 boxes I I from Messrs Maclean & Stapledon, both 20 X 28". I have ordered these forward to Punta Arenas by a steamer leaving 7th proximo and as it requires two weeks to make the trip I will send the "Falkland" across there for them towards the end of the month. I have heard nothing further from Mr. Hobbs, and as the Brecht Company state that the 130 boxes are all that is available in P.A. and about to be booked I was afraid to let the chance go by. If we only obtain 50 cases X X from Mr. Hobbs we will have sufficient tinplate for 100,000 cans, which will carry us on until about the middle of April, when the original order will in all probability be here. As the sheep are in excellent condition this year and I expect close on 60,000, we have to estimate our requirements at 170,000 cans, which of course requires much more tinplate than we ever expected.

Any surplus left over this season will most likely be required in addition to the 940 boxes expected from home in June for the following season.

5. It will be a problem handling the West sheep this season, owing to the numbers expected from there. I will be surprised if the total does not touch 26,000. The "Falkland" should ship across between 2,000 to 2500 a day, so that we would be in a hopeless muddle were we to carry on at this rate to a finish. It will be necessary to have a spell off for a week or thereabout, when she can come to Stanley and rebunker and make a Mail trip should a mail boat come forward then. We intend to commence about the 20th March at the latest. As the "Falkland" leaves this week for Hill Cove, Roy Cove and Chartres I have asked Mr. Townson to visit these ports and discuss the questions on the spot and make final arrangements about dates.

6. Mr. Langdon's stock of boxboards fell short of his estimate by about half, owing to so many parts being missing. We are thus short of our requirements by 3000 boxes. Should you get away our indent for 1919 for arrival in June, this will suit. If not I may be able to obtain the necessary quantity in Punta Arenas. I shall put the position before you in first cable.

7. The Brecht Company who, as I have already reported, have purchased our 1918 output of casings, will send four men on their own account for this work. They will of course arrive after the commencement of killing, but we will endeavour to save all by putting local men on to partially clean them and they can be properly treated when the Brecht Company's men arrive.

8. I have discussed with the Governor on various occasions the question of the "Falkland" either going to Punta Arenas or Monte Video and he has encouraged the arrangement in every way. Not having a certified mate Captain Thomas will go with her. I am also sending Mr. Creece across to purchase any necessary stores which may be obtainable there. Supplies of some articles will be ordered down from Gibbs & Co, Valparaiso, and we may bring across horses to help to cover the expenses. The price of timber is now double last shipment and if we bring any it will be a very small lot. I am anxious to make the trip as short as possible, and to send her to Dawson Island would mean a few days extra delay. I am taking it for granted that the Board are anxious to see canning carried through this year, and certainly no stone is being left unturned by me to make the season a successful one. Canning effects all stations, directly and indirectly, and even the "Falkland" will be a substantial gainer financially by obtaining freight on so many West sheep.

9. I was glad to have your authority not to renew Dr. Wace's agreement. When I wrote him to that

effect he was already in Stanley, but came in unannounced, either to me ^{direct} or through Mr. Townson.

Before my letter was in his hands he, however, called and informed me that he came in to consult Dr. Craddock as he was convinced that he had developed cancer in the abdomen. This unfortunately appears to be correct as Dr. Craddock has stated in a certificate handed me that he is suffering from an abdominal growth, requiring operation on the earliest possible date. He visits me occasionally and tells me that he has no possible hope of getting over such an operation, and last time remarked that it is constructive murder on my part not to send the Falkland on a special trip with him to Monte Video. He claims a years notice before his agreement terminates, says he has no money, and that his wife is obliged to remain in the Colony as she cannot obtain a passport to England. The Company are responsible, he claims, for his illness, Mr. Townson, he publishes broadcast, refusing him fodder for his own horse, thus obliging him to let it out in the horse paddock, and having to walk for miles before he can catch it. Owing to this, in a case of emergency, he rode a horse some six months ago, brought by a shepherd, which he states threw ^{him} and brought on his present illness. In the event of his death he informs me he looks to the Company to make provision for his widow, mentioning £3,000 as half of his money value; should he recover he is content to do nothing in the matter. His widow is to take the matter reluctantly to Court should it be necessary! I wonder what medical man would or could prove that such an illness is traceable to any particular mishap. He came from ^{of the world} a party which is trying in climatic conditions, and with malaria in his system and his cancer, if it is cancer, may have been dormant for years. I have never been confronted with such a case before, naturally I have made no proposals or offers other than that I would put his circumstances

before the Board for consideration and do what I could for him. His recent behaviour has damped the sympathy of most of us, but his case is really serious, his wife and family are apparently unprovided for, and I venture to hope that the Directors will, should he die, do something, however little, to ameliorate their lot. Since Dr. Wace left the Camp, Dr. Henry has been brought across on two occasions to attend serious cases, and I have just received an account from the Medical Association there for the sum of £25. This will be debited to Farm.

10. Through restricting coal sales for some time past we have still sufficient on hand to last us until the "Potosi" arrives, should she arrive here by the 15th ^{prox} instant. It was a great disappointment to hear that only 700 tons are coming by that opportunity and I sincerely hope that a further shipment will be effected by next vessel, which I believe is to be a cargo boat. Goose Green will require more than half in view of the large killing, so that we will require to use our stocks sparingly, especially as the trip to Punta Arenas by the "Falkland" will take up a considerable quantity. I believe San Carlos, North, still has fully 100 tons, which we may be able to purchase. Lieutenant Commander Crawford promises to do all in his power to lend us some, if necessary, and it is fortunate that I offered to do the same for the Admiralty some time ago.

11. I thought it well to include in my cable of the 23rd instant the figures of wool and sheepskins ready for shipment at that date - 3087 Wool and 469 Bales Skins - and to open the question of shipments. By the end of the month we will have close on 3,600 bales wool in. I am rushing the "Falkland" all possible, but we have been rather unfortunate in finding some stations late in starting pressing and thus had a bad start, also the weather so far this year has been very unsettled. The Governor says he will wait until we have a full load before he makes a move, but agreed with me that I should open the question. I am not keen on putting too

which is the "Great Britain" and after filling the Fleet wing I will load the "Lady Elizabeth". Should nothing be lifted till after these hulks are filled I have only the schooners available, which in all can only carry slightly over 7000 bales. I must bring in meats in March to relieve congestion at Goose Green, so you will understand the importance of an early shipment.

2. The ship "Claverdon" arrived here on the 8th December and left again on the 15th instant. She had suffered minor damage and we were only called upon to make three new sails. After considerable humbugging between the old Captain and the Harbour Master, the latter apparently taking on himself to be his agent, I was asked to take charge of the vessel. They had only one mate on board, and Captain Boyd, who brought her in, stated that he (the Mate) was absolutely incapable of taking her on. As Captain Thomas was the only man here who could take her under the circumstances, I asked you whether there would be any objections to his so doing. However, after investigations, I found that Boyd's statements were pure prejudice, and on putting the matter before the owners they appointed the Mate. Although the ship carried 4,000 tons of wheat for transhipment home from New York, and was under contract with the British Government, it was only after considerable delay that the local Government would sanction my recommendation to have the second Mate examined for provisional Certificate to New York.

13. In a letter from the Colonial Secretary dated 23rd instant, he informs me that the Governor is not prepared to sanction any expenditure on renewals or reconstruction of the Stanley-Darwin Telephone line as a joint undertaking on the part of the Government and the Company but desires to dispose of the Government's share in the manner prescribed in Section 15 of the Agreement between us. Now that the wire is as weak as thread in many places and will be required to be renewed in the near future, they

naturally want to dispose of their share. I cannot see why they ever wanted a share in the undertaking; it is everything to us and nothing to them. It will be more satisfactory to us to have the line entirely our own, but in purchasing the Government share of the line we may lose the privileges of having the free use of the Exchange for all Trunk calls. I will be interested to have the decision of the Board in due course.

14. In reply to a letter of mine dated 29th ultimo offering to arrange with you to make a deposit with the Crown Agents to meet our indebtedness when it is in excess of the monthly payment of £1,000, the Government has at last taken a reasonable view of the present situation and stated in their reply that they will deal with the situation as it arises each month, as has been done during the past two years. As a matter of fact they have never again tried to make difficulties and have always met my requests as they were made. I made above suggestion to show that we on our part are willing to meet them in any way, as the Government (the Governor and the Treasurer) are always attempting to make out that they have allowed themselves to become our Bankers. Copies of correspondence are enclosed.

15. Thomas is at present working on his report on floating property. We have again had the "J.P. Smith" on the beach and done all possible to make her tight. All her copper has now been stripped off and she will not again be re-coppered. She has been carefully caulked and well tarred and a lot of repairs effected. Her deck is so bad that it is beyond repair and she is not worth the expense of redecking. I intend to reserve this hulk in future for the Transport Company's coal to keep our lots separately; as we have had endless trouble in arriving at the quantities taken by the "Falkland". She is convenient for the "Falkland" to go alongside to bunker, so I have had her fitted to hold her safely. The "Proccis" is now on the beach and but for her deck is in fairly good condition.

Her deck, what is left of it, is beyond repair, but I believe when material is again cheaper and more plentiful it will be worth while spending the money on her. We have had to give up the attempt of putting the "Teal" on the grid this tide. I am afraid that it will be necessary to make some change in its position to facilitate the steel lighters going on and off as these lighters must be attended to at least twice a year. After going in to the matter most carefully with all our experts, I have decided to do away with the yard on the "Great Britain" and to erect in its stead a large derrick. This yard is of a tremendous weight and as the mainmast head is showing signs of weakness I consider it much safer and just as cheap to do away with the yard altogether. Her mizzenmast head fell down some time ago, fortunately doing no damage, but we may not be so fortunate should the mainmast head fall down when we are loading a vessel alongside.

16. The painting of the roofs of the East Store, Smithy, Carpenters shop, Saw Mill and Engineer's shop is now well on towards completion. I have two of our jetty gang, in addition to the two painters, working on these buildings as I am anxious to get as much work of this kind as possible finished while the better weather lasts. The roofs are all red, and the walls of the Smithy, Carpenters shop, Saw Mill, etc., will be stone colour.

We have no material in the way of cement or lime for the mason now, so I have put him and his assistant on to paint some of the newer fences. It is most fortunate that we were able to unearth the old paint ex. the "Samoa" as after preparation it has proved of satisfactory quality and there was over $1\frac{1}{2}$ tons of it.

17. I have just heard from Mr. Weiss that Messrs Langdon & Greenshields are coming into line with other farmers and lending us men for the Canning Season. We are now assured of a good gang, mostly picked men for the more important work, and it will be a great satisfaction to me

539, per Potosi, 28/1/18.

10.

to be able to keep clear of imported labour practically altogether. We have still five Chilians at Goose Green, and it will be advisable, if possible, to keep them as permanent hands as they are very useful and willing workers.

18. 1.2.18. Last night I received a cable from the P.S.N.C., Valparaiso, informing me that they have been instructed by the Government to utilize all space, as far as practicable, after discharge here, of the "Potosi" and "Corcovado", for our wool and skins. This is very good news indeed. I will strive to get away as much as possible by the "Potosi", as Pape, Captain of the "Corcovado", should he be in command, who loaded under the same circumstances last year, is not the man to put himself out of joint for anybody. With his small vessel compared with the "Grita" and others, he was a continual nuisance when here last year in wanting to get away from the "Great Britain" to an anchor to finish loading, which he ultimately did. At this date we have ready for shipment 3694 Bales Wool, 521 bales Sheepskins, 4 casks tallow and 291 Hides, and the "Falkland" is now on her way to Chartres and Hill Cove and will fill up at the ports in that vicinity.

19. The Board will be pleased to know that our total clip this year will exceed that of last year by close on 200 bales, probably more, and that the average weight per bale is slightly heavier. I have not the complete returns yet North Arm just finishing to-day, but Mr. Townson reports that the Darwin Section has clipped an average of 8.7 lbs per sheep. The lambing percentage is fully 78, which is also a matter for gratification, as we should have quite 20,000 available for Goose Green. The stock is in good condition so that the average carcass per sheep should be high. Mr. Townson left yesterday for the West to see the farmers there and discuss with them the arrangements for handling their sheep for canning.

I am, Sir,

Your obedient servant,

Mansel

Enclosures.

Duplicates (Originals per Write, 25th November, 1917.),
 Despatches Nos. 535 & 538 (supplementary),
 Journal for September & October,
 Cash Book for do do.
 Store Indents No. 531, with remarks on stores,
 Coasting Insurances,
 Mr. Miller's & Mr. Evans's report on Darwin Bams, October 4th.,
 Stanley Ledger Balances, September 30th.,
 Engineer's monthly return, September,
 Remarks on accounts,
 Statement on accounts,
 Correspondence
 Dr. Ace,
 Specification for 25 lbs. skins

Originals.

- 1 Copy of Journal for November,
- 2 Cash Book for November & December,
- 3 Cash Voucher, West Store,
- 4 Copy Cash Book for January, 1918,
- 5 Cash Voucher, West Store,
- 6 Store Indents No. 531,
- 7 North rm Indent,
- 8 Remarks on Stores,
- 9 Confirmations of cablegrams,
- 10 Coasting Insurances,
- 11 Ship Claverdon - accounts,
- 12 s.s. Falkland Manifests, voys. 27, 28, 29, 30, & 31. 1, 2, 3, 4 & 5.
- 13 Stanley's return, December 31st.,
- 14 Camp's return, do.
- 15 Engineer's Report, Oct., Novr. & Decr., 1917 & Jan'y., 1918,
- 16 Dr. Ace - Dr. Braddock's medical certificate,
- 17 Shipping Report,
- 18 Remarks on accounts,
- 19 Statement on accounts,

2 Bulbs Lighters 100L 1000L 10000L

21 JANUARY - OILING REPORT, NOV. 1961, JAN., 1962

Letter for Mr. [redacted] [redacted]

Correspondence

Colonial Government Payments to Crown Agents, etc., 29 Dec 1918 7 am,

(four), Decr. 20th 21st.,

Harwin telephoned, July 21st, 23rd 25th.

Ship Claverton,

X Dec, 11th December,

Cursor - File, 20th November, the 38th anniversary and have since

Copy 100. **ACCOUNT, Department New 1181 and 1182 per Parcel**

Specifications dated 22nd October and 24th December 1977 respectively.

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— *Walter Doding, John Glynne*

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Tanaka, Ichiro

s.s. "Potosi" 15th February, 18.

540.

To expect ship "Potosi" will sail on by steamer
scheduled to sail from here to Punta Arenas in about
Sir, weeks "Potosi" is subject to obtaining report.

I last wrote you on the 28th ultimo and have since
received your Despatches Nos. 1181 and 1182 per "Potosi",
dated 22nd October and 5th December 1917 respectively.

2. Cables exchanged between us are confirmed, as per
enclosed copies.

3. The "Potosi" arrived in Stanley Harbour at 10 am
on Monday the 11th instant and discharging will be com-
pleted to-night. Owing to her stowage arrangements the
work has been slightly protracted. It will take the crew
most of to-morrow to prepare her holds to receive cargo
and loading can only commence first thing on Sunday.

Captain Splatt hopes to lift about 1,500 bales all told.
This being his first port of discharge, and the vessel
carrying a full cargo as far as Stanley, it is fortunate
that we are getting even that quantity away. According
to instructions contained in your cable dated 11th inst.
all sheepskins shipped will be made out on separate Bills
of lading.

4. The "Falkland" is alongside the "Potosi" receiv-
ing 270 tons of coal for Goose Green, and the balance re-
quired for canning will go out at a later date. It is
somewhat awkward planning present trip as I had to arrange
for all the men for the Canning Works from the West Falk-
land to be ready at Port Howard to be taken across to
Brenton Loch on the 19th inst. The "Falkland" will therefore
carry out this programme, landing the mails on the West.

The SECRETARY,
LONDON.

and then proceed to Goose Green to discharge the coal. At Goose Green she will fill her bunkers again and then go round the extreme West for a full cargo of wool.

In 5. I am still in somewhat of a dilemma about tinplates. Much to my surprise and disappointment I received a cable from the Brecht Company, Buenos Aires, on the 9th instant as follows:—

"To expect ship tinplates salt casing men by steamer for scheduled to sail from here to Punta Arenas in about two weeks tinplate is subject to obtaining export licence which we expect to secure in a few days will telegraph you details Wednesday."

So far not a word has been received from them and I am much afraid that when they offered to ship 130 cases X & Y they had not calculated on the chance of an export licence being refused. The 130 cases I & G were shipped down from B.A. to Punta Arenas on s.s. "Argentino" on the 7th instant by Messrs Maclean & Stapledon. The F.S.N.C. "Valparaiso" have just cabled me to the effect that the "Corcovado" sailed on the 9th instant. Were she to get to Stanley without being delayed, coming via Monte Video, she would even then be too late for us. It is therefore necessary for me to depend on the Falkland — even at the expense of a few hundred pounds — bringing the plates across from Punta Arenas, where I will be interested to

have his call have been looking daily for a message from you giving some information about the American material, but fear that it has been a difficult matter, even with the assistance of our Government, to get them underway. If the plates reach Monte Video in time to be of any use to us I will go to the extent of sending the "Falkland" up for them. This of course only should that be the only means of getting them here in time. I sincerely hope the position will clear itself up shortly and that our canning season will not turn out to be a flasco. All arrangements have naturally been made as if the question of tinplates were

settled, but all farmers understand the situation

6. par 1. 1181. It is satisfactory to know that mails despatched from here on outward bound steamers will, in future, be landed at Punta Arenas or Valparaiso and forwarded by the shortest route. The much discussed Potosi mail of May last appears to have been landed at the latter port and not carried all the way by that vessel.

7. 1181, par 3. The F.S.N.C., Liverpool, have forwarded me a copy of a letter from the Ministry of Shipping complaining of the length of time taken to land the Cardiff Mail at this port. I am enclosing copy of my reply, which will speak for itself.

8. 1181, par 2. We had already charged all cable expenses in connection with the Government wool purchase to the various marks. Cross entries will now be made in view of the fact that the proportions have been charged through the sales.

9. 1181, par 4. When I saw the Governor a few days ago he read to me part of his despatch to the C.O. referring to the question of tinplates for next season's canning. He certainly has supported our application for 940 boxes, so that I hope you will obtain the necessary priority certificate for that quantity without difficulty. I had already written Mr. Hobbs asking for quotation for Boxboards manufactured there and I will be interested to have his cabled reply.

10. 1181, par 5. Without including the Islands for sheep for canning, I feel confident that we will kill around 60,000 sheep. I expect some 3,000 from Berkeley Sound.

11. 1181, par 6. My offer to Clark of Speedwell Island was exactly as you suggest, namely, to be used exclusively for fattening sheep for Goose Green. Mr. Townson raised objections as he says the Island would be ruined for North Arm horses. I was anxious at the same time to give Clark a hand to get about 100 of his sheep away from

from the sands on Speedwell Island so that he could do something to arrest the spreading of the sands there. Mr. Townson, I regret to say, is adverse to these Island sheep being driven through our Camp, but so far he has not advanced a reasonable objection. Owing to the large surpluses available from our usual sources, and the length of time it must necessarily take this year to ship the best sheep across, the question of opportunity may haul up present plans to use the Falkland to lift the sheep in question. Given the opportunity it will be done, as if never attempted we cannot profit by experience.

12. 1181, par 7. Your instructions referred to in this paragraph about the concessions to be given to sheep farmers in the matter of weights this year are of course superseded by the instructions noted in the third paragraph of my despatch accompanying this one. I am sorry to see cans cut out from the new contract forms sent; you no doubt have sufficient reason, but I am not acquainted with any, if they are properly preserved and only shipped as second quality.

13. 1181, par 9. It was a reasonable view of the situation regarding currency that the imprecation of £2000 or any similar sum in Treasury Notes would relieve the situation. Had I thought this necessary I would have made such a suggestion, but we are up against Government officials here bound hand and foot with red tape, and it is necessary to keep on the right side of difficulties. It is therefore fortunate, I think, that you did not send those Treasury Notes, as I have no reason to anticipate that any change will now be made in the present conveniences provided by the Government.

14. 1181, par 10. I hope the coal now here per s.s. "Potosi" realises your high expectations of it. If one were to judge by its appearance we would be somewhat sceptical as to its qualities.

15. 1181, par 11. I will inform Mr. Nelson through Mr. Townson, of the Board's general special gratuity to him of \$250. I trust that he will now be satisfied.

16. 1181, par 11. Store stocks are down, in spite of higher values, to around \$33,000. The ship's gear, except a quantity held for eventualities, was shipped to Mr. Hobbs by the Orita. Good prices should be realized.

17. 1181, par 15. When present rush is over I will go carefully into the charges for landing cargo necessary to make the work profitable to Company's Shipping. This will be sent as early as possible. (Paragraph 15.) I have merely time to acknowledge receipt of copies of correspondence with the P.S.N.C. on the subject of the Contract. Copy of letter from me to Mr. Hobbs enclosed at the last moment with my Orita despatch will go to show that they are very trying people to work with.

18. 1181, par 17. I merely omitted confirmation of your cable before crediting clients with the 25% bonus on last season's sheep sold to Channing. You will remember that there was a proviso in that message.

19. 1181, par 18. I have since found that the late Mr. A. S. Williams owed the sum of \$400 plus interest to E. H. Lameau. This debt has apparently not been redeemed as Lameau has written notifying me of the debt and I see the receipt is left here for safe custody. A debt of \$100 plus 5% interest from 1st January, 1915, appears to be also owing by the Estate to the late Mr. Farquhar Melrose. Dean Smith brought the signed receipt to me from Weddell when he returned from a recent visit. If there had been any other debts I feel sure that I would have been already notified of them.

20. 1181, par 19. I much appreciate the efforts of the Chairman and the farmers generally in doing all possible on my behalf to obtain for me a seat in the Legislative Council. There was such local feeling in the matter and it is strange that the Governor should have appointed

G. I. Turner in the face of public opinion. I have no personal ambition to be a member of that assembly but at the same time I am willing and anxious to be in a position to have a voice in the legislation of the Colony. It is to be hoped, for the better representation of all interests in the Colony, that the petition so kindly signed by all farmers in Howland will induce him to make the desired change. If in the face of these appeals he remains obstinate, the Government of Crown Colonies badly wants drastic revision. If the Governor had any personal reasons against my appointment he long ago changed completely round, as we have been on friendly terms practically since the date of the appointment of Turner. At the time the Chilians came to Stanley en route for Punta Arenas he probably thought and actually said so, that I was attempting to steal a march on the Government by sending silver out of the Colony without the knowledge or consent of the Government. He afterwards accepted my statement of the facts. The Directors are well aware I far from contemplated doing anything on the lines he says he had reported to him. I know he was annoyed about my proposition to pay the far Allowance of 3/- per week and told me shortly afterwards after dinner in his own drawing room, that I was pampering the workmen, which I naturally refuted. Every move was carefully advised them and they were compelled to follow our lead. If all these affairs were to recur or repeat themselves, frankly I would do the same again, as everything was done according to circumstances and nothing was ever put forward on their part to prove me wrong. I am in much closer and if I may say it, more sympathetic touch with labour in the Islands than the Government and I think that I can lay just claim to having had my modest share in arresting widespread discontent in the matter of wages.

21. 1181 par 20. All the rams with the exception of one for the Company arrived in apparently excellent condition. This one (I think No. 904) is suffering from

foot, col and has been put under careful treatment by the Acting Stock Inspector. The horse and bullock arrived also in first class condition. Some 15 rams for elsewhere carried by the Potosi died en route. The horse will be shipped to-morrow direct to San Carlos South.

22. 1181, par 21. In view of the difficulty of Mr. Townson collecting suitable horses for his personal use within a reasonable time and the fact that he never ceases getting round our camp, I asked Mr. Miller when he was in Darwin last winter to value the horses Mr. Townson owned prior to joining the Company, not as fancy animals but for ordinary farm work, and I agreed to pay him £50 for the three. He is now not so badly off for a troop but if he can secure a few more suitable ones from any sources I will sanction his purchasing from time to time.

23. 1182, par 5. It is good news to hear that the Cardiff Mail with her valuable cargo arrived safely in Liverpool on the 7th December last.

24. 1182, par 8. All moorings are fitted with swivels. I think I can safely say that every craft of ours in the Harbour is now well moored; all chains will in future be lifted every three years, or earlier if it is considered desirable in any particular case, and thoroughly examined.

25. 1182, par 9. The Government issued a circular letter to all farmers calling for confidential returns of lamb losses on the lines suggested by you. Unfortunately I have not a copy to send you but will endeavour to obtain one. I am afraid farmers will not do much until forced to by way of furnishing the Government with accurate statistics.

26. 1182, par 11. I wrote privately to Mr. Brown and gave him information which he acknowledges with gratitude and says that it has been most valuable to him. I was aware of the object of the request for information about our land laws etc., and as these friends are always

No540 per Potosi, 15/2/18.

ready and willing to oblige as I naturally was anxious to return the compliment as far as it would reasonably be expected of me. What you have written indicates approval of my action. As I have already informed you all cable messages pass through the Governor's hands, so to avoid doing anything not according to his ideas and to please him, I went in to the matter with him.

27. 1182, par 13. Work has been started to put the "Lady Elizabeth" in order and this will be continued according to opportunity. I was distressed to find that her best and largest sails were sent to Darwin to cover calf sheds, as Captain Rowlands put it. What use they were actually put to there I have not been able to ascertain yet.

28. 1182, par 24. I am very glad indeed to have the legal views of Messrs Ince, Holt, Ince and Roscoe on the question of our rights to the wood washed on the beach from the wreck "Bertha" near Mare Harbour. After the departure of the "Potosi" I will again take up the matter with the Government.

29. 1182, par 24. It is very satisfactory to me to have the approval of the Board in the matter of not giving a guarantee to the Government to transfer all our coal to them should they at any time choose to demand it. As reported elsewhere they have since made no further reference to the question and in fact have agreed to meet us as far as they can.

30. 1182, par 25. All you write with reference to the missing "Orija" cover is noted. With so few mails reaching us now it is naturally most disconcerting to have our most important package left behind at the General Post Office. I hope your taking the matter up strongly as you did, will have the desired effect.

31. 1182, par 27. It would require an expert from home to put all private owned lines on a satisfactory basis. Ever since I arrived here there has been no privacy in conversations with any station connected with Stanley by

telephone and I think I could arrange with all owners of private lines, including the West, to share in the expense of bringing out a man. Wireless experts have already failed and failed to remedy the present state of affairs.

32. 1182, par 28. I have already referred to the subject discussed in this paragraph. The interesting statement showing the prices obtained for sheep per head from the different Stations is most interesting and the copies sent will be duly distributed to the farmers concerned.

33. 1182, par 28. The nontsfoot oil manufactured at Goose Green was sold locally at 3/- per gallon. It is interesting to know that it is worth 8/- a gallon at home, and we will be guided accordingly in future.

34. I will take up the question of the date laid down by the Government before dipping can be commenced with the Governor and will endeavour to bring about an earlier date after having the views of the various farmers. I had already discussed this question with some farmers and I feel sure that all will support me.

34. 1182 par 30. I note that lots were drawn for the 12 rams for the Company and Messrs Holmes & Blake before shipment with the result detailed in this paragraph. They look a good lot.

I am,

Sir,

Your obedient servant,

Manager.

Handwritten signature and notes at the bottom of the page.

s.s. "OOMA"

541.

I asked Messrs. Macdon & Stapleton to get into touch with them and on the 12th instant these friends cabled saying that Brecht advises them that they expect to ship per "Orita" at least 180 boxes I X X of 55 sheets. In addition to this I have placed 200 cases I C 30 x 28" coming per s.s. "Orita", purchased through 19th March, at 40 dollars per box. I originally purchased this quantity when I learned that the "Orita" would be here about the 22nd instant and that the 180 boxes I X X from Brecht would in all probability also come by that vessel, as in that case there would be no advantage in sending the tinplates to Punta Arenas. I have since the "Orita" has left the date of the "Orita" - the vessel taking the tinplates to Punta Arenas - was several times postponed, and she actually did not leave Buenos Aires until the 5th instant, and in consequence about the 15th instant. I have been able to receive the tinplates in Montevideo on the 15th instant, and I have been able to send them to Stanley by the "Orita" on the 15th instant.

Sir,
I confirm my Despatch No. 540, dated 15th ultimo, per s.s. "Potosi", and am since without any of your letters to acknowledge, but have exchanged cables as per copies enclosed.

2. Not having received any further advice from you, since your cable of 22nd January, on the important subject of the tinplates ordered from the Brecht Company from the United States, I asked you in my cable of 1st instant what prospect there is of the material arriving here by first opportunity, namely the "Orita". It was something to receive your message on the 9th instant to the effect that the Brecht Company expect them to arrive in Monte Video about the 15th April. I sincerely hope that there will be an opportunity shortly after that for transshipment to Stanley. You will doubtless advise me of any P.S.N.C. sailings which will enable us to get the material here in time to be of use for this season.

3. In my cable of 1st instant I also put the whole position before you. The "Falkland" will bring across from Punta Arenas towards the end of the week 90 boxes X and 120 boxes I C both 20" x 28". As it has all along been a difficulty to obtain information from the Brecht Company of the position of the order for 130 cases X X 20" x 28",

The Secretary,

LONDON.

I asked Messrs Maclean & Stapledon to get into touch with them and on the 12th instant these friends cabled saying that Brecht advises them that they expect to ship per "Orita" at least 160 boxes I X X of 56 sheets. In addition to this I have placed 208 cases I C 20"x 28" coming per s.s. "Orita", purchased through Maclean & Stapledon, at 40 dollars per box. I originally purchased this quantity when I learned that the "Orita" would be here about the 22nd instant and that the 130 cases X X from Brecht would in all probability also come by that vessel, as in that case there would be no advantage in sending the "Falkland" to Punta Arenas. Like the "Orita" the sailing date of the "Austuriano" - the vessel taking down the 90 cases X to Punta Arenas - was several times postponed, and she actually did not leave Buenos Aires until the 5th instant, due in Punta Arenas about the 17th. It would have been a simple matter, owing to the great scarcity of tinplates, to resell either lots, and on that ground I was less afraid to purchase. However after discussing the whole question with Mr. Weiss, we have considered it advisable to hold all our purchases, as after all we never anticipated that so many sheep would be available for killing this season and consequently our order for 850 boxes, through the Brecht Company, was based on putting through only 50,000 sheep. My present estimate is 70,000 sheep, and if they weigh anything like those already killed we will require close on 170,000 cans. So far only between 13 and 14,000 Company's sheep have been killed, and these have taken up 41,000 cans, which is a fair indication of what we may expect from Clients' sheep. The tallow being obtained per sheep considerably exceeds any previous record.

4. Canning operations commenced on the 22nd ulto., as I also informed you. It may appear strange to you that we began so early, in view of our difficulties in securing the tinplates. I advocated all along a later

start, in view of our uncertainties, but Mr. Townson had large numbers of sheep ready for canning after shearing, and, having larger numbers this season than usual, he was anxious to get rid of as many as he could at the earliest possible date. Then there was the question of handling the skins, as only by taking advantage of the drier weather generally expected at this time, could we get rid of a lot to make way for the large numbers. Unfortunately this hope has not been realized, as we have ^{had} rains practically since the date of commencement, the skins to-day being if anything less dry than when put in the skin shed. The skins, therefore, present quite a problem. Apart from the reasons given, I never anticipated this delay in getting our additional supplies of plates here, the fact of the matter being I have had one disappointment after another, especially over the lot placed with the Brecht Company for shipment from Buenos Aires. As all the tinplates have now been used up, canning operations will be suspended from to-night until the Falkland returns and lands the material. This is not quite so bad as I at one time anticipated, Mr. Weiss having been able to collect 41,000 cans against 33,000 originally estimated. It was with reluctance, and as the only means of carrying on, that I placed the order for 90 cases. There is a certain amount of danger in using this quality of tinplate for bodies of cans, but Mr. Weiss feels sure that they will stand the tropics. We will specially note the cases containing such cans and it will be advisable to ship them early and dispose of them as promptly as possible. It is a risk that I think we are justified in running under present circumstances.

5. I am glad to report that a splendid gang of men has been collected from various stations and in Stanley for Goose Green, and, as I have all along said, the work is being done as well if not better by them than by Chilian labour. We have even been able to partially treat the castings, so that they will be saved for final treatment by the

four men the Brecht Company has promised to send down. A few more men will be required when the tinplates arrive for can-making but we have also sufficient in view - three from Greenshields, three from Spring Point and two from Mr. G. J. Felton. A curious illness is going its rounds at present, a sickness of the stomach and vomiting and diarrhoea, and fourteen men at Goose Green are actually off work to-day suffering from the effects of it. There has been so far a daily average of about five men off from this cause, but fortunately it is nothing serious, rarely lasting for more than a day or two, and it has already practically attacked every man at both Darwin and Goose Green.

The men are all being paid good wages, but I do not anticipate the final cost per sheep will exceed that paid away in former years, probably less. For various reasons I instructed Mr. Townson to authorize Mr. Weiss to provide ordinary cookhouse food free of charge to all men and boys working in the Factory. Many of the men are away from their families for a long spell, they have to work hard and their hours are long, and in working amongst grease and the like they destroy much clothing and footwear, which are not only expensive but hard to obtain at present.

6. The "Falkland" left for Punta Arenas on Thursday the 14th at mid-day. The weather has been favourable for her passage across and she ought to have arrived there sometime on the 17th. After she was ready to sail on the 13th, had obtained her Clearance, and the crew allowed to go home for a few hours, the Governor told me on the telephone that every member of the crew must obtain a passport before the vessel could depart. It was consequently the forenoon of the 14th before all these were secured, as some of the crew required to have their photographs taken, which could not be completed same day. As the vessel had been cleared at the Customs, it would appear as if the need for passports had only been discovered at the last moment. In spite of the fact that in conversation with me the Governor volunteered

to waive his right to deduct the subsidy for the time the vessel was withdrawn from the service, should I not charge high rates of freight and passenger fares, in writing regrets that he does not see his way to continue the subsidy from the public funds to the steamer whilst out of her contract service in the employment of a private firm. The amount deducted in this respect will no doubt be recovered by you in your charter of the steamer to the Falkland Islands Company." I deemed it a mere waste of time to take up the matter further. Surely the canning industry is at the present time of National importance and the stoppage of operations a disaster to the Revenue paying public. In any case the "Falkland" should be withdrawn from the service little more than a week, and the fact that the carrying sheep from the West will bring the Transport Company well over £1,000 will more than compensate for the loss of the subsidy.

I sent Mr. Creece across to obtain any supplies of goods which he can find suitable for here, and if there is time she will also bring a quantity of wood and about forty horses. The Naval Wireless have given me an order for 1000 pieces 6" x 4" x 12", and I have especially asked to have this shipped. I kept the vessel lying wool until the last moment, as if the Brecht Company had been able to state definitely that they could ship the 130 cases tinplates, so long booked, I would not have sent her away at all. As it happens it is as well I did, as the "Orita" only left home on the first instant, and cannot be here before the beginning of April.

7. Our original plan to commence sheep lifting has been postponed from the 20th instant until the 1st April. I went over personally to Port Howard on the 7th to see Mr. Evans to discuss the matter with him on the spot and to speak to Mr. Luxton on the telephone. Unfortunately Mr. Evans was out gathering and the telephone line to Chartres broken down, so that I had to come away without discussing the subject

6.

with anyone. I took with me open circular letters to all the West farmers explaining our difficulties, and I feel sure that all will fall in with the alteration of dates.. The "Orita" was expected here on the 24th, and her not coming until early in April is very annoying. I will strive to get the "Falkland" out to the West before the end of the month and we will lift all sheep possible before I have to recall her to take out the mail. I had planned to lift all Speedwell Island, North Arm and Bleaker and Lively Island produce on her return after first spell of sheep-lifting, but I may require to postpone this until the work is completed. My idea was to bring in Roy Cove, Pebble Island and Saunders produce on that trip. The lateness of the sheep-lifting means shorter days and consequently fewer runs per day, which is most unfortunate.

8. I received a cable from Mr. E. W. Hobbs a few days ago informing me that boxboards cannot be obtained in Punta Arenas. It is to be hoped, therefore, that you will be successful in securing supplies from the usual source. Mr. Weiss hopes to make up an additional thousand boxes by utilizing all the odd pieces he has on hand, thus bringing his numbers up to over 9,000 boxes. It is difficult at the moment to estimate what our requirements will be, for reasons already explained; they may be anything from 9,000 to 14,000 boxes.

9. It occurs to me that in case we should at any future date again find it necessary to purchase material of any description from the United States, that it would be advisable to do so through a firm in that country of undoubted integrity. Such a firm is Messrs Busk & Daniels of Produce Exchange, New York. Not only are they of high standing in business circles, but they are agents in that city for Messrs Lamport and Holt's line of steamers, which as you are aware maintain a direct service with the River Plate. I think they even are importers of wool.

10. I have had several carpenters and some men

from the jetty gang working on the "Great Britain" for some time past, the former repairing and caulking her deck and the latter scraping the deck with a view to oiling and tarring it when the caulking is completed. Much of the deck was in serious disrepair mainly through the action of tallow, at one time stored on her deck, having melted and soaked into the wood. The work is now well on towards completion, and but for broken weather would have been completed ere this. This work I considered one of the most important requiring immediate attention. In my Despatch No. 539, par 15, I stated that I had decided to do away with the yard on this hulk and to erect in its stead a large derrick. Since then Captain Thomas and others have come to the conclusion that the present mast can be "fished" and thus made secure for many years to come. This work is now well in hand.

11. I duly solicited the Governor's support, in accordance with your cable of the 13th March, to your application to a priority certificate for 30,000 yards bagging. He has just informed me on the telephone that he is writing by this mail giving the necessary support to your application. It will be necessary for you to make formal application to the Ministry of Munitions, through the Colonial Office as was done in the case of the tinplates. You will note the information he asked for in letter from the Colonial Secretary dated 15th instant. He has just explained to me that such questions are laid down in his instructions, but I am inclined to think that paragraph No. 4 is his own. The impression that I have gathered for some time past is that he is labouring under the erroneous belief that we are out to fleece the public by adding huge profits to all goods handled by us. I hope the last paragraph of my letter of this date has dissipated any such misunderstanding.

12. I have just received a cable informing me that the "Falkland" arrived safely at Punta Arenas yesterday.

13. At to-day's date we have 4,136 bales of wool,

8.

565 bales of sheepskins and three casks of salted pelts in Stanley ready for shipment. Both the "Corcovado" and the "Orita", due here shortly, will lift both wool and sheepskins, and all available space after discharging is to be utilized. It is hardly likely that both vessels will lift in all more than 2,000 bales, as the first mentioned is apparently making Stanley her first port of call. She is taking a mail to the River Plate, and was when the "Falkland" on her return will go direct to

Goose Green with the tinplates, and while there will load all cased meats on hand, some 3,500 cases, including extract and tongues, and will fill up with Darwin Harbour wool - at least 224 bales. It is necessary to lift all cased meats as soon as possible to relieve congestion. There will be about 150 casks of tallow also ready at that date, but we cannot handle these at present.

14. 20/3/18. Since writing paragraph No. 3 I have to-day learned from Mr. Weiss that the works will continue in full swing until to-morrow the 21st instant. He also informs me that he has already killed close on 15,000 sheep and that the total number of cans will exceed the 41,000 mentioned. As he is at present busy filling it will be to-morrow before he will know the exact number of cans. He will have plenty of work for all hands, during the few days killing is suspended, in and around the Factory. So far the manner in which we are getting ahead, is highly satisfactory. The local men have fallen into the routine splendidly and reflects credit on Mr. Weiss's supervision and ingenuity.

15. I omitted to inform you that I have been appointed Consul for both Italy and Norway. The Governor advised me of the Italian appointment some months ago and I received an official letter from the Norwegian Secretary of State for Foreign Affairs last mail notifying me that my Consular Diploma had been sent to their Legation in London for recognition by the British Government.

16. I duly passed on to Mr. Clark, Speedwell Island,

9. your message of 16th instant instructing me to authorize him to buy 40 rams - Bonner's or others.

17. The s.s. "Ooma" is at present here with coal for the Naval Wireless. I have lent them the lighter "Fairy" and various odds and ends to facilitate the work and the launch "Plym" for which I am only charging £3 per day as her services are practically only required in the mornings and evenings. She is taking a mail to the River Plate, and was scheduled to leave to-morrow (Thursday), but I have just been notified that it will be Saturday before she can sail.

18. It has been most unfortunate that your account current until December 31st has not yet reached us. Stock-taking was completed in the middle of January, and everything in readiness for a long time past to enable us to close them as soon as the necessary account current arrives. I hope it will be possible to get them away first opportunity: certainly everything will be done to effect this, but it takes the local Post Office so long to distribute mails, especially registered packages, that we may find it impossible. Store account shews an unusually large profit, being over £12,000 with stock down at slightly under £32,000. I will reserve remarks on this and other accounts until the sending of balance documents.

19. 21/3/18. I have just had an interview with the Governor, at his request, to discuss the subject of tinplates. As Censor of all cables he sees every message despatched and received, and one received by me this morning from Maclean & Stapledon advising that the Brecht Company have not yet obtained the export licence for tinplates, prompted him to ask me to see him at Government House. He has been good enough to cable full particulars, to the British Minister at Buenos Aires asking him to intervene on our behalf. It is to be hoped that, with his valuable assistance, we may now be able to secure the necessary material. He is very suspicious of the firm Brecht, and was glad to learn from me

that I had put the name of a first class American firm before you, should you ever again find it necessary to purchase material in the United States. He quite understood, however, why it was I went to Brecht in the first place. I have all along kept the Governor in touch with the position of Canning, both as regards labour and material.

20. Mills, who has been at Goose Green since Canning commenced, has just come into Stanley and will remain until the two vessels due shortly depart. He tells me that the local men are behind the Chilians in no branch of the work, and far ahead of them on the killing floor and above all in the matter of cleanliness. They are working well together and there is very little of the customary grumbles generally expected amongst such a large gathering of men. The coal, he reports, is very satisfactory. Weiss has not been able to treat the blood yet, but has wooden tanks made and but for the manner in which we have been handicapped, one way and another, this year, would have been able to tackle it. He has, however, been able to cart all scrap into the camp, where it has been well spread. Consequently the water around the settlement is already much purer.

Mills will remain practically throughout the canning season at Goose Green.

I am,

Sir,

Your obedient servant,

Manager.

ENCLOSURES

Duplicates. (Originals per Potosi, 19th February 1918).

- Dispatches Nos. 539 and 540,
- Journal for November,
- Cash Books for November and December,
- Cash Book for January,
- Store Indents 30,531,
- Remarks on Stores,
- Mr Townson's report, Feb. 10th,
- Casting Insurance,
- Stanley Rages Return, December 31st,
- Engineer's report, Oct., Novr., Decr. 1917, Jan. 1918,
- Remarks on Accounts,
- Statement on Accounts,
- Hilks and Lighters, Capt. Thomas's report,
- Correspondence:-

Colonial Government, Decr. 29th and 7th January,
ditto. (Ship Claverdon -,

- P.S.N.C., Liverpool,
- Specifications of Wool and Sheepskins,
- Specification & B/Ls per Potosi.

ORIGINALS.

- 1. Copy Cash Book for February.
- 2. Cash Voucher, West Store,
- 3. s.s. Falkland Manifests, Voys. 7 and 8 E.
- 4. Canning. Weigh Sheets.
- 5. Confirmation of cablegrams,
- 6. Statement on Accounts,
- 7. Remarks on Accounts,
- 8. Correspondence:-

P.S.N.C., Liverpool, March 4th,
Colonial Secretary, 5th March, (Wreck Bertha),
do. (Supply of Bagging),

- 9. Specifications:-

Wool. Skins. Tallow. Hides.

D H	657-710	
N	633-1077	
H C	408-498	2
F S		20
S I	98	
P	213	3
D & S	348	7
Club,	188	7
AP	87	6
W E D	60	8
R B C	36	3
H	193	2

- 10. Letter for Mr. Bladland,
- 11. Secretary.
- 12. Copy circular to clients re sheep p. Canning.

- 2 -

such information on me, as I will be disappointed if the "Falkland" is not now well on her way back. In any case it takes two days at least to get a message from here to Punta Arenas. I replied informing them that the

22nd March, by noon 18.

any for their agents to book passages through the P&O, provided that their passports are in order. It will be most unfortunate if this business falls through. I looked to the resulting proceeds to be received for heavy expenses in connection with the working of the "Falkland".

The Secretary,

LONDON.

Dear Sir,

I am glad to be able to report that late last night I received a cable from the Brecht Company, Buenos Aires, informing me that they are shipping, per s.s. "Orita", 75 full boxes of XX tinplates and 6 tons of salt. This is very good news indeed, the position being now more or less as follows:-

120 cases IC and 90 cases X X coming per s.s. "Falkland" will make 40,000 cans, 75 cases XX and 208 cases IC coming per "Orita" will, with a large surplus of course of IC, make another 32,600 cans, which, with at least 41,000 cans already filled, will make a grand total of at least 114,000 cans. These should carry us on until the second week in May, by which time we may reasonably expect the original order here.

This morning I received a further message from the Brecht Coy. saying that they cannot send men from Buenos Aires to work casings owing to passport trouble, and asking me to cable our representatives at Punta Arenas to authorize them ^{there} to provide passages from for men selected by their Agents at that port. This is of course too late in the day to spring

- 2 -

such information on me, as I will be disappointed if the "Falkland" is not now well on her way back. In any case it takes two days at least to get a message from here to Punta Arenas. I replied informing them that it is only necessary for their agents to book passages through the PSNC, provided that their passports are in order. It will be most unfortunate if this business falls through, as I looked to the resulting proceeds to go towards our heavy expenses in connection with the sending of the "Falkland" to Punta Arenas, cost of cables etc.. I have just informed the Governor of the position as it now stands, and thanked him for his invaluable assistance.

yours faithfully,

Manager,

R.M.S. "Orita"

1st April, 18.

542.

Sir,

My last Despatch left per s.s. "Ooma" on the 24th ultimo.

2. The "Orita" is due to arrive this afternoon. According to advice from Monte Video she brings close on 600 tons cargo and will load 500 tons wool and skins for Liverpool. I presume that the latter is merely measurement, but the cable does not state whether measurement or weight.

As we will attempt to get the balance documents away by this opportunity I fear that it will not be possible for me to answer any of the letters received.

3. The "Falkland" only returned from Punta Arenas at 4.30 pm on Friday the 29th ultimo, after discharging all her cargo with the exception of a quantity of timber, she left yesterday, with a Customs Officer on board, for Goose Green with 120 cases I.C. and 90 cases A tinplates. I regret to say that the great delay and consequent inconvenience caused all round is entirely due to Captain Johnson disregarding my instructions both oral and in writing. I even asked the P.S.N.C. to whom I consigned the vessel to do all in their power to expedite loading and to despatch her immediately after receipt of the tinplates. The instructions contained in these letters, copies enclosed, appear to me to be explicit enough. The truth about the matter appears to me that Captain Johnson, on his own responsibility, undertook to have certain repairs to the ship effected, and these took much longer than he anticipated. The castings he had made were only delivered to him on the 25th and he left on the following day. Nothing was discussed prior to his departure.

The Secretary.
LONDON.

542. per Orita 1/4/18. 2.

about repairs: if this had been done I would never have sanctioned any being effected at Punta Arenas. These repairs cost slightly over £170, a fabulous sum for the work done - part from the castings, which could have been imported, the repairs could have been effected satisfactorily and much cheaper in Stanley. The tinplates were actually on board the Falkland the day after she arrived and it was not until a week later when she left. The tinplates being first loaded were underneath all the rest of the cargo, necessitating our discharging on ~~Sunday~~ ^{Saturday} until 9 pm and yesterday until time of her departure before I could get her away to Goose Green. Although Johnsen took 81 tons of coal with him, he had to purchase 12 tons there which cost £12 a ton, returning here with almost exactly that quantity. It was bad enough having to send the Falkland away at all, but to find on her return that she could have been back in Stanley a ~~few~~ ^{few} earlier is simply exasperating. Apart from the expence, it meant a loss of a week's canning and a chance of making a good start at lifting the best sheep before the arrival of the Orita. I have severely reprimanded Captain Johnsen, but that does not alter matters.

On the return of the Falkland from Goose Green the balance of the timber has to be discharged, her bunkers well filled and the sheep pens fitted, all before Wednesday afternoon as she must leave then with the best mails and commence the carrying of sheep from Port Howard on the 5th. The Orita will be here also, requiring all hands, but we will manage by calling on apprentice carpenters and others to assist.

I have not yet been able to calculate the freight earned on the voyage, but it will far from cover the expenses. When you receive this you will doubtless adjust matters with the Transport Company. It must, however, be remembered that by making the voyage across for the tinplates, thus making canning operations possible at all, the Transport Company will earn a fair sum in having the sheep carrying trade

opened up for her. Also that but for Captain Johnsen having his vessel repaired a saving of a week at Punta Arenas would have resulted.

Mr. Creece purchased a considerable quantity of stores including 8,000 pieces timber, while Johnsen was waiting for his castings. The timber is very badly wanted and we could do with two full loads of this article alone. He also brought a miscellaneous lot of articles which we are in need of, and for which there should be a ready sale. Mr. E. W. Hobbs has drawn on you for £4,000 against amounts expended on our account less a credit of £1116.0.0. for ships' stores taken over from us.

4. I am pleased to note from your cable of the 28th ultimo that the original order for tinplates left New York on the 24th ultimo per s.s. "Bjornefjord". It was most disappointing to learn from your cable of 29th ultimo that the s.s. "Corcovado" will not call at Monte Video. This vessel left home on the 21st and the chances are that had she called at Monte Video the tinplates would have already been there. I sincerely hope that there will be an opportunity sometime in May to get the tinplates down, as otherwise we will not be able to can all the available sheep.

5. Cable of 28/3/18. I had already been in touch with Mr. Hobbs on the subject of securing boxboards through him, but I much regret to say that he advises that they are not procurable. I informed you of this in my cable of same date, and at the same time said that I would try elsewhere. In view of the difficulty of obtaining the necessary neat boxes I have issued instructions here to save every store case, and if the worst comes to the worst we will pack in any case we can get. Mr. Weiss thinks that it may be possible to purchase cases at the testing depots in England.

I also advised you in my cable of the 28th ult; that the Governor had sent particulars of our bagging requirements to the Secretary of State for the Colonies, and

542 per "Orla" 1/3/18.

4.

and asked you to wait for mail from here sent direct via the River Plate on the 24th ultimo. I trust that you will be successful in securing a priority certificate for the necessary 30,000 yards. As I informed the Government ^{that} the only sources for the supply of bagging, as far as I know, are the United Kingdom and British India, I will not approach any of the Coast people until I again hear from you on the subject. I can hardly expect that any firms on the Coast will care to part with any of their stocks in view of the difficulties in procuring fresh supplies.

I am,

Sir,

Your obedient servant,

Manager.

1 Copy of Journal for January

2 Copy of Journal for February

3 Copy of Journal for March

4 Copy of Journal for April

5 Copy of Journal for May

6 Copy of Journal for June

7 Copy of Journal for July

8 Copy of Journal for August

9 Copy of Journal for September

10 Copy of Journal for October

Colonial Secretary, 26th March,

Colonial Secretary, 13th March,

Colonial Secretary, 12th March,

10 Specifications

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

Colonial Secretary, 12th March,

542 per Milla, 1st April, 1918,
Enclosures.

Duplicates.

Despatch No. 541.

Cash Book for February.

Statement on accounts.

Remarks on accounts.

2nd April

Mr. Johnson's reports.

Specifications

Sir,

657-710

633-1077

428-498

SKINS

I have much pleasure in enclosing herewith accounts for the year ending 31st December 1917. It will be seen from these accounts that the net profits for the year are £128,737. 7. 6 against £41. 16. 8 last year or an net increase of

Originals

1 Copy of Journal for January.

2 February.

3 Store Indents No. 532.

4 Darwin Store Indent.

5 Remarks on Stores.

6 Canning Insurance.

7 Shipping Report.

8 Confirmations of Telegrams.

9 Statement on accounts.

10 Correspondence

Colonial Secretary, 26th March.

Captain Johnson, 18th March.

P.S.A.C., Santa Renas, 12th March.

10 Specifications

600L.

SKINS.

T. R.

122

1

have leaned well towards the safe side. The Goose Green sheepskins not being valued at all, especially with an increased output, leaves a substantial reserve in hand. Actual working expenses are much the same as in 1916. Through an omission the sum of £393. 19. 10 for goods shipped to Darwin in January 1916 was not charged up making the wages as shown in last year's account that sum less than it should have been and this year the same sum higher. Accounts paid away are virtually the same. The amount charged to the account for expenditure on buildings is more or less the same as in 1916 at £3419. 7. 8. Livestock cost £1631. 18. 2 against £1646. 2. 2

The Secretary,

London.

ORITA,

543.

2nd April

18.

Sir,

I have much pleasure in enclosing herewith accounts for the year ending 31st December 1917. It will be seen from these accounts that the nett profits for the year are £128,737. 2. 5 against £83,641.16. 3 last year or an nett increase of £45,095. 6. 3. The usual comparative statement of the results of the individual accounts is also sent herewith.

2. FARM, £122428.16. 4 - increase £42877. 5. 2. The Abstract of Farm account will explain this highly satisfactory increase. Higher returns for produce, including canned meats, account entirely for the improved results. Canning alone shews an increase of £12935. 1. 1 over 1916. In estimating the value of the unsold produce, both wool and meats, I feel sure that I have leaned well towards the safe side.. The Goose Green sheepskins not being valued at all, especially with an increased output, leaves a substantial reserve in hand. Actual working expenses are much the same as in 1916. Through an omission the sum of £893.19.10 for goods shipped to Darwin in January 1916 was not charged up making the wages as shewn in last year's account that sum less than it should have been and this year the same sum higher. Amounts paid away are virtually the same. The amount charged to the account for expenditure on buildings is more or less the same, as in 1916 at £3419. 7. 9. Livestock cost £1621.18. 9 against £1646.2.2

The Secretary,

London.

543 per Orita, 2/4/18.

Export tax £1001. 1. 3 against £920. 11. 9. In charging 1918 with Building, Fencing and Consumption materials on hand at the end of the year I reduced the valuation in each case by $33\frac{1}{3}\%$. You may alter this, but I think that considering present inflated values of materials of all descriptions we should, while the war lasts, keep the values of all material down nearer normal costs to be prepared for eventualities. By doing so we create a small annual reserve.

3. STORE account. £12235. 5. 11 against £8127. 8. 10. Sales and Deliveries for the years 1916, 1917 were

	Sales.	Deliveries.	Total.
1916,	45796	23129	68925
1917,	47643	22192	69855

Higher values are responsible for the good showing of 1917. The 1917 account was credited with the sum of £893. 19. 10 referred to in the last paragraph at the expense of 1916. Then in Clearing the balance of the "Lady Elizabeth" timber we reaped the benefit during 1917 of having greatly underestimated the stock in hand at the end of 1916 and the value thereof.

The stores were well looked after and I am inclined to think that there was a decrease in pilferage during the year.

6. INTEREST Stocks, including the shipment per s.s. Potosi, which only arrived on the 11th February, invoice value £7748. 12. 3, are down at £38828. 6. 7 in spite of greatly increased costs. The stock has been most carefully taken, is well written down, and although insurance alone is now around 8%, we have merely added 10% to invoice prices, which covers all charges, including freight. Mr Hobbs has sent a credit for £1116 for ships stores sent across to him. This is much above the valuation placed on the goods at the end of the year and 1918 will therefore benefit. I have written Mr Hobbs asking him to send accounts sales for all material sold, as it appears to me that the returns should be better than above.

Although the past year has shown such a satisfactory

profit, I would warn the Board that the present year does not promise well for us. High costs, excessive charges in shipping, the difficulty of obtaining articles for ordinary everyday sales, will send down our turnover tremendously, while it is difficult to reduce expenses in proportion. Few ships come to the port now, even if they did it is not desirable to supply them with provisions that we are finding difficulty ourselves in importing.

4. COMPANY'S SHIPPING. Loss £522.12. 0 against £1001.15.11. The only thing that can be said for this account is that it shews a smaller loss than in 1916 by £478.13.11. Much work, however, has been done to property afloat and future years should benefit thereby. I fear there will be still much further expenses in this direction this year and until higher rates for handling produce are charged I cannot hold out any prospect of any improvement in the outturn of the account.

5. SAMSON. Loss £514. 6.10 against £648. 6. 8. The slight decrease is solely due to larger credits from Store account. As the Samson's winch is now used for landing cargo it is proper that that account should contribute more towards her maintenance. The Samson is an expensive luxury, but at present is indispensable for towing lighters, etc

6. INTEREST AND COMMISSION. £1081.11. 4 against £2091. 2. 1. The drop of £1009.10. 9 shewn in this account is owing to fewer steamers coming to Stanley and consequently few occasions when we get commissions on disbursements and in a larger measure to the position of Station accounts.

7. MAIL AGENCY. £5. 5. 1 against £218.18. 7. No commission on the "Cardiff Hall" freight has yet gone to the credit of this account. In any case it will be small, and the bulk of our produce was shipped on that vessel. Fewer PSNC steamers come here than in former years and owing to restrictions as to travelling few passengers leave the Colony.

8. BUILDINGS. £1243. 2.11 against £826. 5. 7. The increase is the result of much necessary repair work being effected.

543 per Crito, 2/4/18.

9. CONSUMPTION. £316. 8. 3 against £248. 11. 7.

GENERAL CHARGES. £439. 11. 0 against £470. 19. 1. These accounts are bound to fluctuate from year to year. Higher cost in the case of Consumption account is responsible for the increase. In the case of General Charges, cables in connection with Canning have been charged direct to that account; cable expenses have been much on the increase of late, due to many causes.

10. CANNING. In estimating the value of unsold produce at £22878 I think it will be found that there is a reasonable margin of safety.

11. SUNDRY DEBTORS. I have written off a number of doubtful accounts at the end of the year, £348. 12. 6 against £65. 11. 1 in 1916. All these accounts are not irrecoverable, but many are disputed. One for fully £50 is at present in the hands of the Court, but I see little prospect of obtaining a settlement. It is hopeless to perpetuate these old disputed accounts and I feel sure that you will approve of my wiping them all off the books altogether.

I am,

Sir,

Your obedient servant,

Enclosures.

- 1 Balance Sheet,
- 2 Profit & Loss account,
- 3 London Office Cash account, items outstanding,
- 4 Statement of items in Deposit account,
- 5 Inventory of Stores at Darwin Harbour and Goose Green,
- 6 Inventory of Stores at North Farm,
- 7 Summary of Stock, East and West Stores,
- 8 General Summary of Stock on hand,
- 9 Balances due to and from men in Camp,
- 10 List of Consumption Stores on hand,
- 11 Building Material on hand,
- 12 Fencing Material on hand,
- 13 Canning Material on hand,
- 14 Copy of Stanley Cash Book for December with cash vouchers West Store,
- 15 Copy of Stanley Journal for December,
- 16 List of Store Debtors,
- 17 List of Butchery Debtors,
- 18 Abstract of Farm account,
- 19 Detailed Statement of Fencing erected in 1917,
- 20 Auditor's Certificate,
- 21 Details of Carpenter's labour on Stanley Buildings, Farm Buildings & Bulks,
- 22 Details of Store Deliveries to Farm,
- 23 Comparative Statement, 1916 - 1917,
- 24 Details of Salaries, etc., Stanley Office, 1917.

Enclosures.

Duplicates (Originals per Order, April 3rd, 1918.),
 Despatch No. 543,
 Balance Sheet,
 Profit & Loss Account,
 London Office Cash Account, Items outstanding,
 Statement of Items in Deposit Account,
 Inventory of Stores at Darwin Harbour and Goose Green,
 Inventory of Stores at North Arm,
 Summary of Stock, East and West Stores,
 General Summary of Stock on hand,
 Balances due to and from men in camp,
 List of Consumption Stores on hand,
 Building Material on hand,
 Fencing Material
 Canning Material
 Copy of Stanley Cash Book for December with Cash vouchers West Store,
 Copy of Stanley Journal for December,
 List of Store Debtors,
 List of Butchery Debtors,
 Abstract of Farm Account,
 Detailed Statement of Fencing erected in 1917,
 Auditor's Certificate,
 Details of Carpenter's Labour on Stanley Buildings, Farm Buildings & Huts,
 Details of Store Deliveries to Farm,
 Comparative Statement, 1916 - 1917,
 Details of Salaries, etc., Stanley Office, 1917.

Orn 11.

544.

19th April, 18.

Sir,

Since writing you last on the 2nd instant I have received your despatches Nos. 1183 and 1184 dated 28th January and 19th February respectively.

2. Cables exchanged between us are confirmed, as per copies enclosed.

3. Mr. F. Walton, one of the managers of the Brecht Company in South America, passed through this port on the s.s. Orita, and during his stay here I discussed many matters with him, including the possibility of our securing supplies of boxboards and bagging through his firm. I enclose copy of a letter I have addressed to the Brecht Company confirming the arrangements entered into between us. I thought it desirable, in the event of it being again found necessary to purchase goods through them, that a hard and fast rate of commission should be charged by them on invoice costs. In view of the difficulties at present to be contended with in the matter of shipments, I do not think a commission of 5% excessive. I gave Mr. Walton a specification for 10,000 meat boxes and he assures me that it is absolutely certain that they can be procured in Brazil from sawmills not far north of Monte Video. He promised to get into touch with Buenos Aires as soon as he reached Punta Arenas, but up till time of writing I have not heard further from him. Price he thinks will be around 25 cents per box, which would be much the

The Secretary,

London.

544, per Orn II. 19/4/19. 2.

same as former supplies from home, with a lower freight and less chance of the bundles arriving in the usual bad condition. He informed me that his firm handles orders for many times our small requirements. I also gave him samples of our bagging, and he is also taking up the question of offering for this article. The Governor does not appear to have actually supported our application for the 30,000 yards of 54 inch cloth; as far as I can gather he merely forwarded a copy of the local correspondence on the subject. I hope, however, that you will be successful in securing the priority certificate for that quantity, as American firms, unless of very high standing, are given to substituting inferior goods and I would be surprised if this did not happen should it be found necessary to order through the Brecht Company, who are not themselves manufacturers. I held out the bait of guaranteeing them our output of casings for the seasons 1919, 1920 and 1921 at present price of £17 per thousand the only change being that they immediately deposit the sum of £500 instead of £300 with Messrs Maclean & Stapledon as soon as they are advised that the goods are ready for shipment. Should goods be ordered through them to synchronize with this, the £500 can be left in their hands against sums due to them. The "Orita" brought down four Italian workmen from the Brecht Company to treat this season's casings, and if we can find employment for these men during the close season, that firm undertakes to pay during that time half their wages and maintenance. I consider this a satisfactory arrangement as otherwise we would have the difficulty each year of getting men here to do this work, and the men appear a quiet and good lot and should be useful to us in many ways.

At present appears that we shall be unable to get the original order of tins/plates here in time to of use for this season's canning. As soon as I received

544, per Orn 11. 19/4/18. 3.

your cable on the 11th instant informing me that there is no connection with Monte Video in sight, I cabled Messrs Maclean & Stapledon, Monte Video, asking them to approach the Compania Argentina de Pesca, Buenos Aires, to ascertain if they have a sailing to South Georgia before the 12th of May; if so would one of their vessels call at Monte Video and bring to Stanley our tinplates and for what round sum; also failing this if they know of any other vessel that would. On the 17th they cabled in reply to the effect that the s.s. "Bjornefjord" is due at their port about the 20th and that they cannot find a vessel to load cargo for Stanley. The position at Goose Green is not so bad as I at one time feared. Mr. Weiss is himself picking out all the heavier I.C. plates and utilizing them for bodies of cans, the results up to date being satisfactory, very few cans having collapsed. It will be the 21st before Mr. Weiss can determine definitely the total number of cans he can make out of the material now forward, but I will be surprised if the number will not reach 130,000 cans. If so it will mean that we cannot can all available sheep, but at the same time the numbers left over will hardly warrant us going to great additional expense in getting the 850 boxes here. As soon as I have the correct data in my hands I will cable particulars, and suggest selling the lot ex s.s. "Bjornefjord" in Monte Video or Buenos Aires, which will of course depend on whether or not you have obtained permission from the Home Government to have manufactured and shipped the 940 boxes wanted for next season.

5. So far 14,000 West sheep have been shipped across to Egg Harbour, the "Falkland" having returned this morning to Stanley. At the moment it is not clear how many sheep still remain unshipped, but I estimate the number at around 11,000. The "Falkland" is due to recommence this work on the 25th instant, but as she is taking coal out to Goose Green again, provisions to Darwin Harbour, Lively Island, North Arm, Fox Bay and Great Island, practically a full load

544, per Orn 11. 19/4/18. 4.

It will be a struggle to get her out in time. This cannot be helped as the "Falkland" lost a day on her way back to Stanley, having had to put into Port San Carlos owing to rough weather and having had engine trouble. Apart from this the Government are on my track, complaining that the movements of the "Falkland" are being dominated by the requirements of the Company, the spirit of the contract, it is said, having become of secondary importance in the working of the vessel. For this reason I am sending the vessel into Fox Bay this time with about 15 tons of cargo.

6. I am enclosing copies of correspondence with the Governor on the subject of the "Falkland's" movements. I shall be very glad indeed to have the considered view of the Board on the subject. My own idea is that the Governor is looking for an excuse to cancel the Inter-Insular Contract. He knew of all her movements before hand, as owing to the late arrival of the coal supplies for Goose Green and the importance of getting a quantity out at once, I thought it desirable to consult him on the subject. The "Potosi" which brought both coal and mails came direct from England and it was uncertain when to expect her. Unfortunately she arrived so late that although the "Falkland" left Stanley within her contract time it was found necessary to send her to the West Falkland before Goose Green, as the handling of over 200 tons coal at the latter port is a slow process, and I had arranged to take the workmen from the West across to Goose Green on a certain date. No objections whatever were raised at the time by the Government to send the vessel on her quarterly calls to Port Stephens, New Island, etc, from Goose Green, in fact, the Governor sanctioned the arrangement personally to me. As to the second complaint the Directors are aware of the difficulties against which I have had to struggle in questions of canning this season. They have indeed caused me the greatest anxiety from beginning to end. To carry on canning operations at all it was necessary to secure tinplates and to obtain supplies I had

5.

to send the Falkland across to Punta Arenas. As long ago as the beginning of February he urged me to try to get the vessel over to Punta Arenas to catch a steamer leaving that port on the 23rd of that month, as he had Government passengers and some of his friends for whom he wanted to find passages across in time to catch that opportunity. This fell through owing to the Brecht Company not being able to procure the necessary Argentine export licence. This was the time when he volunteered to waive his right to deduct subsidy for the time the vessel was away, provided I did not charge excessive fares and freight. I confess I cannot understand His Excellency's mind, as he makes one promises at an interview, and turns right round when the matter is taken up officially. Before I left for the West Falkland to put back the date of commencement of sheep lifting I asked him on the telephone if he thought I was quite safe in arranging for the 1st of April and he was quite decided then that the "Orita" would arrive in Stanley about the 26th of March, which agreed with my advice. She actually arrived on the 1st April, having been detained in Monte Video for three days. I was therefore much behind my date already, and I feel sure that the Directors will agree with me that further delay would have been serious and in breaking off the work for a spell half way through the work I was endeavouring to do the best for all concerned under exceptional circumstances. My conclusion is that owing to exceedingly burdensome expenses of Government, the Governor is, in his own way, hoping to find a means of repudiating the contract between them and the Transport Coy. I hope the latter will if necessary take up a strong attitude in the matter.

7. The coal sent out to Goose Green, 230 tons actually landed, gave out much sooner than was anticipated, owing to its quick burning nature, I cabled you on the 8th instant, saying that I proposed to send the "Fleetwing" with the "Samson" out to Goose Green with a supply as the

"Falkland" was engaged in shipping sheep from the West. I had to cancel this project as Mills, after considering the question, informed me that he does not consider the "Samson" to be seaworthy, and although Captain Thomas and some of the jetty gang were ready and willing to go I did not feel inclined to shoulder the responsibility of a mishap. In view of this I was determined to get coal out, as otherwise it was either a question of stopping the work of the "Falkland" and having trouble with West farmers generally, or stopping operations at the works which would also have created trouble. Much to my surprise we were able to rig up the "Gwendoline", load her and get her off in a little over two days. I was in doubt whether we would manage to get her underway at all, as it is so long since she was last in commission, and my cable advising the fact was consequently only sent off on Saturday the 13th inst., some hours previous to her actual departure. I felt somewhat anxious against your covering her against insurance as my cable was despatched on a Saturday, but the weather was settled, and under Captain Thomas, I felt that there was a minimum risk in the short trip. The crew was taken from our jetty gang, all picked men. She left on Saturday evening the 13th, arrived at Goose Green on Monday 15th at mid-day, sailed again on the morning of the 18th arriving in Stanley at day break this morning the 19th, with 980 cases meats, 22 cases Extract and 52 bales sheepskins.

8. I enclose some copies of correspondence with the Brecht Company, which will shew the trouble they went to and the difficulties they had to contend with in securing the 155 cases X X tinplates shipped down in the "Orita". It was actually the British Minister at Buenos Aires who was ultimately responsible for the issuing of an export licence by the Argentine Government. The price is fabulous, even much above my expectations, but as it was important to get them at all I trust the Board will approve of the purchase. It was only on arrival that I learnedⁿ what they cost.

9. I am going out to Darwin present trip of the "Falkland" for a few days to straighten out various questions, and to meet West Farmers to discuss the question of the delay in the commencement of the shipment of sheep and other matters. I will ride back as I want to be here when the "Corcovado" arrives, if at all possible.

10. This mail has been unexpected and as it closes at 4pm this afternoon I regret that I have found it impossible to reply to your despatches Nos. 1183/4 as I had hoped. These will be answered in the ordinary course per s.s. "Corcovado".

I am,

Sir,

Your obedient servant,

Manager,

Duplicates, (Originals per Orita, 1st. April, 1918),
Despatch No. 542,

Journal for January,

Journal for February,

Store Indents No. 532,

Remarks on Stores,

Coasting Insurances,

Remarks on Accounts,

Statement on Accounts,

Originals,

- 1 Copy Cash book for March,
- 2 Cash Voucher - West Store,
- 3 Store Indent No. 532,
- 4 Remarks on Stores,
- 5 s.s. Falkland Manifest voy. 1918,
- 6 Specification of Shipment per Orita,
- 7 Whaling Coys. - Copies of Accounts - Norge & Thor Companies,
- 8 Rebate on Montevideo Freights,
- 9 Canning = list of weights of Extract, etc.,
- 10 Stanley Wages Return, March 31st,
- 11 Remarks on Accounts,
- 12 Statement on Accounts,
- 13 Coasting Insurances,
- 14 Confirmations of Cablegrams,
- 15 Correspondence, =

Colonial Government (re West Falkland Mail Service),

Brecht Company.

CORCOV. 10.

545.

5th May, 1918.

Sir,

My last despatch dated 19th ultimo, prepared to leave by the s.s. Orn 11, is still in the Post Office. The "Orn 11" and the "Bombay" have been held here since the 19th ultimo awaiting instructions from the Home Government as to their movements. Both companies arrived with very small quantities of whale oil and now the Orn 11 is transferring her catch to the "Bombay", the former being under orders to proceed to South Georgia to fill up.

2. My visit to Darwin was far from a pleasant experience. I had the mortification of seeing Johnsen put the "Falkland" on the beach on three occasions in Cholsoul Sound, and some days later in seeing her badly aground close to Lively Island Settlement. As soon as news reached me of this last mishap I got in touch on the telephone with Captain Larsen of the "Orn 11", who very kindly put his most powerful whale catcher at my disposal. Captain Larsen and Thomas came out to Goose Green on the "Gleh 11" towing the "Gwendolin" all the way, picked me up there and proceeded to Lively. Unfortunately, although it was high tide when we were there, the tide was so bad that to have attempted to pull her off then would only have ripped her bottom open. She went on the reef at high tide, but fortunately had a fair cargo on board and it only remains for me now to despatch the "Samson" with scows in the course of a day or two to lighten her and if necessary to tow her off. Captains Larsen, Christiansen and Thomas are all agreed that there is every hope of refloating her when the tides are again better. The scows will be taken from Darwin as there is

The Secretary,
London.

No. 525 per Corcovado. 6/5/18.

a minimum of risk in towing them from there, whereas to send anything of the kind from Stanley would be dangerous. It is also fortunate that she went aground in a well sheltered position. Captain Johnson is too old for the trade, works his crew very badly, and appears to have lost his head after his first mishap. He has apparently at no time made use of members of his crew who have a thorough knowledge of the harbours, preferring to struggle along on his own judgement. At the same time he has all along been without a certified mate which must be most trying for a man of his years. He cannot be allowed to remain in command and I have asked Captain Thomas to accept the position, pending the arrival of a man appointed by Lowden, Connell & Company. In the present unfortunate voyage he was on his way to Port Howard where he was due on the 25th ultimo to ship from there to Egg Harbour the balance of the West sheep - more or less as follows:-

Dean and Anson.	3,000
Bertland & Felton.	4,000
Stickney Brothers.	3,000
Tacke Bros & Co.	1,600
Paillon & Stickney.	800
Pebble Island.	1,000
Total.	13,400.

He had already carried some 14,400 across being roughly, J. B. Muldron, Ltd. 8,000, Holmsted & Blake, Limited, 5000 and Pebble Island 1,400. That most farmers are doing now I cannot say, as all the sheep will be at Port Howard. Mr. Miller happened to be at Darwin throughout and he went across to Port Howard in the Glean on the 4th instant to carry the news to farmers there. I am now sending circular letters informing above farmers of the position and that we are obliged to abandon all hope of taking their sheep this season. It is a most unforeseen and regrettable situation.

3. When I was at Darwin and Goose Green I had a message sent to you putting before you the position as regards canning operations. We have been working under all kinds of difficulties, one after the other, this season, but in spite of it we have succeeded remarkably well. At time of writing

No. 545, per Corcovado. 6/5/18. 3.

close on 40,000 sheep have been killed and over 100,000 cans filled and by the time we finish there will be over 50,000 sheep killed filling about 127,000 cans. When I saw that it was impossible to can every available sheep I went into the question of boiling down with Mr. Weiss and the following is a conservative estimate of the result:-

Sheep costing the average price of 10/-	
Extract (including second quality)	3/6
Skin.	8/-
Tallow.	8/6
	<u>£1. 0. 0.</u>

expenses per sheep with reduced gang say 4/-, or a net profit of 6/- per sheep. The sheep are in good condition and consequently there will be more tallow than usual, the skins are gaining in quality every day and the chances are that the profits will exceed that indicated. I am disappointed not to have your reply before this to my cable of the 25th ultimo instructing me one way or the other. The men at Goose Green appear to me to be tired of the long drawn out season but are working very hard nevertheless. Much of the work could no doubt be improved on, particularly the killing, but when one considers everything, I say, without hesitation, that the work is being done very well. Mr. Miller complained that much fat was left on his skins and I even met the butchers myself to have this remedied, but I consider that he had really very small grounds for complaint. After considering the matter with Mr. Townson I decided to allow him 10/- per sheep to be added to the total weights and he is satisfied with this. Mr. Weiss had between 300 and 400 skins flinched and 11lbs of hot fat were taken off them, which considering the time the sheep were in the paddocks and that a certain number of snags were amongst them cannot be called serious. At my request the killers are working longer hours and they did so willingly as soon as I asked them. The boning is not so well done as by the Chilian experts, but I would not say that it is badly done.

No. 545, per Corcovado, 6/5/18. 4.

Weiss has found it impossible to tackle all the scrap and I regret to say that a lot is still going on the beach. It is a great pity that all this and the blood cannot be prepared, and this question should be dealt with without much further delay. There is so much that could be done in the way of manufacturing by-products that I think Mr. Weiss should go to the Coast this winter and learn first hand the methods at present in vogue in the factories there.

4. The "Corcovado" arrived here on the afternoon of the 28th ultimo. Captain Tape is in command and I am glad to say that he is working very well with us. His steering gear was in a hopeless condition when he arrived and it will be Wednesday before his repairs will be completed. Lieutenant Commander Crawford has had a new shaft made for his vessel as our lathe was not large enough and we have supplied the material and done as much of the work as we could. Loading should be completed by Thursday evening and he will leave next day. Tape expects to take between 1,200 and 1,500 bales and will take every bale he can stow. The work is very slow and expensive as the stowage arrangements are very awkward.

5. Mr. Townson desires me to report that in driving Hill Cove sheep from Egg Harbour to Goose Green 72 were smothered in one of the valleys. He overlooked reporting this matter in his letter to Mr. Blake of the 29th April.

6. 1183, par 3. Messrs Maclean & Stapledon, Monte Video reported on the 26th ultimo that 920 boxes tinplates for us had arrived at their port. These are now in the Custom House and I have asked above friends to cover them against fire for the sum of \$4700. Pending instructions from you I am making no attempt to sell them. As a matter of fact I doubt if we can do so, a guarantee having been given to the United States Government by the Brecht Company, confirmed by me, that the material will only be used by the Company for containers for meat to be exported to Allied countries. Even should a priority certificate be obtained by you for the 940 boxes recommended by the Governor I think that it will be advisable

No. 515 per Corcovado, 6/5/18... 5.

to bring them here and thus make sure of supplies for the next two seasons. In case the American tinplates deteriorate as you fear by being held for any length of time we will use them up first, and through having them at the works early, can-making will be proceeded with well ahead of the commencement of canning operations. Mr. Weiss reports that the tinplates taken out last trip of the "Gwendolin" are in a shocking condition. They arrived here practically in bulk, but they were well looked after in Stanley, and I am surprised to have such a report of their condition on arrival at Goose Green. I am investigating the matter.

7. 1183, par 5. Goose Green has already received 400 tons of coal and Mr. Weiss informs me that he will require further supplies by Tuesday the 14th instant. By that time we will have canned about 45,000 sheep, so that Mr. Weiss was far out of his estimate of 300 tons for 50,000 sheep. Between the "Falkland" and the Canning Works there has already been a hole made in our stocks. I am not parting with a ton unnecessarily and will adopt the same tactics as last year when I stopped all ordinary sales and where sales were necessary merely issued minimum quantities.

8. 1183, par 8. I hope to hear shortly that final settlement of the produce shipped on the "Cardiff Hall" has been made. It is of course understood that congestion and shortage of labour are to be expected under present conditions.

9. 1184, par 1. I have noted for future reference that my despatch numbered 538 dated 24th November last has been altered to No. 538a.

Letters from here appear now to be landed at Valparaiso and forwarded by the Post Office there to Buenos Aires and thence home. The Governor was somewhat anxious about mails sent per "Potosi" being transferred to the s.s. "Oronsa", recently sunk by submarine, and I enquired of the P.S.N.C., Valparaiso by cable if this had been done, who replied that one sack from here was forwarded via the Andes

No. 545, per Corcovado, 6/5/18. 6.

on the 9th of March. This mail will no doubt have reached you safely.

10. 1184, par 6.

It certainly was a remarkable coincidence that at the very time when I was writing my remarks on the subject of the improved prices for light sheep the Board should also be ^{re}considering the same question.

Farmers are satisfied with present terms and it is unfortunate that the very year when I hoped to exceed all previous records, arrangements made well in advance should have been so upset. The finishing stroke, I need hardly add, was the serious mishap to the 'Falkland' while on her way to Port Howard to finish the shipping of sheep. In spite of it we will still kill fully 50,000 sheep.

11. 1184, par 10.

There is still no news from the Government of their intentions with regard to the timber from the wreck 'Bertha'. I surmise that they are also obtaining advice from home.

12. 1184, par 13.

It is good news to learn that there is every prospect of a doctor being on his way shortly for the farm. A capable doctor here at present could make a lot of money by assisting at operations occasionally in Stanley, as there are often spells of months at a time when there is no work for him to do on the Camp. Dr. Hage got through his operation successfully and I understand intends to proceed direct from Buenos Aires to England. I was shown a recent private letter from him in which he apparently intends to attempt to create trouble at home about our canning methods. He may think better of it, but in any case an investigation into his past in Western Australia would prove interesting. Our Canning Works doubtless leave much to be desired, but our methods are in every way hygienic. Mrs. Hage, who is of a very different mould, will leave Darwin for Stanley as soon as she can dispose of her furniture etc. When at Darwin I had a long interview with her and she was perfectly reasonable. As soon as she is out of the house the whole premises will be overhauled and put into good shape for the new doctor. I myself saw evidence of

of rats being in the house.

13. 1184, par 16. I hope the Board have already decided to place the order for an additional boiler at once. Mr. Weiss draws attention in his working report for April to the need for certain renewals of minor machinery. If the Board sanction the buying of these I shall be glad if they will give me a free hand to authorize him to do so, should he go to the Coast. He is not asking for anything that is not absolutely necessary and the lot will not cost over £500. Owing to so few mails coming out now you may decide to cable and if so Machinery purchase would mean that it has their approval.

14. 1184, par 20. The Yorkshire coal sent out per s.s. Potosi is suitable for the Babcock boiler, but the Lancashire coal ex s.s. Orita is simply rubbish and no use at all for Goose Green. The first time the Gwendolin went out I sent the latter, but unfortunately it was, if anything, worse than the coal ex Inca in 1916.

15. 1184, par 24. We never use casks that have contained paraffin for tallow. Those used are mostly beer casks and these are thoroughly steamed and cleaned before use.

16. I am very glad to hear of the services of Captain Thomas just at present. When I was in difficulties as regards getting out coal for Goose Green he was ready to take out the Fleetwing in tow of the Samson, and when this fell through he promptly rigged up the Gwendolin and sailed her out and back. Now he is taking out the Samson to the assistance of the Falkland and I have put him in charge of that work. He is also about to take command of the Falkland until a new man arrives. Without him under present circumstances I would have been hard put to it to find a means of getting out of several difficulties.

17. There is going to be endless trouble in securing priority certificates for all kinds of material required by us. A few days ago the Governor read to me cables received by him from the Home Government giving lists of articles the export of which is now prohibited. Some

No. 545, per Corcovado. 6/5/18. 8.

of the questions asked are unanswerable, and as there are still no printed copies and each article has to be applied for separately in triplicate it is impossible to have them completed in time for this mail. He informed me that he had actually recommended the issue of a priority certificate for the 30000 yards bagging.

Your obedient servant,

18. Per s.s. Orita last trip the Governor imported 500 bags Flour and 90 bags sugar for Government employees. These were sold for cash ex lighter at £2.2.9 per bag of flour (70 kilos) and £3.4.6. per bag of sugar (50 kilos). Our sale price delivered is 45/- for flour and 7½d per lb for sugar. He offered to order supplies for us and I am very glad I declined. He told me a few days ago that it would still further advance. Governments, often as not, pay more than private traders when buying in foreign markets.

19. 8/5/18. I received your cable to-night as follows:- "Board desire sheep contracts carried out fullest extent possible not applying cancellation clause and pay only passages England according agreement not expenses at Buenos Aires."

I am very glad to have both these messages. I need hardly assure the Board that I am most anxious to meet every farmer fairly, as will be seen ^{from} my suggestion in my cable of 25th ultimo. From your message I take it that I am given a free hand in taking sheep even if it is necessary to boil them down for extract, tallow and the skins. I wish I could see a way out of the best difficulty. The "Samson" left at 4 am. this morning and I sincerely hope that luck will favour me on this occasion by getting her off without delay. If so and she is undamaged I will still attempt to ship all sheep still at Port Howard across.

I note to pay only Dr. Wace's and his family's passages to England according to agreement, but not expenses at Buenos Aires.

20. As I advised in my cable of 4th ins. I enclose herewith Life Policies with the Royal Insurance Co, Ltd favouring

ouring

545 per Corcovado, 2/2/18.

No. 545, per Corcovado, 6/5/18. 9.

ENCLOSURE the late W.S. Williams and his son D.C.S. Williams, as follows:-

Originals: No. 49000 for £500. W.S. Williams.

1. Copy Journal No. 112860 £1000. D.C.S. Williams.

2. Copy Cash Book for April.

3. Cash Voucher, Part Store.

4. Store Indents No. 334.

5. Remarks on Stores & Indent for J.J. Patton's estate.

6. Coasting Insurance.

7. Stanley Ledger Balances, March 31st.

8. Camp Wages Return, March 31st.

9. Life Insurance Policies - W.S. Williams & D.C.S. Williams.

10. Brecht Coy. Guarantee given as to use of Timplates supplied.

11. Remarks on Accounts.

12. Statement on Accounts.

13. P.S.N.C. Account - copy.

14. Letter for Holmsted & Blake, Ltd.

15. Correspondence:-

Colonial Secretary, (West Falkland Mail Contract).

16. Specifications:-

	WOOL	SKINS
H. N.	33	2
P. B.	104	7
D. E.	89	8
J. L. W.	42	5
H	33	17

17. Confirmation of Cablegrams.

18. Shipping Report.

545 per Corcovado, 6/5/18.

ENCLOSURES.

Originals.

1. Copy Journal for March,
2. Copy Cash Book for April,
3. Cash Voucher, West Store,
4. Store Indents No. 533,
5. Remarks on Stores & Indent for J.J. Felton's Estate,
6. Coasting Insurances,
7. Stanley Ledger Balances, March 31st,
8. Camp Wages Return, March 31st.,
9. Life Insurance Policies - W.S. Williams & D.S.C. Williams,
10. Brecht Coy., Guarantee given us to use of Tinplates supplied,
11. Remarks on Accounts,
12. Statement on Accounts,
13. P.S.N.C. Account - copy,
14. Letter for Holmsted & Blake, Ltd.,
15. Correspondence :-

Colonial Secretary, (West Falkland Mail Contract),

16. Specifications; +

WOOL,

SKINS.

H. W.

32

2

F. B.

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7

D. H.

89

3

J. L. W.

42

5

H.

32

17

17. Confirmation of Cablegrams,

18. Shipping Report,

Kindly explain this important matter fully. I took the remark
referred to literally, and at the beginning of shearing last
season instructed Mr. Townsend not to increase the weight
of North Arm bales as was at one time our intention. I
is requested Mills to go out and supervise this work. I
concluded that if the schedule is drawn up immediately after
shipment and is based on pre-war values per bale, irrespective
of weights, that should there be a total loss we would be
running the risk of serious loss by increasing the weight of
bales. Now that bagging is so expensive and difficult to
obtain I think that if the arrangement which has been
been agreed on in regard to the "Cardiff Hall" wool
holds good, then an effort should be made to have a
All specifications are accepted by the local Government
payment of export duties, and if former specifications
examined I think it will be found that the wool
generally is of a high quality. If you will be so good
to let me know how the matter stands with regard to the
season commencing in 1919, I will be glad to hear of it.
be effected all round.

The Secretary,

LONDON.

Dear Sir,

This mail will leave direct for Montevideo on the
whaling factory "Bombay". The "Corcovado" has been detained
here for almost a week through a fire having developed in
the coal in her No. 2 hold. It has taken a considerable time
to transfer the coal, 650 tons, to her bunkers, and it will
be tomorrow before this work is completed. The emptying of
this hold has left space for a further quantity of produce,
so I communicated with Valparaiso yesterday to know if we
can fill this space up and I am glad to say they at once
replied in the affirmative. She should now take over 2000 bales
which is highly satisfactory.

WOOL SOLD TO DIRECTOR OF ARMY CONTRACTS: In your
despatch No. 1180 paragraph 23 you stated "In the event of
"loss at sea the schedule will be the basis of settlement".

This was remarked in connection with the "Cardiff Hall"
shipment, but as it is important for farmers to know exactly
the position in the event of loss I shall be glad if you

- 2 -

kindly explain this important matter fully. I took the remark referred to literally, and at the beginning of shearing last season instructed Mr Townson not to increase the weight of North Arm bales as was at one time our intention. I had in fact asked Mills to go out and supervise this work. I concluded that if the schedule is drawn up immediately after shipment and is based on pre-war values per bale, irrespective of weights, that should there be a total loss we would be running the risk of serious loss by increasing the weights of bales. Now that bagging is so expensive and difficult to obtain I think that if the arrangement which appears to have been agreed on as regards the "Cardiff Hall" wool still holds good, that an effort should be made to have same revised. All specifications are accepted by the local Government for payment of export duties, and if former specifications are examined I think it will be found that the weights are generally reasonably accurate. If you could let me know exactly how the matter stands well before next shearing season commences a fair saving in bagging will most likely be effected all round.

"GWENDOLIN": The "Samson" started off from Goose Green at 8.30 am yesterday for Stanley towing this schooner which has on board 1,400 cases of meat and 23 bales of sheepskins. Thomas in taking her alongside the "Samson" through the narrows ran her aground, but got her off at high tide last night, but in doing so appears to have fouled his propeller with the tow rope and has not got away at time of writing.

A message from Thomas through Mr Townson has just reached me

- 3 -

which says that he expects to be in Stanley first thing tomorrow with the "Gwendolin". Lately it has simply been one mishap after another, but fortunately none of them has been attended with serious consequences.

S.S. "FALKLAND": This vessel returned to Stanley on the 10th instant, having refloated at 3.50 pm on the 9th instant. The "Samson" was sent out by me to her assistance, with instructions to take down a scow and the "Gwendolin" from Darwin. They arrived on the scene about 11 am and the scow was at once put alongside, into which sufficient cargo, about 15 tons, was discharged enabling her to refloat on the extremely high tide. Until Captain Thomas returns I cannot send a report, nor do I know what our charge should be for services rendered under the circumstances. The work was important, although it was not found necessary for the "Samson" to tow her off. I did not want this done if it could be avoided as the "Falkland's" bottom might have been badly damaged were she on rocks. I have just received messages from West farmers asking what we propose doing as regards shipping their sheep. At present the Government is making a preliminary enquiry into the various mishaps, and until they are satisfied I can make no arrangements. I wrote in asking if the Government has no objections to the "Falkland" completing the abandoned trip before making any others, and am so far without a reply. The numbers are down to 8,500 as Pecke Bros. have put their lot on their Port Howard ground, and Pebble Island have been unable to get their second lot across owing to bad weather.

The shipment across of so many sheep is too protracted, and I propose, subject to your approval, to have a tier fitted in the "Falkland" in future for the quicker shipment.

Had the West their Wireless Station erected if could have kept them in touch with events, our only means of furnishing them with information of any kind being by getting the "Glean", the Great Island yawl, to carry across messages, which is not always easy to arrange. Mr Evans has sent me a letter full of complaints. There is no doubt that he has been put to much inconvenience and worry throughout this season, partly through being short handed by six of his men being at Goose Green, and I think that the Board might consider the question of giving him gratuity. I am enclosing a copy of his letter to me, but shall be glad if you will kindly not pass on a copy to his principals as Mr Evans seems to be under the erroneous impression that we are continually reporting home matters which could be dealt with locally. Personally I feel nothing but gratitude towards him for his being the first to come forward with a guaranteed number of men for canning this season.

Yours faithfully,

Manager.

ENCLOSURES.

- Duplicates (Originals per Gen Llc, 19th April, 1918.)
- Despatch No. 544,
- Copy Cash Book for March,
- Store Indents No. 533,
- Debate on Montevideo freights,
- Canning - List of weights of extract, etc.,
- Stanley Pages Return, March 31st,
- Remarks on accounts,
- Coasting Insurance,
- Mr. Townson's Report, 27th March,

ORIGINALS.

- Statement on accounts,
 - Ror Thaling Coy. - account,
 - Ornen Thaling Coy. - account,
 - Canning - Weights of Client's sheep killed and statements,
 - Canning - Weights of Company's sheep export,
 - Specification = 980 Cases Mutton,
 - 76 Cases Extract,
 - 79 Bales Sheepskins.
- nothing but
- come forward
- season
- land, from the forest.
- made in advance,
- of the nature of the soil.
- should be better.
- I am somewhat surprised
- of this fact that
- the Ministry of Agriculture
- illustration. The

The Secretary.

M/S FALSTRI

546.

8th July. 18.

Sir,

My last Despatch No. 545, dated 6th May, left per s.s. "Corcovado".

2. Telegrams exchanged between us are confirmed as per copies enclosed.

3. I am forwarding herewith a few supported applications for priority assistance for sundry essential materials. It took the local Government a long time to make up their minds what form applications should take. Some others will be sent next opportunity.

4. I am still no further forward in obtaining the boxboards for next season. I have again telegraphed the Breeht Company on the subject, but am still without their reply. We were short of sides for 2,000 boxes for this season's meats, but I am having these made in Stanley out of all the scrap timber we can lay our hands on.

5. As it is so important to make an early start in can-making for next season's canning, I am endeavouring to purchase 2 tons of solder, or the equivalent in tin and lead, from the Coast. Apart from the urgency of preparing cans in advance, I am anxious to use up our present stocks of tinplates at the earliest possible date, in case these should further deteriorate.

6. I am somewhat surprised to note from your cable of 31st May that local support was still wanted by the Ministry of Munitions to obtain the 940 boxes of unassorted tinplates. The Governor was as much surprised as I was, as

The Secretary.

LONDON.

he recommended the issuing of a priority certificate for that quantity as long ago as November last. However, with the 90 boxes now at Monte Video and those left over from this season, we will have sufficient to make 140,000 cans.

7. The Governor asked on several occasions why it is that no application has been made for Probate either in the case of the late Miss Henrietta Baillon or W.S. Williams. He at last asked me to cable to ascertain, which I accordingly did. From your cables I am glad to learn that authority to act for the executors of the late W.S. Williams has been sent, and note that the Solicitors for Miss Baillon's Estate are awaiting from me a valuation of deceased's Speedwell Island Company interest. I hope to send this per Totosi soon altogether.

The valuation of the Estates of the late Mrs E. Greenshields and Mr. George Greenshields are now well underway and should be passed this week. The Governor is after all the duty he can get out of such estates and has put up my valuation considerably.

8. Canning operations terminated on the 11th June. Some 61,200 sheep were killed, easily our record number. The exact outturn is not yet known, but it is more or less as follows; 10,000 cases of boiled mutton, 181 cases tongues, 175 cases of extract, 278 tons tallow and 62,000 skins. Had the solder not given out unexpectedly we could have made 130,000 cans out of the material on hand. We must have a new capping machine, as the old one is very extravagant on solder. We were further handicapped through having to resolder many cans owing to the inferior quality of the plates, and, in addition, had the customary experience of having untrained men doing the work. Some 14,000 sheep were killed merely for the extract, tallow and skins which is the outstanding misfortune of the season's working. Complete returns of materials used and wages paid away are not yet ready, but I estimate these roughly at, materials consumed, £15,103, wages £1,200 (for the season), or roughly £20,000

including everything. The sheep cost £30,730.17.10, so that from a financial point of view, always provided present prices for produce are maintained, the season has been a great success. Governor on the subject of exporting

live sheep. In spite of our carrying on Canning at all this season, and putting a lot of money in farmers pockets, there is more than the usual number of farmers still aggrieved. Of course the number of sheep being larger than ever tackled in any previous year, and the fact that we were not able to push the work as much as we would have wished, the season was considerably protracted and consequently some farmers were obliged to wait until well into the winter before we could receive their sheep. This could not have been altogether obviated, but at the same time I think it would have been much more politic for Mr. Townson to have held back some of our own sheep and put through those from the North Camp in between our lots. We may have lost a few pounds weight per sheep, but we must consider future years. Then those West farmers who had the misfortune to have their sheep collecting at Port Howard when the Falkland was aground at Lively Island are clamouring for compensation to cover loss in weight while awaiting shipment. All farmers have extraordinary ideas of the size of their own sheep, which has never yet materialized at the works. It is strange that the sheep from the Chartres should top the averages in spite of the great delay in shipping them.

This is of course due to Mr. Evans putting the - 8,500 out in good camp, for which he demands 3d per sheep per week. When the Falkland came over with the first batch of these sheep I received a message from Mr. Evans from Egg Harbour to the effect that the Station Managers, who had received this privilege from him, refused to pay the charge and that no more sheep would be shipped until the question was settled. I replied saying that we would meantime stand good for it and settle with farmers afterwards, as I was anxious to get the season finished and

and could not allow the "Palkland" to remain out there while they were arguing the point. They are a most unreasonable lot of men. I have even heard that Mr. Evans has already seen the Governor on the subject of exporting live sheep, who in conversation is said to have expressed his willingness to open up the subject.

9. I regret that owing to its being decided at the last moment to send a mail via the Cape in the "Palstria" and the fact that she is getting away at 10 o'clock to-morrow, which is much sooner than I anticipated I have had no opportunity of writing at length. That vessel's accounts are still to be made up to-day. We have not been called on to do much work in the way of repairs and consequently the £1,000 credit opened by you will cover all our charges and disbursements.

I am,

Sir,

Your obedient servant,

Manager.

1. Copy of Journal for May.
2. Cash Vouchers, out, store, May & June.
3. Store receipts to 31st, with priority certificates attached.
4. Coasting Insurance.
5. Stanley Lodge Return, June 30.
6. Copy specification of shipment per "Palstria".
7. Manning Factory - List of sheep, particulars of proceeds of sale, weight, short specification of "strict" class.
8. 128-176 - Summary of sheep killed, 1913.
9. Mr. Townson's Reports.
10. Remarks on accounts.
11. Statement on accounts.
12. Specifications.

ool	kins
10	1
10	1
44	
36	9
211-217	15
1013-109	7
	2
	7

Inclosures

Duplicates, (Originals per Corcovado, 6/5/18,
 Repeat Despatch No. 545,
 Journal for March,
 Cash Book for April,
 Store Indent No. 523,
 Coasting Insurances,
 Stanley Ledger Balances, March 21st.,
 Remarks on accounts,
 Statement on accounts,
 Mr. Townson's Reports,
 Specification, 22 Wool. 2 Skins,

Originals

1. Copy of Journal for March, April,
2. May,
3. Copy of Cash Book for May,
4. June,
5. Cash Vouchers, East Store, May & June,
6. Store Indents No. 523, with priority certificates attached,
7. Coasting Insurances,
8. Stanley Vages Return, June 20,
9. Copy Specification of shipment per Corcovado,
10. Tanning Factory-Client's sheep-particulars of proceeds of do.-weight
 sheets-specification of extract-cases Nos.
 128-176 & Resume of sheep killed, 1913.
11. Mr. Townson's Reports,
12. Remarks on accounts,
13. Statement on accounts,

14. Specifications, -	Wool.	Skins
P.H.	93	1
J.L.	10	2
M.C.	44	
Heath	236	9
P.H.	711-717	10
M.C.	1018-1090	7
		10
		27

No. 547 per "Potosi" 2-8-18.

Ministry of Munitions had only granted 3 cwt against 84 tons required and supported by the Governor. I cabled both the Brecht Company and Maclean & Stephenson for quotations. The former quoted 2/4d for Bolivian tin and 6d per lb. per lb. and the latter 7/- and 8d per lb respectively.

S.S. "POTOSI"

2nd August,

18.

547.

I naturally accepted the former and at the same time asked them to endeavour to ship all or part by the "Potosi". Unfortunately owing to a strike at Montevideo

Sir,

I confirm my last dated 8th ultimo, despatched per M/"Palstria" via Capetown, but have none of your letters to acknowledge.

2. Cables despatched between us are confirmed as per enclosed copies.

3. It is very good news to learn from your cable received this morning that you have been successful in contracting for next season's supplies of boxboards. The price-6/- cwt- is seriously high, but after all all meat Companies must be in a similar position, and both Swift and Armour, who practically control the world's canned meat supplies, will take care that prices for meats and extracts are well maintained. I would have been glad to have had some indication as to shipment, but hope to hear this shortly. It is important for us to prepare boxes in advance, but if the material reaches us before the end of the year much can be done before the season commences. In cutting up odd pieces of timber, over 4000 sides, in Stanley, we put in a good three days work in view of the tremendous cost of the lot just contracted for.

It took the Brecht Company fully three months to send a quotation at all, in the course of which time I sent off three messages of enquiry; when their wireless message gave 7/- each fob I hoped that that figure had arrived mutilated. In asking them if it was correct, they replied to the effect that the very high price is owing to the non arrival of pine lately. Shipment, they said, could be made in one month.

4. The position of our solder supplies is not yet quite clear. As soon as I learned from you that the

The Secretary,
London.

No. 547 per "Potosi" 2-8-18. (2)

Ministry of Munitions had only granted 8 cwts against 6½ tons required and supported by the Governor, I cabled both the Brecht Company and Maclean & Stapledon for quotations. The former quoted 2/4d for Bolivian tin and 6d per lb lead per lb, and the latter 7/- and 8d per lb respectively.

I naturally accepted the former and at the same time asked them to endeavour to ship all or part by the "Potosi". Unfortunately owing to a strike at Montevideo that vessel is leaving there at noon to-day with only a part of the Stanley cargo. Your prompt reply to my cable putting the position before you informing me that it has been arranged that the "Kenuta" calls at Montevideo came as a great relief as there should be ample time before that opportunity to have the material ready for shipment. I would have preferred to have had the tin and lead here before the departure of Mr Weiss for the Coast, but if there are any points of importance to be watched in connection with the use of Bolivian tin in the manufacture of solder, he can ascertain this at works on the Coast and cable me if necessary. Of course before accepting the Bolivian tin I asked the Brecht Company if it is suitable and they informed me that the proportion of 60% tin to 40% is necessary. This will, however, be determined by our own tests. In any case the price works out cheaper than I anticipated.

5. The managers of those West Falkland Stations- Dean & Anson, Stickney Bros., Baillon & Stickney and Bertrand & Felton- who had their sheep held up at Port Howard for a month through the mishaps to the Falkland, all met me together in the office here in connection with the delay and to discuss the question of compensation. They claim that their sheep having been at Port Howard ready for shipment on the dates appointed by us we are

No. 547 per "Potosi" - 2-8-18.

(3)

responsible for the loss in weights caused through the delay. They asked me to settle the question there and then, but I denied all liability on our part. At the same time I told them that if they submitted their ideas of loss I would forward them to the Board for consideration. It is certainly an occasion to be generous and it will pay us to be generous. It will be difficult to satisfy them as they all have the most exaggerated notions of the weights of their sheep. I do not consider that any of the lots of sheep in question would turn the scales any heavier, with the exception of those from The Chartres, than say the Hill Cove sheep, which realized $11/6\frac{1}{2}$ d per head. The claims in all amount to £1316. 8.10 and I would say that the actual loss would amount to about half that sum. Should the Board decide to meet these claims in any way I will be glad if they will consider the question of making the proviso that they agree to renew their contracts on the same terms for the season 1919. I would not exclude them from the payment of a bonus, should one be granted. In undertaking to can 70,000 sheep and please everybody, without having all the material necessary on hand, we over shot our bolt and there is no reason in my opinion why those farmers whose sheep arrived at the works after our soldier was exhausted should not be on the same footing as those whose meat was actually preserved.

It will be seen that with the exception of Bertrand & Pelton all claim the inclusion of the 1% deducted for drivers in their returns. This has apparently been done at the instigation of Mr Evans, who states that the agreement with his principals in England does not include this clause. No Contracts were signed at all this year, as the forms with the revised prices only arrived on the "Potosi" in February and the mails for the West Falklands had left before I knew they were here. Mr Robson, manager

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No. 547 per "Potosi"-2-8-18.

for Baillon & Stickney, informs me that his Contract was signed at home, but subject to his approval; apparently he does not approve of the "driver" clause at this late hour. Mr Luxton asked to sign a Contract when in Stanley at the end of last year, but I had none; it was clearly understood, however, that the sheep were bought on the customary terms.

The sheep from the North Camp which reached the works as late as June were in an even worse condition than those under discussion, and I have had to cope with complaints from farmers there also. I have satisfied Mr G.J. Felton by meeting his 1915 claim to the extent of \$100. There is not the slightest doubt that he sold his sheep to us then at an agreed price, although he was offered better terms from Mr Roy.

Mr Evans presented at the meeting referred to his grazing account for the sum of £380.8.4, being 8,300 sheep for 26 days at threepence each per week. The farmers who benefited would not pay it, although they said that they considered it a fair charge, but as had passed my word that we would stand good for it if the farmers would not, I have squared the account under protest. In my last paragraph No. 8 I explained the circumstances under which I did so. This amount should certainly be taken into consideration in the granting of compensation, should that be decided on. As a matter of fact it is undoubtedly true that Second Creek will be much the better by having had so many sheep on it for a spell; as several farmers say "it has put a face on that ground".

Mr Evans who has been in Stanley lately has been airing his grievances very freely over the manner in which he says he has been humbugged by us this year over the shipment of the West sheep from Port Howard. I am

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No. 547 per S.S. "Potosi" - 2-8-18.

willing to admit that he has had to put up with a great deal of inconvenience one way and another, but we all have had a similar experience and it has all been due to unavoidable causes. When I fixed the date for the commencement of sheep lifting for the 20th of March there was every prospect that sufficient timplates would be forward in time to prevent a stoppage of canning operations. As soon as I saw that there was no other course open to me other than to send the Falkland to Punta Arenas for some, I hurried out myself on the 7th of March to consult West farmers and to arrange for later dates. I sent round circular letters explaining the circumstances, and cannot see how it was possible to do more. The Falkland only returned from Punta Arenas on the afternoon of the 29th of March, and I got her away from here for the West on the 3rd of April, with sheep pens fitted, although she had to be discharged and sent out to Goose Green with the timplates beforehand. The mishaps to the Falkland at the end of April when she was on her way out to finish sheep lifting of course upset everything, but who was to foresee such a contingency. Some of the West farmers will only be satisfied when we return to normal conditions.

Mr Evans informs me that he is having his boiling down plant put in order for next season, as, he says, if he boils down rams and scraggs he may as well boil down all his surplus stock. He declares that it does not pay his Company to sell sheep to the Canning Works, as this obliges him to run a number of cast ewes for a year and sell us his young wethers; also that his skins and tallow would realize more than they at present receive for his sheep from us.

It has now been decided by the Government to erect the small wireless station at Fox Bay. The material

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No. 547 per "Potosi" 2-8-18,

goes out from here on the 7th of September and the work is to be hurried on all possible. The installation of the wireless will bring farmers on the West into better touch with what is going on elsewhere, and at the same time will be a great convenience to us in many ways, including the arranging of various matters in connection with the shipment of sheep.

6. I was very pleased to receive your message containing the words "Machinery purchase". I enclose a list of the various articles which I have authorized Mr Weiss to endeavour to purchase on the Coast for the Canning Works. I have gone into all the items with Mills, who spent practically the entire season at Goose Green, and without doubt some improvements must be made before next season. All the items recommended by Weiss and Mills are of course not absolutely necessary in the sense that we cannot carry on without them. Some are to economise in labour and material; take the case of the Folding and Grooving Press recommended - the enclosed drawing by Mills with explanation attached will shew how solder can be economised by installing a more up to date press. For the same reason we must obtain a new Capping Machine and new Jookering Stoves are absolutely necessary as our present ones are absolutely useless. Mr Weiss thinks it will be quite easy to obtain most of recommendations on the Coast, but I very much doubt it. He will, however, have a thorough look round and should obtain much valuable information as to improved canning methods at the various factories operating there.

7. In spite of the increased carrying capacity of the Goose Green dams I am still anxious about our water supply in the event of another dry season. I asked Mills to go into this question also when he

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per "Potosi"-2-8-18

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was out and he has given me the enclosed report. His proposal is complicated by the difficulty of finding suitable stone adjacent to the proposed site, but he thinks that in the calf paddock suitable stone may be found. As regards water supply the site of the factory is about as unsuitable as it can be, but the additional dam would be built to ensure from it alone a full month's supply.

8. Some time ago to relieve congestion at Goose Green I had some 3,300 skins brought to Stanley for hanging. I have had all these overhauled and we have already been able to bale a number. If at all possible I will have another lot brought in next trip of the "Falkland". It has been a very serious problem handling so many skins this season.

9. It was unnecessary to approach the Governor for his support to obtain priority assistance for the 10 tons of wool packs bands referred to in your cable of 20th ultimo. Supported applications had already been forwarded for about 7 tons by the "Falkland" (she arrived at Capetown to-day) and I hope to receive support for a further 4½ tons in time to catch present opportunity. So far the Governor has supported every recommendation for material sent to him. It is somewhat difficult to know exactly what articles must be supported from here, but we are applying for any article about which there is any doubt.

10. I take this opportunity to express my personal appreciation and thanks and that of all other Company's servants in the Colony to the Board for their generosity in again granting this year the excellent bonus of 15% on all salaries and wages. In the same message you were good enough to inform me that there was a sum of £500 standing to my credit in London and asked for instructions as to disposal. I replied asking you to place that

547 per "Potosi" -2.8.18. (8)

sum in War Bonds, 1924. Perhaps you will kindly place Bonds in the hands of my Bankers, The Hongkong & Shanghai Sng. Corporation, at 9, Gracechurch Street. I have no idea from whence this sum reached you, but note that you are writing me on the subject.

11. I was not aware that any formalities had to be gone through in connection with such remittances as that which I asked you to arrange in Capetown for \$1000 in favour of Mr R.S. Felton. As I informed you the money is required by Mr and Mrs Felton, for medical and travelling expenses, the former of whom left for reasons of health. I cabled Mr Felton at Capetown advising him that the credit had been arranged with the Standard Bank of South Africa, as you advised.

12. In consideration of the fact that you advised me that you were informed that there would be no outward steamer after the "Potosi" until December I ordered heavy supplies of sundry provisions and stores from Montevideo by that opportunity. One of their frequent strikes has broken out there, and as a result the "Potosi" has been obliged to leave with part of our cargo only. It looks as if we will be altogether out of supplies of such articles as sugar, kerosene, baking powder, maize, pollard and other commodities, and consequently after consultation with the Governor I cabled asking if you can arrange for the "Kenuta" to call for the remainder. To secure the kerosene I had to get the assistance of the Governor as the export of that article is now prohibited from Uruguay, but unfortunately none at all appears to be on board. It is naturally gratifying to know that you have made arrangements for the "Kenuta" to call at Montevideo. Along with other articles I have ordered a quantity of dry goods from

No. 547 per "Potosi" - 2-8-18. (9)

there as Maclean & Stapledon advised me that they could ship same ex bond. It looks as if we will require to look elsewhere, in future, than the United Kingdom for supplies of clothing.

13. As I informed you by cable the Will of the late Mrs E.P. Greenshields has been proved in the local Court and the sum of £715.17.5 for Probate Duty paid. This includes a penalty of £20 payable under Section 4 of Ordinance No.9 of 1901. I paid this amount by our cheque payable in Stanley and at the same time wrote to the Colonial Secretary asking if the Governor would sanction the inclusion of that amount in a cabled remittance at the end of July. No reply has been received to that letter, but I received the amusing letter dated 20th July from the Registrar of which I enclose a copy asking for a further cheque for £95.18. 9 before Probate of the Estate can be sealed. For some time past we have had the greatest difficulty in collecting sufficient cash for our every day needs and the Treasurer appears to be having similar trouble. After various interviews with the Governor it has been arranged for the Commissioners of Currency to issue £2000 new notes, of which we will receive £1000, probably £2000. The Governor tells me that he does not want these notes in payment, but I am afraid he will be obliged to take them.

I have also acted for Mrs Greenshields for the Estate of the late Mr George Greenshields and my valuation has been accepted. Probate Duty in this case is £925.2.7; the question of payment is still under discussion. The valuations in both cases were based on figures

(10)

No. 547 per "Potosi" -2-8-18.

furnished by The Registrar and the Acting Stock Inspector, who visited Douglas Station at the request of the Governor for that purpose. They put up my valuation considerably, but as Mr E. Greenshields signed it and I believe the valuation to be a fair one I have made no protest as I know that it would be a mere waste of time.

14. In future I intend to make arrangement with the Government for the use of their slip to overhaul our steel lighters. The "Swan" is now up on the "grid", but we we have had to give up trying to get her off present high tides. This lighter was well riveted, but I am afraid McNicoll will require to overhaul all the rivets of the "Teal" at an early date as it appears that those in that lighter were overheated when erecting as they are already much eaten away especially between wind and water.

The lighter or rather hulk "J.P. Smith" has been for a long time past leaking badly, making about 2½ inches a day, consequently requiring constant attention. This is very disappointing after having had her on the beach twice in the last eighteen months, and it looks to me as if the trouble is too low down for us to re-caulk her so that she will at least be reasonably tight.

I have had some of the jetty gang chipping the inside of the "Lady Elizabeth" recently, and I will continue this as opportunity offers. Captain Ingemann of the "Palstria" thinks she is worth a good £20,000 with a few thousand pounds spent on her in the way of repairs and fittings.

15. I omitted to mention when discussing Canning

per Potosi" No. 547-2-8-18. (11)

matters that in consideration of what has been generally admitted by Mr Townson, Mr Weiss and myself to have been careless killing throughout last season I have credited all Stations with 4 ox. for every sheep killed at 3d per pound. This effectively disposes of every complaint as to meat and fat being left on the skins, as before crediting the various Stations I discussed the question with most of the managers. It was cheaper to pay this than reduce the number of sheep put through the works per day as the season was too far advanced as it was when work finished.

16. Since I last wrote on the subject of the Government and the Transport Company I have thrashed out the whole matter with the Governor and it has now been arranged that the "Falkland" makes monthly calls at Fox Bay, irrespective of mails, ~~in~~ the leaving Stanley in the course of the first week each month and quarterly calls at Port Stephens, New Island, Wemy Point and Hill Cove in the course of the first week in October, January, April and July. This same arrangement was offered to the Government several years ago, but was rejected by farmers on the West Falkland who were anxious to receive their home mails as soon as they could be taken out. I explained to the Governor that it was utterly impossible to make arrangements ahead with any degree of certainty when no one knew when to expect the arrival of the mails. I gave him several instances, including the last voyage of the "Potosi". Needless to say it is a great satisfaction to me to have this matter straightened out as in future it will be a very simple matter fixing dates and keeping to them, bar accidents.

(12).

No. 547 per "Potosi"-2-8-18.

The Governor tells me that he does not consider that, with so few mails coming out, the Government are getting value for the money they pay, and that he does not propose to renew the Contract on the same terms.

17. The "Potosi" arrived on the afternoon of the ninth instant bringing your despatches Nos. 1185 and 1186 dated 5th and 13th June respectively. She also brought an unusually large mail.

18. It appears that all the loading done in Monte Video was done by the crew of the "Potosi". She brought much more cargo than indicated by Maclean & Stapledon, the nett invoice value being \$7,000 plus \$200 for freight. As I cabled asking you to cover the sum of \$12,000 against War Risk perhaps you will kindly arrange for a return of premium on \$4,000 over covered.

19. 1185 par. 3. I hope that the Board are not disappointed with the final figures of the season's canning operations. Personally I am both pleased and disappointed; pleased that the season's working will shew highly satisfactory profits, but disappointed that most farmers do not appreciate the difficulties under which we canned their sheep at all.

I am not a bit afraid of not being able to carry through future seasons with local labour. My opinion is that we employed more men present season than we actually required and that the work can be done with 80 men against 100. Much of course depends on the work it will be possible for us to execute before canning operations commence; with boxes made up and a large number of cans on hand it will be quite easy especially if the full quantity of coal is on hand. Several farmers complain much about the in-

10. 547 per "Potosi" - 2-8-18.

(13).

convenience they were put to through allowing so many men away from their stations, and they will certainly not lend us so many men again. A few men made very good wages, but the larger proportion did not make as much as I expected. The long drawn out season sent up the total, but the work was done remarkably cheap to my mind nevertheless. The long looked for 920 boxes of tinplates came forward on the "Potosi". Unfortunately a number of cases- stated to be 25- were damaged in a lighter at Montevideo by salt water. It appears that the lighter on which the goods were placed for shipment was deserted by the strikers and when loading it was found that it had been leaking. I will have them examined at the earliest possible date and claim for damage, if any. The freight charged on these tinplates-312 a ton- is simply preposterous, especially in view of the fact that all the small merchants have been able to bring down a lot of goods at the ordinary rates, much of our own stores being shut out to make way for theirs.

20. 1185 par. 4. I note the difficulties you have to contend with at home in the matter of supplies imported into the United Kingdom for re-export. I trust that the recent contract for boxboards has been placed at home and there is no chance of shipment being held up through railroad congestion. I hardly think that any steamers belonging to the Whaling Companies will come out direct from Norway as the lateness of their arrival here last season was due to their being obliged to wait in England for necessary whaling material and stores from Norway.

21. 1185 par 5. All the Wace family are now clear of the Colony. Mrs Wace and her son left Stanley for Capetown

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547 per "Potosi" - 2-8-18.

on the "Palstria" and I understand that Doctor and Miss Wace left Buenos Aires on the "Thonga" for England. It was the Governor who advised Mrs Wace to take the opportunity of travelling to Capetown on the "Palstria" where he thought she would find better facilities for getting to England, and I was very glad to be able to arrange passages for both her and her son. Before your instructions reached me not to pay him beyond our legal liability I had already agreed to pay him his salary until the 30th of June last. I was anxious to get rid of him at any price. If the proper thing had been done years ago I would never have had him on my hands, as his conduct throughout his agreement has been consistently the same, the only difference being that it appears not to have been reported to you until recently.

22. 1185 par. 6. I am glad to learn that Doctor G.A. Herklots will travel on the "Kenuta". I am also more than pleased to hear that it has been decided that he is to participate in the annual bonus paid to all Company's employees. Note is taken that he signed his agreement on the 28th of March and that he is being ~~be~~ paid half salary from the 1st of April.

23. 1185 par. 7. It will be most awkward running the canning works throughout an entire season with inferior coal. In view of this I have a strong inclination to send out the Smithy Cochran boiler to relieve pressure on the Babcox and Wilcox boiler until the new one from home arrives. The chances are all against our requiring it in Stanley, and we could make good use of it at Goose Green. Mr Waise again in his indent for next

No. 547 per "Potosi" -2-8-18. (15)

season has asked for only 300 tons. I would far rather have several times too much coal at the works than too little. Last year it was a continual worry to keep the works supplied. This inferior coal is quick burning stuff and much of it is lost through falling through the bars half burned.

24. 1185 par. 8. It is not yet clear what quantity of wool and sheepskins will be lifted by the "Potosi". I am aiming to get away 3000 bales but I am afraid there is too much waste space on her through having coal for both Punta Arenas and Valparaiso to get this amount away. I am shipping the extract on her and will endeavour to get some cased meat away. With the exception of Goose Green produce practically the season's produce is now all in Stanley. My hope is that we may clear everything on the "Kenuta".

25. 1185 par. 10. I note that the Board has decided to take over the Government's share of the Stanley/Darwin telephone line. Mr Townson reported to me that the wire in many places is as weak as thread. He will be in Stanley before the mail leaves when I will go into that question further with him. Mr Mantle's report and suggestions are most interesting and in the light of his letter I will see if anything can be done to obviate the present trouble as to privacy and cross talk.

26. 1185 par. 11. I have more than once proposed to the Governor that we increase our monthly payment to the Crown Agents against cheques drawn by us and on us here, but he says that it would not be convenient to the Government and that he prefers to adjust matters each month as they arise. Lately we have almost come to a

deadlock over money matters. For some time past we have been finding the greatest difficulty to raise cash to meet cheques and wages and both the Governor and the Treasurer inform me that they are having similar trouble at the Treasury. The public appear to be hoarding up their money, chiefly, I assume, owing to the fact that they cannot now purchase supplies from outside the Colony as easily or frequently as formerly. I hope the new issue of notes will relieve the situation.

27. 1185 par 16. Your advices throw light on the mystery of the 25 bales wool packs and 10 bales of Twine which Maclean & Stapledon reported to me as having arrived in Monte Video in May. I could not understand for whom or whence woolpacks were ordered to that extent and cabled asking for marks and wherefrom. Their reply saying that the mark was I B in a diamond, from Calcutta, did not even then make the matter clear, and later a letter arrived from Maclean & Stapledon saying that it was bagging and for us and that they had been in communication with you regarding storage, insurance etc.,. Price of 1/1 per yard fob Calcutta for 27 Jute cloth is extremely high, but it is a great relief to know that supplies are assured for a time at any rate. Stocks will be sold only according to absolute requirements.

28. 1185 par 17. I note the decision of the Board, with regard to the use of Blind Island by the Speedwell Island Company.

29. 1185 par 18. I now realize the danger of preserving Rams, even as second quality. A few farmers sent rams this year mixed up with their flocks, which gave Mr. Weiss considerable trouble. Fortunately most of them came forward too late to be preserved.

30. 1185 par 20. I am disappointed to learn that the Secretary of State has confirmed the appointment of Mr. G. I. Turner to the Legislative Council. Nothing could be

more absurd.

31. 1185 par 21. All the stud animals ex s.s. Potosi last voyage were safely landed at the various stations. Note is taken that it is necessary in such cases to advise safe arrival at final destination to enable you to claim a return of premium.

32. 1185 par 24. I am naturally gratified to have your preliminary favourable comments on the 1917 accounts. Your further report after more careful examination is awaited with interest. It is most unfortunate that the Chancellor of the Exchequer should reap the benefits of economy in working and ordinary increases in profits such as resulted during 1917.

33. 1185 par 25. I note that the Board has decided that our War Allowance of £5 annually to all Camp hands is inadequate and that I am authorized to instruct Mr. Townson to pay as from 1st July, £1 a month to all men earning £5 per month and over, and boys in proportion. When I authorized Mr. Townson to pay them the sum of £5, I had in view the advisability of increasing this at a later date, as I considered it unwise to go to our full limit at once. The idea of making the allowance payable half yearly was to encourage the less permanent hands to remain with us as long as possible. Needless to say the new arrangement will be greatly appreciated by the men. Personally I cannot help expressing my appreciation of the policy adopted by the Board and I can assure the Directors that it will be money well expended.

I have had in mind for some time past the desirability of increasing the War Allowance at present paid to our Stanley employees. An additional payment of 2/- per week to the jetty gang would be ample and others an increase in proportion. I will go into this question carefully after the Potosi leaves, as any advance of the kind affects all local employers of labour. I have made various changes lately in our jetty gang and the work has since greatly improved. They have practically received 1,200 tons cargo in 4 days

No 547 per Potosi, 2/8/18. 18.

from the "Potosi", which is excellent with our local facilities.

34. Captain Johnsen started off very well in command of the "Falkland" as far as navigation was concerned and I had great hopes that he would above all seek safety first. Part from his mistakes in navigation, he was in many other ways a most undesirable man for the trade. Captain Thomas at the end of May carried across from Port Howard to Egg Harbour as many sheep per day as Johnsen did in early April, through the latter's unfortunate manner of handling his crew and dealing with shore hands.

35. 1185 par 27 1186 par 4. I am most grateful to the Board for their extreme generosity in allowing me to retain all fees received in connection with the management of Weddell Island and in connection with Probate matters.

36. 1185 par 28. I shall have pleasure in acting for the Executors of the late Mr. Russell Buckworth in having his will proved in the local courts. By this mail I received a letter from Messrs Hooper & Nollen on the same subject who have so far only asked for particulars as to procedure.

37. 1185 par 29. I am glad to note that our claim for commission on the passages of Admiralty workmen has at last been settled with the P.S.N. Coy by their paying us a fee of £105.

38. 1185 par 30. I am informed by Mr. Townson that the Doctor's house at Darwin Harbour has been put in a thorough state of repair. He has a married couple living on the premises for the present and everything is being done to have it clean and comfortable in anticipation of his arrival in the near future.

The house occupied by Dr. Wace was locked up for a few months, and the key left with Mr. Moir and Mrs. Water-son. When I was last at Darwin I arranged with Mrs. Wace to leave the Settlement as soon as she could dispose of her furniture. Copy of the letter received by you from Dr. Wace, dated B.A. 10th April and your reply is to hand. Darwin Harbour in particular and the Camp in general are to be congratulated on his departure.

39. 1185 par 31. The discrepancies in the return of the wool shipped per "Cardiff Hall" are being investigated and I hope we will be able to clear up the differences as shewn in your statement.

40. 1186 par 3. It is somewhat disconcerting to learn that it is the intention to send all future steamers direct to Stanley. I hope your representations will have the effect of altering matters. I will take the matter up with the Governor after the Mail leaves

41. 1186 par 9. The three Bulls arrived safely and are being properly looked after in Stanley until shipped to their destinations. I note that the one marked 2 on the near side front hoof has, on the draw, fallen to Holmsted & Blake, Ltd.

42. 1186 par 10. COMPANY'S SHIPPING. This account is being carried on on the lines laid down in your Despatch No. 1178 par 3. As the year had advanced so far I did not think it worth while altering the name of the account at that time, and unfortunately it has been overlooked to make the change at the beginning of the present year.

I am glad to have the credit note for £1,000, being our proportion of the amount received from the Government for warehousing, hallage, brokerage etc, of wool shipped per s.s. Cardiff Hall.

I am,

Sir,

Your obedient servant,

Manager.

ENCLOSURES.

Duplicates (Originals per Palstria, 9th July 1918).

Despatch No 546
Journal for April & May.
Cash Book for May & June.
Store Indents No. 535.
Coasting Insurances.
Stanley Pages Return, June 30.
Canning - particulars of proceeds of clients' sheep,
residue of sheep killed.
Mr Townson's reports.
Remarks on accounts.
Statement on accounts.

ORIGINALS.

1. Stanley Journal for June.
2. Cash Book for July.
3. Cash Voucher, West Store.
4. Store Indents No. 536, with Remarks on Stores.
5. Priority Certificates for sundries Nos. 535/15-21.
6. Copies of sundry Indents (accompanying priority certificates).
7. North Arm Indent.
8. Coasting Insurances.
9. M.S. Palstria - accounts.
10. Camp Pages Return, June 30th.
11. s.s. Falkland Manifests, 13 to 17 E.
12. Butchery Ledger Balances, June 30th.
13. Store
14. Stanley Ledger Balances, June 30th.
15. Canning - Memo, machinery wanted for next season,
do new reservoir.
Tallow Return.
Extract, etc., return.
Sheep Return.
Sundry Claims - Bertrand & Felton, Dean & nson, Bailion
& Stickney, Stickney Bros.,
16. Copy PSN account.
17. Correspondence - Colonial Secretary, 11 January 1918.
18. Remarks on accounts.
19. Statement on accounts.
20. Specifications -

	Wool.	Skins.	Tallow.	Hides.
J H D	294	10		54
B	99	6	26	13
L	223	12	4	23
H & B	6	18		
N J	1091-3			
R B C		6	22	
D & S		9	2	
McG		12		72
H P			25	
	55	9	2	
H G C	99	13	13	10
S	38			
E D	50	6		
I & H	48	2	6	7

21. Mr Townson's reports.

The Secretary,
LONDON.

Dear Sir,

The mail closes at 10.30 pm tomorrow and the "Potosi" will leave at noon.

TRANQUILITAT HOUSE- 1000 ST. JAMES'S PLACE. I regret to report that this old house was burned to the ground on the 30th ultimo. Mr. Fawcett informed me that nothing but the stone of the old walls remained. Viscountess who visited the house with Mr. Fawcett has given me the enclosed report. The building is insured for £200 under the Company's Underwriting Account. The value of the building barely covered the insured value.

CANNON: Unfortunately the returns of material used during the season 1917-1918 have only reached me, allowing no time for us to check the figures with the delivery book, but I enclose a copy as per copy which I think will be more or less correct. The usual statement as drawn up in the office will be forwarded next mail. A statement showing wages etc paid away throughout the

347 Dec 10/08 (Continued)

348 (Continued)

349

(2)

year and being enclosed with this.

WILLIAM COURTS: This old man is giving up work altogether on the 31st of October next, the termination of his six months notice. Enclosed is the record of his services. His record is one that does him great credit, and although he has his faults he has been a good and faithful servant to the Company. I presume he is entitled to some pension, and this will be determined on the full amount of wages earned by him. He has begged to be allowed to remain on the ship until the termination of the war, which I hope will not be denied him.

"POTOSI": This vessel will only lift some 1,200 bales of wool and sheepskins, and all the Good Green Extract, 175½ cases. This is most disappointing. I expected to get fully 2000 bales away. I have been on board doing everything possible to get more away, but both the Captain and Chief Officer state that they have not space for another bale than they are taking. It seems that the coal which came out was stowed with coal for Punta Arenas and Valparaiso, thus losing this space for this port.

yours faithfully,

Manager.

547. per Potosi. 3/8/12.

ENCLOSURES (Continued).

ORIGINALS.

22. Confirmation of cablegrams.

23. Shipping Report.

24. Letter for Secretary.

25. Mr Weiss's reports.

26. Specifications:- Wool. Skins. Tallow. Hides.

Triangle

F B 3

F. B. & Co.

19

S 60

The Secretary.

LONDON.

s.s. KENUTAW.

3rd October, 1918.

548.

Sir,

I will still confirm my last per s.s. Potosi, but am without any of your letters to acknowledge.

2. Cables exchanged between us are confirmed as per copies enclosed.

3. Shortly after I received your cable of 29th August in which you asked if all wool was collected, the Governor informed ^{me} that he had received a message from the War Office advising him that you had made application for an advance on all wool in Stanley awaiting shipment, that they agreed and asking if he did. I at once furnished him with a complete list of marks and quantities, the total of which he cabled home with his assent. At the same time I urged him to try and have sheepskins included, as we hold still a considerable number of bales, but he said that as the message only referred to wool he would take no action. However I am glad to note from your request for marks and quantities of both that they are to be included. My first message on the 10th gave the quantities on hand at 3039 bales wool and 324 bales of skins, but as additional quantities arrived before your message of the 19th ultimo I thought it right that every bale actually in Stanley should be included and cabled the quantities, 3310 bales of wool and 383 bales of skins. I have since received your message of the 29th ultimo,

The Secretary,

LONDON.

instructing me to ask the Governor to confirm quantities cabled on the 20th ultimo. The Governor is at present having my figures checked at the Customs, after which he will give the necessary confirmation to the War Office. The only wool still out is North Arm 108 bales, Speedwell Island Coy, 99 bales, Browning and Bender 20 bales, and a few bales of skins at each of these places. All these lots can be brought in at any time. Other produce at present in Stanley is 412 casks of Tallow, 782 Hides and 7200 cases Canned Meats. The Falkland is now at Goose Green with coal and other material and will bring in some 300 casks of tallow and 2200 cases of meats, in the course of a day or two.

4. I was glad to have your approval to my suggestion to send the Smithy boiler out to Goose Green. It will be sent out towards the end of next month. This Cochran boiler being perpendicular will be easily fitted alongside our Babcocks boiler, whereas were we to take over the San Carlos boiler, before erection it would be necessary to enlarge the boiler shed. The latter is of course a new boiler and otherwise is suitable, except that for a permanent additional boiler it is very desirable that two of equal pressure should be built alongside each other, as I remarked in my Despatch No. 538, paragraph 6. In any case Mr. Langdon is at present in Buenos Aires for medical treatment, and as since the death of Mr. George Greeshields the control of the San Carlos works is in the hands of Mr. W. K. Cameron, it would be necessary to negotiate with him for loan or purchase.

It is most improbable that anything will be lost by depriving the Smithy of its boiler, as in the unlikely event of anything very important cropping up it would be no very difficult undertaking to bring the boiler from the Great Britain ashore for a time. It is hardly necessary to say that the scheme of sending out the Smithy boiler is largely on account of the inferior coal now sent out and the consequent trouble experienced with the furnace of the Babcocks boiler by working it at full pressure all the time. By utilizing both together we can thus relieve the pressure

from the latter without materially increasing the coal consumption, and at the same time raise additional steam when required.

5. The F.S.N.C., Valparaiso, advise that the Kenata and Coreovado will lift 1550 and 1000 tons space respectively of wool and sheepskins etcetera for Liverpool. This will not even clear all the wool and sheepskins, which in all total close on 4000 bales. My instructions are to give preference to these, which may mean that practically the entire season's canning produce will be left on our hands. Already 5043 bales of wool and 554 bales of skins, which with 3310 of the former and 383 of the latter represents a considerable increase in produce over recent years. It is only by utilizing the Lady Elizabeth for tallow that we are to-day in a position to stow so much produce, as every available lighter is carrying coal. The Governor has informed me that he has heard from the Secretary of the Ministry of Shipping that it has been arranged for a three monthly service of steamers outwards calling here via Montevideo.

6. It was only on the 23rd ultimo that I learned definitely that the Brecht Company have obtained permission to export the tin, lead and copper necessary for solder for the coming season's canning operations. They state that they expect to ship the material first chance. It began to appear as if we were to have the same trouble over these metals as we had this year over tinplates, but fortunately I obtained the assistance of the British Minister, through the Governor, and owing to his efforts the necessary permit to ship was granted. Price is not stated, so I am hoping that the original quotation still holds good. The quantities ordered are 4 tons tin, 3 tons lead and 400 lbs copper. They also inform me that they are shipping salt, so that with men already here we will be in a position again to dispose of our casings.

7. The Brecht Company recently cabled a quotation for boxboards at 6/- f.o.b., but that price is still higher than that at which you have placed the 10,000 boxes.

8. I had a message from Mr. Weiss on the 28th of August from Punta Arenas saying that he strongly recommends the drying of skins at Goose Green next season, and that the necessary building be prepared there. I asked him to send an estimate of cost and dimensions, but I have not heard further from him on the subject. We have now little or no material here, so that if it is decided to erect the necessary building this must be prepared elsewhere, and as I believe that timber is as cheap at Punta Arenas as anywhere it would be advisable to take advantage of this and their experience there of the sort of building required for the purpose.

9. I was glad to have your instructions to renew sheep contracts for the coming season on the same terms as last year. There will be no trouble in fixing up with farmers on the East Falkland provided we can take the sheep off their hands before the end of April, but at the moment East Falkland farmers, with the exception of Holmsted & Blake Ltd and Packe Brothers, are threatening to boil down their surplus unless we meet their claims of last season for compensation. I have heard, but will not vouch for its accuracy, that Mr. Evans does not intend to allow West farmers the use of Port Howard jetty in future. This may be that he is demanding 6d a head against 3d for its use, which he has for sometime been trying to obtain, but nothing has been reported to me direct on the subject. If the worst comes to the worst we can ship the sheep from Fox Bay, and by fitting a tier on the Falkland, we will carry across practically as many as we have done in the past per day, which is really as many as we can cope with at Egg Harbour.

10. I have arranged with Messrs Maclean & Stapledon, Montevideo, that in view of the large purchases now made through them that, in future, a commission of 2½% is to be charged by them on the invoice cost of goods, against 5% charged up till the present.

11. I enclose some correspondence with the Government on the subject of finance. It will be seen from their letter of the 12nd September that the Governor has decided

to charge us interest at the rate of 5% per annum on any amount allowed the Company in excess of the monthly credit of £1000, and 1½% commission on any telegraphic remittances on London accepted by them. I have argued with the Governor on the subject on various occasions recently, but he will not alter his terms. He says that it is not directed against the Company in any way, whose convenience he says he has always been ready and willing to meet, but is purely a business charge, payable in other parts of the world, and should be recovered from our clients. I can understand to some extent the Government charging interest, which can only amount to a few pounds in the year, on money advanced, but the idea of paying 1½% commission on remittances for them seems altogether preposterous. Our indebtedness to the Treasury at the time of writing amounts to the large sum of £6597. 6. 1. of which £6444.16.11 is against deposits during September in the Government Savings Bank. As it happens I expect to receive Savings Bank Withdrawal Warrants in the course of the next week for around £15,000 from our Camp and elsewhere for investment in National War Bonds. The Governor says he is willing to wipe off our indebtedness with part of this money, but I have still to receive his written statement to that effect, as he is inclined to say one thing in conversation and write another on paper. If he keeps to his word there will be no need to ask you by cable to pay anything at all to the Crown gents, thereby avoiding the payment of 1½%. As a matter of fact I do not feel disposed to cable remittances at all unless he raises what he calls the exchange. It would be cheaper to owe them a sum here than remit under these terms. In the letter dated 9th September he talks as if the Government were allowing us £1000 free of charge at present, which he ought to know was made for the convenience of the Government at their suggestion as much as for ours. He will not listen to an increase of the London payment to the Crown gents to £1500 or £2000. If he understood the position better he would be very glad to have his remittances made without cost. The payment of wages

to local men at Goose Green last year has to a large extent increased deposits in the Savings Bank, and of course local farmers are at present in a position to draw on us for much larger sums than in pre-war days. Then I had to pay close on £2000 recently to the Treasury for Probate Duty. In spite of receiving £1000 recently from the Treasury we never seem able to keep a proper working balance of cash in the Office. The payment of Bonds took up the greater part of that sum. The Governor says that Treasury Notes would not be accepted as currency at the Treasury, but that Bank of England Notes would. I do not know for what reason he makes this statement, except that he fears they may be called in by the Government at any time, which does not appear to be at all likely. The Governor argues that we are bringing outside business into our transactions with the Government, which he says was never intended to be part of the £1000; probate duty and duty on whale oil being mentioned, the latter of which he informs me is paid in South Georgia with a charge of 2½% commission. It would be a great blessing if we were more independent of the Government in the matter of finance; at present it is practically a monthly occurrence to obtain the sanction of the Governor to square our indebtedness at the Treasury by asking you to pay sums to the Crown gents. On the 1st March I asked you to pay to them the sum of £800, but according to your account current this was not paid until May 13th. I presume that the matter was merely overlooked.

12. As you will be aware the 'Palkland' has to go to Montevideo for docking purposes early in November. I should liked to have sent her away earlier but under the Contract between the Transport Company and the Government at least three months notice should be given to the latter in the event of her leaving the Colony for overhaul and repairs. The Governor would have let me send her away earlier, but for the fact that the Colonial Engineer and some men are at present erecting the wireless Station at Fox Bay and he is anxious that they should be brought back to Stanley on the

November mail trip. She will be despatched as early as possible after her return from the west, which should be well before the 15th of that month. I am just considering how we are to fill her up with cargo for the return voyage. The *Corcovado* calling at Montevideo this month will lift practically all goods at present on order, and it will never do, for the mere sake of filling her up, to bring down goods in excess of our requirements. We could do with all the timber we can get, but a quotation from Maclean & Stapledon for posts - 5 x 5 x 7½ ft @ 2 dollars 80 cents each - puts them out of the question. I am, however, obtaining 500 round posts at one dollar fifty each. Mr. Townson informs me that he can take as many more so I will endeavour to increase this to 1000 if at all possible. They are hardwood posts known as *quebracho*. I have also asked for quotations for boards and scantlings, but have not much hope that prices will be within reasonable limits.

It is to be hoped that the *Falkland* will not be delayed in Montevideo more than a week or two, as it is awkward her going away at all at this time, and unless she returns early in December there may be congestion of wool at the various sections of our camp. There cannot be very much repair work to be done to her, as she is very strongly built, and her various mishaps were luckily attended with no apparent damage.

13. My house has now been thoroughly renovated inside, with the exception of the conservatory which is too far gone for repairs. The painters and mason are now working on the exterior, and they will continue until all necessary work is completed, when I will send you a report of the actual work done. I have asked the Governor to support an application for 300 barrels of cement which is badly required both by ourselves here and in the camp, and by *Clienta*. I am very anxious to get at least a part of this as I have now engaged a first class mason in Stanley, and have a great deal of work that I wish to see completed as early as possible. In spite of much work done to the *J.P. Smith*,

Rosa Baker, Nimrod and Proccis all these lighters are still leaking, the first mentioned rather badly, which prevents me from putting more than 200 tons of coal on her.

14. The Will of the late Mr. W. S. Williams has now been proved in the local Court. Although the Chief Justice formerly accepted the deduction of old rental from actual instalments paid in respect of land purchases to the time of the death in all valuation of Estates, including Mrs. E. P. and George Greenshields, in the present case he has ruled that the purchase instalments should be viewed as a debt on the Estate and be deducted from the total value, and that the old practice is to be discontinued. This means that in purchasing 52560 acres @ 3/- or £7884, of which £3328.10.0. has been paid the debt on the Estate is £4560.10.0., and that the sum of £3328.10.0. in full should be included in the inventory of the Estate. I can trace nothing to show that the purchase price of 3/- an acre includes old rental, but I am convinced that it was intended to cover same. At the same time had £7884 been paid as a lump sum, that naturally would be the valuation to be placed on the land and therefore the instalments paid apart from interest would be a proportion of the actual value of the land. Perhaps Mr. Cobb would kindly let me know what the 3/- per acre was actually intended to cover.

15. The Kenuta arrived here on the afternoon of the 5th instant, bringing your despatches Nos. 1187 and 1188 dated 2nd and 27th August respectively.

16. 1187 par 3. I am pleased to note that fairly prompt delivery of the boxboards is promised. We are still short of several hundred boxes for last season's meats, but I fully anticipate that the 10,000 on order will be sufficient for next season and will complete the number now short. It is also satisfactory to know that the bundles will be bound with additional wire, which will, to a great extent, obviate the danger of loss and the boards arriving out in bulk.

17. 1187.4. & 1188.4. It is excellent news

to learn that you have been successful in placing an order for 100,000 yards of Jute sacking, and that the material has actually been shipped on-board the s.s. 'Irramore', expected to leave Calcutta, any time after the date of your advice, for Montevideo. This will put us in a position to issue supplies to every station in the Islands, including those referred to us by the Government. There is no difficulty in disposing of the wool packs received ex the Potosi, although on account of excessive cost we have had to charge £1 each for them.

I do not think it will be necessary to stitch the narrow sacking when baling. I discussed this question with Mr. Evans some time ago and he said that he would not, as he was certain that the hooping would keep it well together and afford sufficient protection. The question will be reported on as soon as we see the result after pressing. I sent out to Darwin Harbour sufficient 54" cloth for next season's requirements there, but Mr. Townson will do everything possible to avoid stitching on the other Sections.

It is to be hoped that the shipment will catch the Corcovado, as otherwise if it is to come down by the Falkland in December practically all Stations will have commenced shearing and those that are short, such as Walker Creek and North Arm, will be hard put to it to store their fleeces pending arrival. To arrange for the Falkland to run all round the Islands ^{on her return with supplies} would also be awkward.

18. 1187.5. I commented on the £12 freight rate on tinplates from Montevideo in my last, par 19, in much the same strain as you have done. It would be much more equitable if the extra charge had been applied generally over all the shipments as you remark. To do so now would be, I am afraid, most difficult as far as small importers are concerned.

As I said in paragraph 5, the Governor informs me that, as a result of representations to a former private Secretary of his, now Secretary to the Ministry of Shipping

the P.S.N.C. steamers are to make calls at Monte Video every three months on the outward journey.

19. 1187.6. I am glad to note that the Ministry of Munitions, has increased, on appeal, your application for 6½ tons solder from 8 to 25 cwt. While I was aware that we are particularly extravagant in the use of solder, I had no idea that we consumed so much per can beyond that generally required elsewhere. One expert tinsmith would be sufficient I think, as he could take charge of the tinshop and train the hands in their work. Of course two would be better, and I think this number is generally employed in works of similar capacity to ours. I have long been concerned over the waste in the use of solder at Goose Green and in my last despatch, par 6, I informed you that, I had approved of Mr. Weiss' recommendation for various small machines with that end in view.

20. 1187.8. It must be remembered that there are always two sides to a question, even in the case of Mr. Weiss. I hold no brief for Mr. Weiss and if I could find as capable a substitute I would gladly dispense with his services. I believe him to be keen to shine and to do his best and for this reason I have allowed him more scope than in ordinary circumstances. When I was at Darwin at the end of April I brought Mr. Townson and Mr. Weiss together and then Mr. Weiss agreed, as he had done before, to adhere to the instructions sent by you as to addressing all communications to Mr. Townson etc. I believe their relations are about as bad as ever, and have come to the conclusion that they are absolutely irreconcilable. When I met them both I heard their grievances and I must say for grown ups, they were particularly trifling. Mr. Weiss then said that it was unfair to him for Mr. Townson to march into the works at any time with the Acting Stock Inspector, an Official of the Government, without letting him know beforehand, so that he could be given the chance to say whether the works would be more presentable at one hour or the other. Then as Mr.

Miller and Mr. Weiss appear also to be antagonistic he objected to Mr. Miller holding conversation on the killing floor with the men lent us by him. Weiss said that if he did so again he would put on his coat and leave. Under ordinary circumstances the right thing to have done was doubtless to have dismissed him on the spot, but at that time he was much harassed with work and then this was only the result of a silly personal quarrel. Personally I have always considered that before going through the works with a visitor it was correct and proper to either let Weiss know beforehand or see him on the way in. I am willing to admit that I am wrong in this, but I shall always observe the practice, unless circumstances warrant my doing otherwise. It is the practice in most places. Weiss also found fault with Mr. Townson for taking a man back to North Arm after having been malingering, but I told him that any action in that respect by Mr. Townson had nothing to do with him. He said that if one man got off with it others might want to do likewise and that the work might be stopped. I have always found Mr. Townson honest and straightforward, but I regret to say Mr. Weiss does not excel in these qualities. It would have been far better if when Weiss came here his work had been confined to preserving; instead of that for years he had practically full charge and even had a free hand in the engaging of the Chilians he required. Now he does not like to be told that he is not to come into Stanley with his family at Christmas and the like, and of course resents it after several years of going and coming as he pleased.

The truth is Mr. Weiss will have to go. It is hopeless to run a business of any kind where there is friction and always likely to be. He informed me that he wanted a salary of £750 from the expiry of his Contract and of course that is out of the question. He also asks for a commission of 5% on the outlay on machinery and the buildings erected to his plans at Goose Green for the treating of by-products and re-construction. He could run the works as they are at present with Runacres under Mr. Townson's supervision, the latter

548 per Remata. 3. 10. 18.

12.

being responsible for the killing. I was anxious for him to go to the Coast before a climax came as there are various improvements which must be effected and he is the only man with sufficient experience to undertake the work, unless we are thoroughly well posted from outside the Colony. As you can understand their quarrelling places me in an awkward position. Mr. Townson being necessarily out in the Camp much of his time and questions arising such as qualities of tinplates tin and lead for solder etc. I must consult Mr. Weiss direct. I am not going to see the work hindered through the personal bickerings of these two men.

21. 1187.9.

I am glad that you agree with me that in putting 50,000 sheep through the works we are undertaking as much as we can conveniently handle. Our greatest worry is naturally in taking sheep off farmers hands before streams are high and the bad weather has set in. As I have always said we can always stretch the numbers slightly when circumstances permit.

It was the difficulty in obtaining a passport which prevented Mr. Weiss going to the Coast hitherto. Even this year there was a hitch and it was only after an appeal that British Subject was inserted. I explained to the Governor that we were behind the times in the matter of utilizing by-products and were anxious to ascertain first hand all the latest and best methods on the Coast.

22. 1187. 10.

The prices for Extract and boiled mutton are excellent. I am glad that I was able to ship the whole season's output of the former on the Potosi, especially as it has been sold to arrive.

23. 1187. 13.

The statement made by Captain Johnsen as an excuse for the delay at Punta Arenas has no foundation in fact. Partly as a holiday and partly to obtain stores I sent across Mr. Creece on the clear understanding that he was to ship stores only while the Falkland was awaiting the tinplate. I gave Johnsen written instructions to this effect and also wrote to Mr. Hobbs and the P.S.N.C.

on the same lines. Two extracts from Mr. Hobbs' letters are enclosed, which will show that it was the repairs that were responsible for the delay. Naturally while awaiting the completion of the repairs Mr. Creece rushed on all the stores he could.

24. 1187.14. & 1188. 7. I am enclosing all correspondence on the subject of Dr. Race's passage to England. You will see from this that I ordered a First Class passage to England for both him and his daughter. This was done through the R.M.S.P. Co., B., who advised that they had provided them with First Class passages per s.s. Thongwa. I understand that he cabled his wife informing her that he had sailed on that vessel, via Halifax. That was the first intimation I had that it was the Thongwa by which he travelled, and I was not aware that he did not travel all the way by her. I am writing the Royal Mail asking them for particulars and to send to you direct copy of their reply.

As I have already informed you I credited his account with salary until the 30th June. When his wife and son left I handed her a draft to cover the cost of two first class passages from here to England, less cost of passages to Cape Town per s.s. Falstria. As Dr. Race always carried with him a cheque book and issued these right and left for petty amounts, I held back about £23 to meet any that may still come in and a notice has been put up at Darwin asking anyone holding such cheques to send them in. For this reason his account is still open, shewing a credit balance of £23.3.6., and will be closed at the end of the year. He paid his daughter's passage himself to B., but we paid both his and his wife's to B. and the return fare of the latter to Stanley. All his other expenses were charged to his own account. He threatened to return to Stanley, but I think my letter to him of the 4th April last changed his arrangements. It is characteristic of him to threaten in the same letter as his claim is made and I sincerely hope that it will not be necessary to make up to him the difference between first and second class fares from New York to England and pay

his absurd claim for expenses in New York, for which, in any case, vouchers would be required.

25. 1187.14. Dr. G. Herklots safely arrived on the Kenuta. He is at present staying with me, and will leave for Darwin, overland, towards the end of the week. The various arrangements come to with him are noted and the copy of his agreement is to hand. He appears to me to be in every way suitable for the place and the work.

26. 1187. 18. & 1188. 5. The arrangement, practically completed when you wrote, whereby the War Office Contract Department undertakes to advance at fixed dates 80% of the pro forma value of wool in Stanley, awaiting shipment, is most satisfactory. On the 3rd ins. I cabled to the effect that the Governor had cabled on the 2nd confirmation of the individual lots which I sent you on the 20th ultimo. Several Yorkshire wool classifiers are on their way to the Coast on the Kenuta to appraise wool bought by the Government there. Their Chief called on me and I took him to see our wether mutton skins at the slaughter house and he expressed himself in high terms of the staple, lustre and strength. He knows our wool well, but thinks that we should experiment on a small scale with pure bred Rosecommon, which he says are hardy, well wooled and turn the scales well!

27. 1187. 19. The yacht "Lona" and two boats have been safely landed. I will have the ownership transferred from the Company to the Speedwell Island Company. Copy of Bill of Sale is to hand.

28. 1187. 20. I am much obliged for the forms sent giving details of the declarations necessary when credit is to be established abroad. Note is taken when anybody wishes to remit money abroad, to obtain from them a declaration that it is not being transferred for either of the objects marked (a), (b) or (c) on the form.

29. 1187. 21. The present arrangement for the payment against wool and sheepskin shipments in the event of loss at sea is not quite what I hoped for.

I think that where possible the weight of bales should be increased and I will accordingly so advise all farmers, at the same time asking them to point out to me when heavier bales are pressed.

30. The two bulls for the Farm which arrived per the "Potosi" were safely landed at Darwin Harbour on the 25th August. The one for Hill Cove is at present on the way there and I will report its arrival as soon as I hear.

31. I enclose copy of a further letter, dated 3rd instant, from the Government on the question of finance. It seems to me to be peevish in the extreme. Cheques sent in to them for deposit in the Savings Bank, for their convenience, well before the time necessary to commence bearing interest, are charged from the date sent in at the rate of 5% per annum. For instance cheques sent in on the 24th Ultio, for £2000 odd from the Farm and one for £1200 for Mr. James Smith, Great Island, although we could have withheld them until the 30th, commence to pay interest from the former date. His threat to return the cheques did not materialize, as we had already them in our hands, and the fact of the matter is I do not think he would have done so even if we had not already had them. I went round personally and saw the Treasurer with Savings Bank Withdrawal Warrants for £6070, asked the Treasurer to telephone him and say I was there and on reference to the question he agreed to pass the various deposits from the 30th ultimo. As to the third paragraph of the letter it will be more convenient to us, if he does send them round for acceptance, as we will thus know where we are in the matter of debit and credit with the Treasury. At present cheques are sent in to them from all over the Islands and by having them before us we can send them in when it best suits us.

32. The "Kenuta" is now taking in produce and Captain Christian informs me that he will be able to lift some 2000 bales of wool and at least 2000 cases of meats.

33. When cabling giving particulars of the shipment

per Renata I will ask you if you can arrange for me to fill up the Falkland with meats or tallow for transshipment at Montevideo for England.

Sir,

Your obedient servant,

Despatch No. 10
Journal for July
Cash Book for July
Store Indents with Remarks on Stores I am,
Coasting Insurance,
Partchery Ledger Balances,
Store ditto,
Stanley ditto,
Canning - Memo. machinery required for next season,
Memo. New Reservoir,
Tallow Return,
Extract Sta. Return,

Correspondence: - Colonial Secretary, 11th January 1918.

Remarks on Accounts,

Statement on Accounts,

Specifications: - Wool. Skins. Hides.

APC 44 4 0
S 60

Letter to Secretary, 18th August,

Mr Townson's report,

Specification & B/L per Potosi.

ORIGINALS.

1. Copy of Journal for July.
2. ditto August.
3. Copy of Cash Book for August.
4. ditto September.
5. Cash Vouchers, West Store, August & September.
6. Priority Certificates Nos 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.
7. Store Indents No 537.
8. Remarks on Stores.
9. Coasting Insurance.
10. Shipping Report.
11. Canning - Specification of shipment per Falkland, 28th August.
12. Corrected return, at part of Coasting's sheep.
13. Particulars of produce brought to Stanley per Mendocino and Samson.
14. Memo. Electric Lighting.
15. Stanley Wages Return, September 30th.
16. S.S. Falkland Manifests, vols 18-22 K.
17. Copy of PSN account.
18. Correspondence: -
Colonial Secretary, (indebtedness to Treasury)
Registrar, (payment of death duties)
Dr. Maco- R.M.S. Co. (Dr Maco's passages)
E.W. Hobbs, (Falkland).
19. Remarks on Accounts.
20. Statement on Accounts.
21. Specifications: -

12. Stanley Wages Return, September 30th.

13. S.S. Falkland Manifests, vols 18-22 K.

14. Copy of PSN account.

15. Correspondence: -

Colonial Secretary, (indebtedness to Treasury)

Registrar, (payment of death duties)

Dr. Maco- R.M.S. Co. (Dr Maco's passages)

E.W. Hobbs, (Falkland)

16. Remarks on Accounts.

17. Statement on Accounts.

18. Specifications: -

PIC 44 4 0

FS 60

JLB 50 10 50

JB 1 3 9

TR 3 4 7

F 5 5 10

F 5 5 10

S & S 5 5 10

McO 5 5 10

H 5 5 10

IN 5 5 10

OL 5 5 10

ENCLOSURES.

Duplicates (Originals per Potosi, 17th August 1918).

Despatch No. 547,
Journal for June,
Cash Book for July,
Store Indents, with Remarks on Stores,
Coasting Insurances,
Butchery Ledger Balances,
Store ditto.
Stanley ditto.
Canning - Memo., machinery required for next season,
Memo., New Reservoir,
Tallow Return,
Extract, etc., Return,
Correspondence:- Colonial Secretary, 11th January 1918,
Remarks on Accounts,
Statement on Accounts,
Specifications:- Wool. Skins. Hides.
AFC 44 4
S 60
Letter to Secretary, 16th August,
Mr Townson's report,
Specification & B/L per Potosi,

ORIGINALS.

1. Copy of Journal for July,
2. ditto August,
3. Copy of Cash Book for August,
4. ditto September,
5. Cash Vouchers, West Store, August & September,
6. Priority Certificates Nos. 535, 32, 35, 36, 41, 537/1 to 8, 537/5a, 537/9
7. Store Indents No 537,
8. Remarks on Stores,
9. Coasting Insurances,
10. Shipping Report,
11. Canning - Specification of shipment per Falkland, 28th August,
Corrected return, of part of Company's sheep,
Particulars of produce brought to Stanley per Gwendolin
and Samson,
Memo., Electric Lighting.
12. Stanley Wages Return, September 30th,
13. s.s. Falkland Manifests, voys. 18-22 E,
14. Copy of PSN account,
15. Correspondence:-
Colonial Secretary, (indebtedness to Treasury),
Registrar, (payment of death duties),
Dr. Wace - R.M.S.P.Co. (Dr Wace's passages),
E.W. Hobbs, (Falkland),
16. Remarks on Accounts,
17. Statement on Accounts,
18. Specifications:-

	Wool.	Skins.	Hides.	Tallow.
FIC	27			
FS	9			
JLM	59	10	41 (and 1 bag Tails)	
JB	1	2	9	
TR	3	4		1
F		5	brls. Pelts	
F		2	23	
S & S	63	20	28	4
McG	5	1		
HP				
DS				
GI	72			

The Secretary,
London.

s.s. "CORCOVADO".

5th November, 18.

549.

Sir,

Since I last wrote per s.s. "Kenuta" I have received your Despatch numbered 1189 of the 16th September per s.s. "Corcovado".

2. Cables exchanged between us are confirmed as per copies enclosed.

3. At a meeting of the Legislative Council held on the 29th ultimo the Official members voted for and passed an ordinance to provide for a graduated land Tax. Draft Ordinance is sent herewith which will furnish you with full particulars as the Bill was passed without amendment. No hint that such an Ordinance was to be brought up leaked out until the draft was published on the Gazette Board, and consequently no time was allowed anyone, but myself to discuss the matter with the Unofficial Members.

As Mr. Felton only arrived in Stanley on the evening of the 27th very little time was possible for even that.

Mr. Felton consulted me as to the course to adopt and we agreed that a land Tax should be supported, but that all farmers great and small should pay the same rate and that the rate should not exceed 1d per acre. I attended the Meeting. The Unofficial Members voted against the Schedule but unfortunately their opposition left much to be desired. Mr. Felton did make some remarks, but overlooked to make his counter proposal, and Mr. Turner might as well have been at home. The Governor appears to have been very anxious to have the support of Mr. Felton to the third reading, and

The Secretary,
London.

actually approached him privately and coaxed him to second it, saying that it would go through in any case, but Mr. Felton declined and told him that he was intending to protest. This will give you an idea of how legislation is done in the Falkland Islands, if any is required. First of all Turner who was recently confirmed in his appointment represents no interests whatever and apart from that is totally incapable of speaking at a meeting. Second for a Bill of such importance the unofficial members who are supposed to represent the public should be given a reasonable time to get the views of the public. Then why does the Government require an increase in revenue when each year already shews a surplus? The Governor in introducing the Bill said a Land Tax is approved by the largest land owners, that in proposing a graduated tax he was following the system adopted in the United Kingdom in the assessing of income tax; that at present the revenue derived from the Dependencies was far in excess of their just proportion considering the small expenditure of the Government in connection with the Whaling Industry and that the Falkland Islands should bear a share more in accordance with the expenses of administration. At the same time he said that the export of whale oil in 1917 exceeded in value £2,000,000 while the export of Falkland Islands produce was only around £400,000 per annum. For this the former were to be taxed around £10,000 whereas the balance of the estimated expenditure for 1919, amounting to £38,000 is to be paid by the Colony proper. After all even now the Government officials have far from enough work to do, and surely from the Governor down they are here as much for the Dependencies as for the Colony. An Export tax of 3½d per barrel of 40 gallons of whale oil is equal to 1/9 per ton, valued to-day at £40, whereas in our particular case a tax of 1d per acre, on 830,242 acres, including leased islands, amounts to £8,460 or fully 4½d per sheep and over £1.10/- per bale of wool. A bale of wool and a ton of whale oil are more or less the

the same value to-day, which means that the foreigner is getting off practically free, as compared with us. From the Government estimate of £8,700 from the Land Tax it looks as if they have based their figures on the assessed acreage under Ordinance 12 of 1895 for Seab Tax, against 712,518 acres under Ordinance 14 of 1882 for Land Tax. The former includes the legendary 700,000 acres for Lafonia and Islands. The question of a new survey of our land will have to be taken up strongly as it is a more serious matter paying a 1d per acre for land than a mere 1/16 of a penny for Seab Tax. I have all the correspondence in 1898 before me when the question of assessment of acreage for Seab Tax was brought up with the Government. The bill is now law but has not been Gazetted. I am writing a letter to all farmers putting all I know before them and asking for their views. Unfortunately only eight farms exceed 100,000 acres, so it is probable that those getting off more lightly may not be willing to support the larger landowners. I have always understood that the Board is in favour of the principal of a land Tax as against the more fluctuating taxes on exports. At the same time I have no idea of the views of the Directors on the question of what the rate of taxation should be, but it appears to me that the Government in forcing through a tax of 1d per acre on farms of 100,000 acres and over has increased our taxation, which had already been recently increased, by much more than our due proportion to the total. Between export duty on produce and Seab Tax, which are now repealed, we now pay roughly £1,600, so that deducting the acreage on leased islands, say 47,000 acres, our taxes will be doubled. Apart from that we are called on to pay, say £3263 out of a total of £8700. I shall be interested to have the views of the Board on the whole question.

4. Mr. James Smith, of Great Island, came into Stanley recently to signify to me his intention of giving up his lease of the Islands rented to him by us. He is

anxious if it can be arranged conveniently, to retire before 1919/1920 shearing commences, but is willing to remain until we can make satisfactory arrangements to take over from him. For some time past, he tells me, he has been a victim to rheumatism, and now that he has accumulated a competence he wishes to make his home in England. It would be easy to find another lessee, in fact Mr. M. Bonner, manager of San Carlos South, has already made a formal application, but I hope that other arrangements may be made. I do not see why the Speedwell Island Company should not take the Islands over as far north as the Tyssen Islands at least for a time, to see how it would work, taking over Swan Island ourselves for cattle, as you have suggested recently. Another proposition I would make and one I think is worthy of consideration is for the Company to work the Islands themselves, solely for the breeding of stud rams and ewes of high class for sale both locally and in Punta Arenas. I believe well bred Falkland Island rams and ewes, especially the former, would find a good and ready market on the Coast and that it would pay us provided the work was in the hands of a first class stock man. In any case I put this forward as a suggestion for what it is worth.

All the Islands together carry 5,500 sheep, of which Swan Island alone carries 2,500. I believe that the carrying capacity could be improved by the planting of tussac - fencing it off all round the coast; too little of this is done at present to my mind on Island farms. Present stock, buildings, equipment and cutter (value £800) are estimated to be worth between £5000 and £5500. Of course it is very trying work farming such scattered islands, but on the other hand it is reasonably profitable.

5. Mr. Weiss has sent me a report from Buenos Aires of what he has done since he arrived on the Coast, copy of which I enclose. Plans of the proposed drying shed also arrived from him following the one in use at Gallegos. Before going ahead with it I thought it wise to obtain your approval and accordingly cabled you on the 1st instant to the effect that I

proposed erecting one 90'x20'x8', similar to the one at Gallegos, and at the same time stated that both Weiss and Mills recommend buying an electric dynamo steam set with switchboard complete, from the Brecht Company, at a cost of approximately £600 fob New York. This dynamo is intended to serve the double purpose of supplying the electric lighting for the works and of providing power for the fans required for the drying of skins. The old dynamo, while still serviceable, has barely sufficient power even for the present lighting, so that a new one is necessary in any case.

As the tin and lead for the manufacture of solder had not been shipped when Mr. Weiss arrived at Buenos Aires, he appears to have found that both the tin and the lead the Brecht Company were sending us were not of good enough quality for the purpose, and has substituted Japan for the Bolivian tin and purchased the lead through Maclean & Stapledon, Montevideo. The only intimation that has reached me that the lead was purchased in Montevideo was advice from Maclean & Stapledon saying that after all the Brecht Company had obtained it through them. Neither invoice nor advice of prices has been sent, but I am afraid that cost will be much higher than I reported in my Despatch No. 547, par 4. Both these metals and the necessary copper arrived on the "Corcovado" and I am sending them out on the 7th by the "Falkland".

I received a letter from Mr. Weiss from Buenos Aires asking me to state definitely what terms we are offering him in renewing his contract. I presume he refers to his request for £750 per annum and 5% commission on the outlay on machinery etc., which I referred to in my last, par 20. Failing a reply he informs me he is booking passages back to Australia by the Japanese boat sailing late in March. Then he adds one thing I must know definitely is whether I will have the interference I had last season. Speaking plainly I don't think I could go through it again. This is typical of the man and I can see only one course left open to me that is to let him go. Personally I will be sorry to lose

him, as he is a first class man in canning matters, and worked hard for the Company. We shall more than likely replace him with a worse.

6. I have sent out circular letters to farmers offering to renew the contracts for sheep on the same terms as last year and asking them to sign the contract forms. Mr Laxton wrote me recently saying that he had another offer, but preferred to sell to us if we will take them. From indications I am convinced we will again get all the available sheep both East and West. Pebble Island Company has already offered to send theirs. The winter was a particularly bad one and I am afraid the lambing will be below the average, although the sheep are in better condition all round than might be expected, so that the numbers will be far short of last season. It is of course impossible to forecast, but I hope we will put through 50,000 sheep. We have now 400 tons of coal at the Works, all the tinplates and this week the tin, lead and copper are going out. We will, therefore, start off under much happier auspices than last year and I see no reason why there should be a hitch of any kind. The smithy boiler was safely landed at Goose Green last week.

7. As I informed you in my cable of the 1st Instant the "Corcovado" arrived here with only space for 1,000 tons measurement of wool and skins. I thought it desirable that you should be informed of this in view of your cable of the 15th ultimo stating that the Government promised space on that vessel for all produce. Captain Lape has remeasured the space and he now expects to lift some 1,500 bales, which will leave behind close on 500 bales of pre-paid wool and skins and 169 bales that have recently been brought to Stanley and all the tallow and hides. He is filling all broken space with meats but he will not take very much.

8. On Wednesday last our Jetty gang attempted to strike for 1/- per hour, but I very promptly broke it up. They had been loading the "Falkland" with coal for Goose Green in pouring rain and were soaked to the skin and I think this

had a great deal to do with it. They all turned to a few days later and at the end of the week I increased their war allowance and that of all hourly men to 6/- and they appear to be satisfied. The little unrest there is, is largely due to the crews of cargo boats coming here who receive much more than 9d per hour and of course so inform our men. Shore hands employed for stowing wool etc, are paid 1/3d per hour which is of course out of all proportion to our own gang when it is considered that they all do the same work. Another strike occurred at Goose Green on Saturday last, when the labourers refused to work in the afternoon for less than 1/- an hour overtime, the usual overtime pay being 8d. After consultation with Mr. Townson I decided to bring back the "Falkland" without the balance of the skins pressed, as waiting until the Monday would have upset all my arrangements under the mail contract. Although 1/- per hour for overtime is ridiculously small, had we yielded to the men it may have meant a general arrangement and it is most important to keep down wages at all costs. The question of course arises whether or not the men attempting to strike should lose their bonus for the year. Considering everything we have been particularly fortunate so far in getting our work done so cheaply, as the men are aware of it the high wages being earned at home these days.

9. As there is a considerable increase in pilferage of goods shipped out I think it would be advisable to cover ourselves against that risk. The premium should not exceed 2/6d % and we can always include whatever it may be in our calculations of costs. In the case of the "Corcovado" I did not think the risk of loss by war to warrant the paying of 10% on goods already expensive. Our invoice amounted to fully £9000 and covered an unusually large assortment of commodities all of which are much required. Tea is down in price and we will be able to sell at a satisfactory profit at 4/6 against 6/- per lb. The goods shipped from the "Potosi" were all taken back by supplier

thus avoiding heavy storing charges, etc. In the case of the butter from Buenos Aires suppliers paid export duty, import duty when it went back and again export duty on the lot just received. Suppliers are protesting against it but meantime we have distributed the duty and expenses over the entire shipment.

14. Store sales are naturally down on last year, but not seriously, but I have no reason to believe that profits will be other than satisfactory.

10. 1189.5. It is very good news to know that the arrangement whereby the Government advances 80% against the value of wool in Stanley awaiting shipment is now definitely fixed. The Governor has been urging Captain Pape to clear all pre-paid wool and skins and not to take on meats until they are all loaded. Captain Pape is, however, filling up broken space with meats, but I am not interfering myself at all in the matter.

11. 1189.6. I note that there have been ^{developments} no further in connection with Dr. Wace since you last wrote. It was the day prior to the sailing of the "Falstria" when Mrs. Wace definitely decided to travel to Cape Town by that opportunity. She informed me that the Governor made the suggestion, but I told her I could not advise her one way or the other. The Governor appears to have thought that it would be much easier for her to obtain permission to travel home from Cape Town than from this port, at her own request, and with my approval, passages for her and her son were booked and paid for on the "Falstria" and the balance of the first class fares to England paid by draft on the Directors in full settlement. The draft was handed to her onboard a few minutes before she sailed, hence the reason for the advice of the draft not reaching you until the following mail. We are enclosing a copy of Dr. Wace's account to date, showing settlement with him.

12. 1189.7. I hope the most important materials intended for and supported by the local Priority Authority will be procured. In view of the shortage of raw material in England for such material as wire and wire netting perhaps it may be possible to purchase same in the United States. Messrs Busk & Daniels work very closely with the United States Steel Products Coy, who

are by far the most important people manufacturing such material in the United States.

13. 1189. 8. It is good news to learn that the 10,000 boxboards were actually onboard the s.s. 'Eriksholm' at Gottenburg when you wrote.

14. 1189. 9. We have now of course sufficient tinplates for canning operations in 1919. It is of course now time to consider ordering supplies for 1920 as the winter is the most economical time for can-making.

15. 1189. 10. I am more than pleased to have the clearly expressed views of the Board on the important question of the shipment of sheep from the West. In a difficult season I was anxious to do anything possible in the interests of all concerned. I came very near re-calling the 'Falkland' in view of Mr. Evans attitude and would have done so but for the sake of our friends on the West who were more or less in his hands. What annoyed me in meeting such farmers was that they refused to pay their respective shares of the absurd grazing charge on the grounds that we had given them a definite date for the shipment of their sheep and that they were at Port Howard according to arrangement. Farmers cannot apparently get it out of their heads that the Transport Company and this Company are two separate concerns. Mr. Evans hinted when they were all in the Office that he had figures from home shewing that we were making enormous profits out of their sheep and was behind all the trouble.

I agree with you that it is for J.L. Waldron, Ltd, in the light of experiences, to make their own conditions with West farmers in the event of similar circumstances in the future. I told them this but their argument was that when they experienced similar trouble in the past when exporting sheep the buyers were responsible for delays. It was impossible to reason with them on the subject. Since I wrote you sending their claims I have not heard another word on the subject, in fact, Mr. Luxton has given us first offer of his sheep without waiting for a decision on the question of compensation.

Several West

are alive to the question of appealing to the Government to provide facilities at Port Howard, for the trade, by taking over sufficient land for paddocks and a wharf and the matter has already been contemplated.

16. I was wondering what arrangements had been made for the payment to Messrs Miller & Evans of a fee for their services last year in connection with their inspection of our runs and now note to pay each the sum of £25. Their out of pocket expenses had already been met.

17. 1189. 12. Mills is busy on the "Samson" at present, but when the cargo boat leaves he will report on the points raised in your correspondence with Messrs Babcock & Wilcox, Ltd.

Now that the Smithy boiler is out at Goose Green there is no great hurry for the new boiler; after the war will be in good time.

18. 6.11.18. Last night I received your cable informing me that Mrs. Williams had not paid to you £1,000, that you are supplying tallow casks from home and that you approve of the prompt erection of the drying shed for Goose Green.

As regards the £1,000 to be paid to you by Mrs Williams I am very much surprised to hear that this has not been paid. On the strength of a cabled request on the 30th ultimo by Mr. Turner asking her to pay you that sum, I remitted the £1,000 for them to Monte Video on the same day. I have requested Mr. Turner to cable again to-day for payment to be made forthwith, failing which I will require to take other means for re-imbursement. I have no reason to believe that the Estate Louis Williams are in financial difficulties, but they are competitors of ours and do not see why we should assist them in their business transactions.

I am glad to know that the tallow casks will be shipped from England, as we must have 300 large ones here in addition to those on hand, for next season.

With your approval in hand I will do the thing possible to have the drying shed erected for the

549 per Coreovado 5/11/18.

11.

coming season. I have accordingly cabled Mr Weiss at B-A to purchase the plant and am securing the timber from Monte Video by the "Falkland". The only question at present is whether Brazilian timber is suitable for building purposes; if not, we will require to bring down pitch pine which is much more expensive. I sent off a message of enquiry some days ago, but am still without a reply.

I am,

Sir,

Your obedient servant,

ORIGIN 18

1. Copy of Journal for September.
 2. Store Indents No 538 and Remarks.
 3. Stanley Ledger Balances, 30th September.
 4. Mr Townsend's reports, Oct. 5th & Nov. 2, 5 copies.
 5. S. S. Falkland Manifests, vols. 23 and 24.
 6. Brecht Company Copy of account for charges etc.
 7. Camp Rages Return - September 30th.
 8. Remarks on accounts.
 9. Statement on accounts.
 10. Confirmation of cablegrams.
 11. Correspondence - Dr. Webb.
 12. Specifications - wool, Skins, Tallow, Hides
- | | | | | | |
|----|----|---|----|---|-----|
| 68 | 10 | 5 | 25 | 1 | 100 |
| 2 | 10 | | 15 | | |
| 2 | | | 28 | | |
| 2 | | | 13 | | |
13. Land Tax. Minutes of Legislative Council, 15 copies.
 14. Machinery for Goose Brecht Mr Weiss's remarks.
 15. Copy of Dr. Webb's account.

ENCLOSURES.

Duplicates. (Originals per Kenata, 11th Octr. 1918)

Despatch No. 548.

Journal for July and August.

Cash Book for August and September.

Store Indents No. 537.

Remarks on Stores.

Coasting Insurance.

Correspondence: Colonial Government, (indebtedness at Treasury).

Specifications: Wool. Skins. Hides.

FIC

TR

1

2

9

Remarks on accounts.

Statement on accounts.

Specification and B/L per Kenata.

ORIGINALS.

1. Copy of Journal for September.

2. Store Indents No. 538 and Remarks.

3. Stanley Ledger Balances, 30th September.

4. Mr Townson's reports Oct. 6th & Nov. 2, (5 copies).

5. s.s. Falkland Manifests, voy. 23 and 24 E.

6. Brecht Company, Copy of account for Casings, etc.

7. Camp Wages Return - September 30th.

8. Remarks on accounts.

9. Statement on accounts.

10. Confirmation of cablegrams.

11. Correspondence: Dr. Race.

12. Specifications: Wool. Skins. Tallow. Hides.

HW 5 25 & 1 bag Tails.

B 13 14

Z 3 28

WF 3 12

REC 36 1

M & G 3

E & R 5

13. Land Tax. Minutes of Legislative Council, (5 copies)

14. Machinery for Goose Green. Mr Weiss's remarks.

15. Copy of Dr. Race's account.

Inclosures.

Duplicates. (Originals per "Corcovado", 8th Novr., 1918.)
 Despatch No. 549,
 Journal for September,
 Store Indents No. 538 and remarks,
 Stanley Ledger Balances - 30th Sept.,
 Mr. Townson's Reports,
 Remarks on Accounts,
 Statement on Accounts,
 Specifications.- H.B. 5 Brls. Tallow. 25 Hides. 1 Bag Tails,
 Land Tax - Minutes of Legislative Council,
 Specification & Bills of lading per "Corcovado",

Originals.

1. Copy of Journal for October,
2. Copy of Cash Book for October,
3. Cash Voucher, West Store,
4. Store Indents, No. 539,
5. Coasting Insurances,
6. Shipping Report,
7. Bonus List, 1917,
8. Statement on Accounts,

9. Specifications,=	Boat.	Skins.	Hides.	
	D.H.	4	23	156 & 2 Bags Tails.
	F.I.C.			
	G.O.	266.		

10. Goose Green Boiler Chimney- Engineer's Report on,
11. Remarks on Accounts,
12. s.s. "Falkland" Manifest- voy. 25th,
13. Confirmations of cablegrams.

per H.M.S. Newcastle, 2nd Novr. 1918.

ENCLOSURES.

DUPLICATES. (Originals per s.s. Falkland, 20th Novr. 1918.)

Journal for October,
The Secretary.

Cash Book for October.

Dear Sir,

Store Indents No 539.

H.M.S. "NEWCASTLE" is leaving this afternoon for
PurCoasting Insurances take a small note.

Bonus List, 1917,

and now look forward to an early return of business to the

Statement on accounts, of materials and consumables etc.
again be obtained without difficulty.

Remarks on accounts.

Goose Green Boiler Chimney. Engineer's report on

on the "Potoci" were safely landed at their respective des-
tinations in first class condition.

ORIGINALS.

Store Indents No 537.

Confirmation of cablegrams.

I have gone further into the
question of the purchase of a new type of
pur... in the... season. As the...
works on the Coast are largely manufactured in Buenos Aires
I cabled recommending that we should purchase one for a cost
of about £200. Price is high, but I doubt if one could be ob-
tained at home very much cheaper taking everything into
consideration; then we get exactly the same or better and the risk

of break it could probably be repaired. Mr. Townson tells us that the ship requires repairs for the engine and North end, but we have arranged for the engine to be repaired at home, and the North end will of course be supplied from there.

WOLF AND HORTON: I cabled on the 22nd November, advising 18.

privately about September 20th. Presumably all business is now in its normal course and the "Coronado" should not have been sent to the Secretary.

LONDON.

Dear Sir,

H.M.S. "NEWCASTLE" is leaving this afternoon for Punta Arenas and will take a small mail.

We all rejoice at the brilliant termination of the war, and now look forward to an early return of business to its normal course, when supplies of materials and commodities can again be obtained without difficulty.

BULLS EX.S.S. "POTOSI": The three bulls which arrived on the "Potosi" were safely landed at their respective destinations in first class condition.

GOOSE GREEN STOVE: I have gone further into this question with Mr. Townson and find that a new one must be purchased if possible for the coming season. As the stoves at work on the Coast are largely manufactured in Buenos Aires I cabled recommending that we should purchase one there at a cost of about £200. Price is high, but I doubt if one could be obtained at home very much cheaper taking everything into consideration; then we get exactly the stove we want and the risk

of breakage would probably be minimized. Mr Townson tells us that he also requires stoves for Darwin and North Arm, but we have standard cooking stoves on indent and if these come forward he will of course be supplied from them.

WOOL AND SHEEPSKINS: I cabled on the 20th instant advising arrivals since September 30th. Practically all produce is now in. It is unfortunate that the "Corcovado" should not have been able to lift at least all wool and sheepskins. Bales of the wool and sheepskins pre-paid and not shipped are enclosed herewith. I hope final outturn will clear up all differences. Pressing at Goose Green should finish in the course of a day or two. 5th no mails have been received from you. H.M.S. Bristol

MR WEISER: I have just heard from Mr Weiser that he is returning from Montevideo, leaving to-day on the whaling factory "Bombay". He cabled a few days ago that everything was practically completed and ready for shipment for the drying shed.

MR L.V. OSWALD: As Mr Oswald has already completed his five years in the Islands and is desirous of taking his vacation in 1919, I have consented to his leaving for England any time an opportunity offers itself next Spring. I presume this will be in order. My lack is that I should go on leave in 1920, and Mr Townson and Mr Gresham in 1921. I shall be glad to have the views of the Board on the question of vacations.

and Mr Townson yours faithfully, as he has been appointed manager of the San Francisco works of McAndrews. It was reported to me from various sources that he has been offering our experienced men at Goose Green high wages to go over with him, but it is difficult to prove this. Mr Townson informs me that two Chilians, one of whom was originally with him, are leaving us, but I expect that they will remain for the coming season. The other men seem content to remain, so with Wills out we should have no difficulty in getting through the season without loss. It was then that I went in any case as he was apparently under the impression

THE SECRETARY

LONDON

530 per H.M.S. "Bristol" 28.1.19.

That his services were indispensable and the chances are that during the season, through quarrelling with Mr. Townson, it would have been found necessary to get rid of him.

H.M.S. "BRISTOL". When he left for the 8th January, not ant 19.

550.

Such an early termination of the war and I expected that he would be obliged to remain with us while it lasted. No formal written agreement appears ever to have been made.

Sir, as he arrived here in February 1912 he will

Since I last wrote you per s.s. "Corcovado" on November 5th no mails have been received from you. H.M.S. "Bristol" now in port is expected to leave for Montevideo on the 10th and will take up a European mail.

2. Cables exchanged between us are confirmed as per copies enclosed.

3. Weiss on his return from the Coast informed me that unless he was given a free hand in running the Canning Works, and, in fact, his own way in everything as far as Mr. Townson is concerned he would accept a position offered to him on the Coast on the expiration of his agreement in February. I did not hesitate to accept his resignation as I gave up all hope long ago of keeping the peace between him and Mr. Townson. According to Weiss he has been appointed manager of the San Gregorio works of Menendez. It has been reported to me from various sources that he has been offering our experienced men at Goose Green high wages to go over with him, but it is difficult to prove this. Mr. Townson informs me that two Chilians, one of whom came here originally with him, are leaving us, but I expect that they will remain for the Canning season. The other men seem content to remain, so with Mills out we should have no difficulty in getting through the season without Weiss. It was time he went in any case as he was apparently under the impression

THE SECRETARY,

LONDON.

550 per H.M.S. Bristol .8/1/19.

that his services were indispensable and the chances are that during the season, through quarrelling with Mr. Townson, it would have been found necessary to get rid of him. When he left for the Coast I did not anticipate such an early termination of the war and I expected that he would be obliged to remain with us while it lasted. No formal written agreement appears ever to have been made with him, but as he arrived here in February 1912 he will have completed six years with us. I am investigating the report of his attempting to get our experienced men away from us and if I can bring it home I will not hesitate to take action against him under Ordinance No. 5 of 1902, section 66. I have not allowed him to have anything to do with Goose Green since his return, in case he should induce our men to leave us, on the grounds that when a successor is appointed he may have entirely different ideas of running matters and that he would no doubt want improvements made to his own ideas. I enclose herewith Weiss' report on his visit to the Coast. Through his leaving us now he of course carries the greater part of the fruits of his investigations with him, which means that much of the money expended in his travels has been thrown away. I have gone into the question of making him pay part of the expenses incurred himself with the Magistrate, but we can find no loophole to throw them back on him as he was there on our business throughout. A list of the purchases made by Weiss is also enclosed. On his return I cabled the Brecht Company asking them to cancel the following --

2 Retorts
1 Digestor
1 No 1 Steel single drum Evaporator.
1 Vacuum soldering machine
and 1 Single Vacuum pump for same

but they replied that they were sorry it was impossible to cancel as the orders are already near completion, having been manufactured especially for us. The drum evaporator is

550 per H.M.S. Bristol

for extract making and will no doubt be a great improvement on our present method, but he had no instructions to purchase same without referring the matter here. He requires at least one new digester, as one of those now in use was at one time scrapped as being unserviceable; it is used merely as an open pan. The two extra retorts are intended to increase the daily output but could have been done without at present. The soldering machine is to save solder and speed up the work, but we can only know its advantages after installation. The other items were badly wanted, particularly the capping machine, the can tester, double end crimper, tankage press and the folding and grooving press; he had instructions to study the various types in use and place orders for such of these appliances as were generally considered the best. The tankage press is to treat the scrap and will be one of the most important improvements. The electric lighting cost a great deal of money, fully £300, but it was absolutely necessary to rewire the whole works and the material now here should serve for many years to come. The dynamo I advised in my cable of 1st November as being of about 25 kilowatts turns out to be only a 15 kilowatt set. Weiss' message came in clear as about twenty five kilowatts which power I find from correspondence was never even quoted for. He has not explained this matter satisfactorily, his excuse being that the message, although signed by him, was sent off by the Brecht Company who must have made a mistake. The cost at £600 is therefore very high and would be expensive even for a 25 kilowatt set. The dynamo purchased will, however, provide more than sufficient power for all our requirements, including the skin drying plant, but it is most annoying to think that the engine placed is of so much less power than the one advised by cable. Another thing is that delivery is 6 months after receipt of the order, which with say 6 months in transit means arrival here in October at the earliest.

550 per H.M.S. Bristol 8/1/18. 4.

Now that the material and fittings are here we will make an attempt to dry skins this season, even if we can only start in the middle of killing.

All the minor machinery and appliances purchased will add without doubt to the efficiency of the canning plant. At the same time Weiss' report is obviously exaggerated. On page 7 he says the steel single drum evaporator will effect a large saving in steam. That is probably true, but he touches on a subject here with which he is only partially acquainted, for any saving on this plant will naturally be more than counterbalanced by that necessary for the drying shed. Also he says that by spending about £5,000 on the works the output would be increased by 50%, an absurd statement. His whole report is intended, as far as I can judge, to glorify himself, but negative in information. The first thing to consider at the works now is how to be independent of rains for our water supply during the season. I await to hear whether you approve of Mills' plan for an additional dam nearer the factory which would reasonably secure us against a shortage,

5. When Weiss reached Buenos Aires he stopped the shipment of Bolivian tin, as he says various works had used it in solder, and that in many cases cans made therewith collapsed involving heavy losses. He therefore had it changed to Japan tin, which has cost £700 per ton or three and one half times as much as the Bolivian quality. Rice is less than that quoted by Messrs Maclean & Stapledon, but is still appalling. As we could not get the material from England there was nothing else for it but to pay the price, or run the risk of using Bolivian tin.

6. As regards tallow casks here again the price paid is much in excess of that reported to you in my cable of 1st November. They were purchased through Maclean & Stapledon by Weiss as supplies were not available in E. On inspecting those quoted at 8.50 he found that they were badly coopered and unsuitable for shipment through the tropics and had to pay

per H.M.S. Bristol .8/1/19. 5

12.50 Uruguayan gold for a lot that he still considers not up to the standard.

7. Although we hope to complete the present season without an expert preserver I am of opinion that an expert is absolutely necessary. Before Weiss came here he asked for complete charge of the works and although he was only actually engaged as preserver he was allowed more or less a free hand, probably because he was considered to be the only one with a thorough knowledge of the canning process. When a new preserver is appointed I hope that his work will be laid down as confined to preserving, and outside that that the Camp Manager takes full responsibility.

8. I am collecting all the men I can in Stanley for Goose Green, with fair success, but I have not heard from the various stations how many each are sending. I am going round the West myself this trip of the Falkland in connection with both men and sheep. The worst set back I have had is through the loss of a good many men from Darwin and Goose Green during the last few months. Ten men left at Christmas time over the holiday question. Some time before Mr. Townson promised a week's holiday to all Camp hands at Christmas, but subsequently withdrew it. Then when Christmas comes he lets some off and expects the others to work. Number did not commence on the morning of the 26th and Mr. Townson posted a notice to the effect that any men not returning to work at two o'clock same day must consider themselves no longer in the employment of the Company. They got four hours notice and ten men held back. I feel sure that a little tact on the part of Mr. Townson would have prevented all the trouble, as he would not even see the men. Of course he was quite right to handle them severely under the circumstances but there were other ways of keeping his dignity and punishing them without such drastic measures. Men are very scarce and it is a very serious matter losing a gang of good men, some old servants, who were willing to return to work after having found out their mistake.

per H.M.S. Bristol 8/1, 19. 6.

They are all in Stanley and claim that they have been unfairly treated. Mr. Townson did not pay them their wages for the month of December, but they would not accept their cheques and have appealed to me to settle the question. I told them that I could not see my way to do so but if they wished would leave the matter for the magistrate to settle out of court. There is no local Ordinance to say that Gazetted holidays must be observed, so that Mr. Townson was justified in insisting on the men working on Boxing Day seeing that other holidays are granted in their stead. Mr. Townson gets worse instead of better in handling men, and is always quarrelling with someone. Owing to a poor lambing and high death rate due to the severe winter the number of sheep for canning cannot exceed 40,000 as far as I can judge at present.

9. Together with the two Unofficial members of the Legislative Council I have addressed a short circular letter, copy enclosed, to all farmers asking for their views on the graduated Land Tax now in force. The more I think of it the more I consider increased taxation unnecessary at the present time. And for any farm to have to pay an annual charge of say 30/- on a bale of wool is simply iniquitous. I expect that practically all the farmers will protest against the heavy increase in taxation and that a Memorial will go forward to the Secretary of State.

11. I wrote in protesting against the assessment of 700,000 acres which has again been applied to Lafonia, but until a survey is held by a qualified land surveyor the Governor says he cannot see his way to modify the figures on the records. The matter has been well threshed out in the past, but one has only to study the chart to realize that Lafonia contains far short of 700,000 acres. I await with interest the views of the Board on the subject as it is a very serious matter now that the tax has become so burdensome.

I have also written in asking if it can be arranged for us to make the payments direct to the Crown Agents on the 31st days of January and July. I have had no written

per H.M.S. Bristol. 8.1.19. 7.

reply yet, but the Governor yesterday informed me that for the present he cannot agree to this; this month he will ask me to cable asking you to pay over the sum of £3000, and we shall carry forward the balance to be worked off during the next two months. I think he is wavering over the charge of 1½% commission on such remittances, but he tells me that he still thinks the Government is entitled to it. He dropped charging interest at the end of November rather unexpectedly, I think because cash had become more plentiful at the Treasury.

10. As requested in your cable of the 3rd instant I advised Dr. Wace's balance which was £21.19. - to his credit.

It is difficult to know what to do at the moment as regards finding employment for Mr. Norman. He is now a married man, so that there are fewer openings for him. Should Mr. Creece go on leave we could give him work in the Store in Stanley while he is away, and as Mr. Moir may probably be going on leave next year he could take over his work. After that there is something bound to crop up for him. He is well spoken of as a hard worker and we want as many of such men as we can find employment for in our service.

I note that one bill of lading is all that is necessary for shipment of sheepskins by one vessel. This will save a lot of unnecessary work. The new clip will be marked 1919 as you instruct.

11. We have now beached the "Gwendolin" and are having her thoroughly overhauled. Her copper except between wind and water is in a wonderfully good state. We have now resheathed where necessary, scraped and oiled all her spars and masts, and are at present repairing her bulwarks, stanchions and guards, which were in a very dilapidated condition. As soon as possible we will bring in the "Lafonia", which I am afraid will require much greater repairs.

12. The P.S.N.C., Valparaiso, advised on the 19th ultimo that the "Potosi" leaving Liverpool on the 5th instant, calling at Montevideo, would lift here 150 tons wool, 80 tons sheepskins, 247 tons tallow, 30 tons canned meats & 20 tons hides.

No. 550
per H.M.S. "Bristol" 3/1/19. 8.

This is very disappointing as all told this is only 527 tons, which means that much of last season's produce will still be left on our hands.

I note that 21 rams have been shipped by that opportunity, I presume for various Stations.

13. I omitted to mention that I suggested to the Brecht Company to draw direct on you for purchases made through them. I have no idea what the material for the drying shed will cost, but judging from other purchases in Buenos Aires I fear it will be heavy.

14. The Falkland only returned from Montevideo on the 6th instant. On her return I was amazed to find that her Certificate of Seaworthiness is only for 6 months, which means that she will have to make another trip in June next. There is not much to be done to her, but a few of her plates must be renewed and her tail shaft drawn for examination. I expected that on her return everything would have been completed, but she was only 48 hours in dock, owing to ex German steamers having the slips reserved for them. She brought down a fair cargo, but the freight charged, 20 Uruguayan dollars per ton, is far too high. I do not see how in reason they can charge more than the increased PSNC freight of 75/- per ton, seeing that the cargo could quite well have been held back for the "Potosi".

I brought down timber for the drying shed and a quantity for ordinary sale, and 1000 quebracho posts. Both the timber and the posts are of very good quality, the latter being the best I have seen.

Next week she will commence lifting wool, which will be rushed all possible. Both at Darwin and North Arm the wool has had to be stacked outside the sheds, I am sending her, after consultation with the Governor, on her quarterly call round the extreme West before doing any other work, calling at Goose Green on the way out.

15. 9.1.19. Your cable dated yesterday reached me late this afternoon. I note that the price of the Calcutta.

550 per H.M.S. Bristol .8.1/19. 9.

bagging works out at 11d per yard inclusive of freight and insurance as far as Montevideo and insurance to Stanley. It is very expensive material at that price. It was very important that we had a price to work on, as 33,000 yards was delivered last year, which must go through last year's accounts. The wording of my message might have looked as if I wanted a fresh quotation were you not aware of the fact that no invoices had yet reached us, and that the quantity received was sufficient for two seasons. I sincerely hope that no supplies can be sent out from England before next season, as it would be unfortunate if your endeavours to maintain the supplies should lead to loss through cheaper material coming out.

16 I am glad to have your approval in the matter of assisting Creece with passages to England. I can only repeat what I have often said that Mr. Creece is an excellent servant and deserves such a departure from precedent being made in his case. I have also instructed Mr. Townson to inform Dr. Herklots that the Board have decided to furnish his house excluding plate and linen.

17 I have informed Mrs. T. Robson that her son George requires the sum of £50 and this will be sent in the course of a day or two.

I am,

Sir,

Your obedient servant,

550 per H.M.S. Bristol, 10/1/19.

ENCLOSURES

Duplicates. (Originals per H.M.S. "Newcastle", 2nd Novr 1918.)

Store Indents, 507, 11, 539.

Letter for Secretary.

ORIGINALS

1. Cash Book for November,
2. ditto December,
3. Journal for November,
4. Cash Vouchers, West Store, November,
5. ditto ditto December,
6. Statement on Accounts,
7. Remarks on Accounts,
8. Stanley Wages Return, December 31st 1918,
9. Statement showing rebate on freights from Montevideo,
10. Shipping Report,
11. Canning. Mr Weiss's report, 23rd December,
12. Confirmations of cablegrams,
13. Correspondence -

Colonial Government, (Land Tax),

Circular to Clients, (Land Tax),

Brecht Coy., Oct 18 and Nov 20.

Colonial Secretary, (acreage of Lafonia),

14. Specifications - SKINS

S.I. 5

Triangle, 3

P. X. 80

s.s. "POTOSI". 27th February, 19.
551.

Sir,

My last despatch, dated 8th January, was sent by H.M.S. Bristol.

The "Potosi" is due to arrive on the 1st proximo. As we have received no letters from home of later date than 16th September an unusually large mail is naturally expected.

2. Cables exchanged are confirmed as per copies enclosed. I notice you have commenced using our registered telegraphic address again. In view of this the local Manager of the cable station made enquiries if this could be done here, but apparently nowhere in South America is it yet allowed.

3. Unfortunately, owing to the "Falkland" being aground at the Chartres for ten days, not a single load of this season's wool clip had reached Stanley by the 31st day of January. In cabling the odd lots that had been put on board the hulk since November 20th I added the lots which arrived on February 2nd, hoping that they might be included in the settlement. I was glad to receive your message, however, informing me that settlement had been deferred until the 28th instant, as we have now in Stanley, 2556 bales of wool and 184 bales of skins, for inclusion in the settlement. Before the Governor cables confirmation to the Secretary of State our figures are checked by the Treasurer, who of course finds all sorts of imaginary differences. Towards the end of the year the Customs tallied all the wool and skins on the "Great Britain" and found the usual

The Secretary,
LONDON.

few odd bale discrepancies. This has resulted in endless delay and the Governor had not even cabled confirmation of my figures when your message of the 20th instant arrived.

I have instructed all wool and skins will be consigned, in future, to the Ministry of Raw Materials.

4. As I advised in my message of the 11th ins, our present coal stock is 1,000 tons in Stanley and 400 tons in Goose Green. The former, with 400 tons arriving on the Potosi, will easily last until November 30th, even should I find it necessary to ^{send} a further lot out to Goose Green.

5. Your message of the 22nd ultimo, asking what are the wages I propose to pay Mr. Adam, reached me at the Chartres. I trust the proposed wage of £180 while in Stanley and £150 at Darwin will satisfy him. Mr. Moir speaks highly of him and from what I gather he might be a suitable man to succeed Mr. Moir at Darwin at some future date.

6. I assume that you have been consulted by Messrs Lowden, Connell & Company on the subject of the revised freight rates on cargo carried by the s.s. Falkland. An increase was of course necessary but when conditions are again normal I hope that rates will be fixed more in conformity with distances and port facilities. It is out of all reason for cargo from North Arm, Walker Creek and Darwin to pay the same rates on produce as say Carcass Island and many other West Falkland ports. A 70% increase all round with the exception of Pebble and Keppel Islands, which are increased 140%, seems somewhat high.

7. Between the Farm, Stanley and the Camp a good gang of men has been collected for the Canning season. We have purposely not engaged as many men as last year as we are confident that we can do with less. The pay for ordinary work is 1/- an hour and 1/3 for overtime which is higher than last year, but last season's method of payment was far from satisfactory, some men working for £6.10/- a month, while others working alongside them were getting £8.10/-. Every man is to pay for his food, which is fixed at 30/- per month.

Men on contract are also being paid slightly more than last year. If we get through the work without stoppages or misfortunes of any kind it will be found that the cost in wages for every sheep treated will not exceed that of former seasons. In fact, we could not have found the men if wages had not been advanced. My visit to the West, through the mishap to the "Falkland" at Chartres, kept me away from Stanley much longer than I intended. Captain Owen put his vessel on the bank close to the entrance of the settlement at full tide, four days after full moon, which of course kept him there until the new moon tides..

All the farmers with surplus sheep are again selling them to us, but neither Mr. Clement nor Mr. Luxton would sign our contracts, they seem to think that our terms are too one sided and that they are better without a contract. As a matter of fact although I sent out Contract Forms with my Circular letters, Packe Brothers & Company are the only people that signed one and returned it. Only a few ever sign them, as they are all most unbusinesslike. Mr. Clement was the only farmer who mentioned the question of their claims for compensation and he was somewhat half-hearted about it. We are getting around 15,000 sheep from the West and I arranged to commence shipping them on March 20th, which is satisfactory to everyone.

I am pleased to note that the Board has decided to pay a Bonus of 25% to the various farmers who sent their sheep last season, which should again give general satisfaction. As neither Stickney Brothers nor Baillon & Stickney are sending sheep this year, I am withholding the payment of the bonus to them until I hear further from you. The former sold their surplus sheep present season to Dean & Company and the latter appear to have none to send.

It is very disappointing to have your message stating that customers for our canned mutton have reason to complain of short weights in last season's cans. This must be due to carelessness in filling, as it has always been the

4.

custom to be on the safe side, even allowing for loss in piercing the cans after coming out of the retorts. I have asked Mr. Townson to ask Mr. Mills to see that full weights are given present season, and that each can is guaranteed to contain the requisite 6 lbs.

I sent out a gang of carpenters this week in charge of Biggs to erect the skin drying shed. It should be completed within 3 weeks as all the framing was done in Stanley prior to their departure. Our mason had gone out previously and had already built the foundations. I am hoping that it will be ready for use this season, even if we do not use it to its full capacity. It is supposed to dry 800 skins per day and, therefore, when in proper working order, will treat the daily output of skins from the works. It was most undesirable to hang skins in the works to dry as has been done in the past; the need to renew the electric light wires now is largely due to this.

We are commencing the season with 60,000 cans made which is highly satisfactory. Of course, our boxboards not having yet arrived means that it will be necessary for us to make special efforts to make boxes to catch up with the number of cans filled. Before we start killing proper we are killing 100 head of cattle and will commence work in earnest on the 3rd proximo. I am bringing across the men from the West, about sixteen, on the 1st proximo.

Weiss is still waiting for an opportunity to leave the Colony. I have proof that he did his best to take away from us the leading hands at Goose Green. He claims he taught them all they know about the canning process and therefore is entitled to take them with him, if they are willing to go, and that when he joined the Company he brought a number of experienced men from the Coast to us. He also offered to purchase sheep from both Mr. Evans and Mr. Greenshield and promised them that Menendez would send a vessel across for them. I think it was all mere bluff and intended to impress local people of his own importance. I note from your

cable of the 25th instant that the last payment made on his behalf to the Commonwealth Bank was on November 30th. His account was closed on November 30th, but he disputes this, claiming salary until some date in February. The matter has not yet been settled.

8. J.B. Luchtenborg, lessee of Sea Lion Islands, died in Stanley on the 11th ultimo. As he is a German his affairs have been taken over by the Magistrate as Official Administrator. I intended calling at Sea Lion Island when passing on the way to the West, to bring in Mrs. Luchtenborg, who is not even yet aware of her husband's death, and to make a rough inventory of the Estate for the Governor but we did not call owing to rough weather. I doubt if it will be an easy matter to find another lessee even if we want one.

9. I fear that it will be impossible to complete the annual accounts to get them away by the "Potosi". There will be Accounts Current since August from you to write up and a very large mail to answer. The next known opportunity is the "Inca", due here about the end of March, and unless a warship arrives in the course of the month of March we must wait until then before getting them away. The figures will be cabled in the usual way as soon as the balance is struck. Everything is in readiness and it is now only a question of receiving your final accounts.

Neither the general invoice for the shipments per "Corcovado" nor the account for the 100 bales Jute bagging from Calcutta, per s.s. "Erranmore", have yet reached us, but assuming that the debit for both does not exceed £10,000, and I calculate that it will be less, store profits should be equal to last year's, which is better than I anticipated. I will of course write down the stock as much as possible as costs are now higher than ever and it is impossible to know when they may drop again. The stock is heavier than last year, due to the higher costs of all articles.

10. On the 29th ultimo I asked you by cable to pay the sum of £3000 to the Crown Agents. This is against the new Land Tax, the balance being left to be met out of their monthly payments to us of £1000 in February and March. For this transaction the Governor charged us 1/2.

11. The new Land Tax taking the place of Export Duties and the Scab Tax, I shall be glad to know the decision of the Board as regards the payments to be made by the various Island farms leased by us. Formerly each paid their own Export duties, but the Company paid their Scab Tax. Being all under 50,000 acres, under ordinary circumstances they would pay at the rate of 1d per acre, but as they are part of the 700,000 acres assessed for Lafonia, we require to pay for them at the rate of 1d per acre.

The acreage of the leased Islands (according to records here) and the taxes payable at the rate of 1d per acre are:-

Speedwell Island Company,	24,755 acres	£103. 2. 11
F. Cobb. (Bleaker Island)	10,000	41. 13. 4
H & G Cobb, (Lively Island)	16,640	69. 6. 8
J. Smith, (Great & Swan)	12,500	52. 1. 8

which tax is double what they properly should pay as small farmers.

The Company's tax out of the total annual payment of £3462. 11. 10 is properly £3196. 7. 3. on 767,127 acres.

On the last occasion I saw the Governor he said that he questioned our claim to Swan and North Swan Islands. Has this ever been questioned before? Can you furnish me with any record which proves conclusively they belong and have always belonged to us? He only mentioned this incidentally and he did not appear to be very sure of his grounds, but it would be better to have the facts at hand here in case he should raise the question.

All farmers speak very strongly against the increased taxation, and with probably the exception of W.K. Cameron who gets off very lightly (under 50,000 acres), I

feel sure all will sign a Memorial to the Secretary of State on the subject. By this mail I should get the views of the Board on the whole question and I will be guided by its instructions. The result of Memorials in the past on similar questions are not over encouraging, but it will be something on record at least to show what a fiasco the present system of Government is.

12. 4/3/19. The s.s. "Potosi" arrived on the 28th ultimo bringing your despatch, No. 1190, dated 24th December and letters of the 31st December and 1st January. I was amazed to learn that despatch No. 547, dated 2nd August, only reached you on December 6th and despatches Nos. 548 & 549 on the 31st and 30th December respectively. I have asked the Purser of the s.s. "Potosi" what he knew about the unprecedented delays and he informs me that the Post Offices on the West Coast refused to receive his Mails, which he had made up in readiness to land, owing to the fact that at that time the P.S.N.C. had no mail boats running to and from there. Mails from Punta Arenas and as far North as Colon were carried all the way on the "Potosi". I thought that probably the Postal strikes at B.A. had something to do with it, but he does not think so.

13. The stove which is so urgently required at Goose Green did not arrive on the "Potosi" as I fully expected. This must be due to the serious strikes prevalent in B.A., as I expected it down in the Falkland. I am just wondering how they will get through the season with the old one.

14. Work at Goose Green commenced in earnest yesterday and Mills, who has just telephoned to me, informs me that the prospects are very good for a successful season. He has 90 men in all with him, of which about 60 are farm hands employed on the Camp and at Goose Green. A number of men went back on us and as the Stations have lent us very little assistance in the way of men it is a good thing that Stanley has done so well. Mr. Miller only sent one man, and practically no farmers on the East sent any. The East farmers say they are willing to send men if we horse them to Goose Green and

back, which Mr. Townson finds impossible. I cannot send the Falkland to every port merely to pick up men. Three men who offered to go from Fitzroy now refuse to go. The recent Christmas affair at Darwin is largely responsible for this, as the inducement offered is generally considered good enough to satisfy the most grasping.

I now find that there are in all about 50,000 sheep available. I doubt if we will get all these as the North Camp farmers are all clamouring for early dates, which is utterly impossible. We are taking cuts from each early this season which is the best we can do. If we can in future seasons, as I hope, put through say 1,500 sheep per day, then we can come near to satisfy everyone, but not till then.

15. The boxbaords are now here and I am sending them present mail trip out to Goose Green.

16. Owing to congestion I have been obliged to land some 240 bales of wool, all Company's, at the East Jetty, where it is being stored for the time being in the Egeria and the Shand. We have so much tallow and meats still on our hands that the Great Britain is absolutely full up. The greater portion of the tallow was stored on the Lady Elizabeth, but in view of the P.S.N.C., Valparaiso, stating that the Potosi would lift 247 tons, I had a large quantity transferred to the decks of the Great Britain in readiness. Now Captain Pleignier says that he has nowhere to put 247 tons of tallow and that he cannot take more than 200 casks in all. This does not help matters much and I may have to cable you the position as soon as the Potosi stops loading. The Falkland arrived on February 2nd with wool D.H. 190 B/s W.C. 232 B/s and Skins F.I.C. 100 B/s, which is of course additional to the quantities cabled on the 28th ultimo. The wool from our three sections which was stored on the jetties there arrived somewhat wet, so that it is necessary to stow that in a place where it will dry. The bales were covered with bagging, which got wet and apparently was not removed at any time to allow the bales to dry, the wet bagging doing

more harm than good in wet condition. I had sent the "Falkland" elsewhere before the Farm last month, as Mr. Townson informed me that all hands had a weeks holidays and that no men were available to discharge and load. The ten days lost at the Chartres meant the loss of practically a month under these circumstances in getting our produce in.

17. 1190.3. The idea of erecting a suitable and lasting Memorial to commemorate Admiral Sturdee's great victory is an excellent one and will, I have not the slightest doubt, receive liberal financial support from residents in these Islands. When the mail leaves I will sound the Governor to ascertain what sympathy he personally has towards such an object. If the Unofficial members of the Legislative Council will take the matter up strongly surely he will lend his support.

18. 1190.7. The decision of the Board in the matter of claims for compensation submitted by me from Messrs Dean & Anson, Stickney Brothers & Bertrand & Felton is the correct one. I used every argument now used by you when they met me, but it was a mere waste of breath. Their attitude at that time does not encourage us to go out of our way to help them should they ever again be in difficulties. Personally I did all in my power to avoid financial loss to these farms, and I do not see how we could do more than we did in boiling down their sheep when the cause of our so doing was unpreventable.

I am pleased to note that Messrs Waldron have sent circulars to those farmers sending sheep through their Station, informing them that they, and not the Company, will be held responsible for any undue delay in their paddocks. This will effectively dispose of any future disputes as to who should pay grazing charges etc.

It is to be hoped that each station will send sufficient men to Port Howard present season to load their own sheep as the farm has been drained dry of men for the Canning works. I might send two of my own Stanley men to assist, in

which case a charge will be made for services rendered. I am informed that Mr. Evans will not work on Sundays and as it is important that every day is made use of I will arrange some way or other to carry on the work without his assistance.

19. 1190.8. I have already sent you a list of the purchases made by Weiss while on the Coast. The articles asked for from England are not vital to the running of the works and our not having them leaves us much the same as in former years. In other words we can carry on without them, but at the same time it is desirable to instal every conceivable labour and material saving device obtainable, consistent of course, with the extent and capacity of the present works.

20. 1190.9. I regret very much indeed to have to inform you that Mills, owing to the state of health of his wife, finds it necessary to get away from the Colony at the earliest possible date. I cannot stand in his way as he has stayed long beyond his contract at our request. It is, however, with reluctance that I have consented to his leaving on a whaling factory sometime before the end of April. By that time he will have seen us well through the canning season. I cannot speak too highly of his work, he is very practical, well skilled in his profession, and most willing in the exercise of his duties.

21. 1190. 10. I will require to go carefully into the question before making any suggestions or recommendations with regard to a better available site for our canning works than the one they now occupy. I feel sure that the Board is both anxious and willing to put our canning works into a condition that will raise them above any possibility of complaint from any source. At present the water supply is not adequate to ensure a sufficiency independent of rains. A small spring, which flows only for about six months in the year and surface water are all we have to depend on. My idea was to get Mills to devise a scheme for building a third dam nearer the Factory than the others of sufficient capacity to provide a month's supply. This can be done by catching the overflow

from the other dams during the Winter and Spring. The drainage is another difficult problem, owing to the position of the buildings, but I still believe that it can be overcome. Then the killing floor must be separate from the cooling floor for obvious reasons. To my mind it is not necessary to alter the site. I cannot think of any other site so central and convenient, apart from water and drainage, which as I said can be overcome, and I see no reason at all why we should not yet make the works model ones.

I note that the Board contemplates, at some near date, forming a separate Company of the Canning Works, in which farmers will be invited to take a share. This is very sound policy and at the same time a very generous one. I presume you are considering the question of freezing as well.

22. 1190. 11. Our skin drying system is similar to the one at Rio Seco, described by you. The air is also blown by a fan over steam heated pipes and then forced through the room. The skins are all laid out on trays so that the dry air can thoroughly get at every skin. Our greatest difficulty will be to make it perfectly airtight, but we are fully alive to the need of this. When the building is completed I will send you a report giving full details.

23. 1190. 14. There would be a great deal of work in making the "Lady Elizabeth" fit to sail home loaded. I have had men chipping and painting her from time to time but we have really made very little progress. Her bulwarks on the starboard side require renewal, but we could of course fix her up temporarily, leaving the permanent work to be done elsewhere. This also applies to her other fittings; nothing absolutely permanent could be done here, merely work necessary to meet Board of Trade requirements to enable her to sail. I will require to go into the question further before being able to give anything like an accurate estimate of cost to fit her out.

12.

24. 1190.15. I do not deny that Speedwell Island was somewhat neglected last year. Only three calls were made, Aug 11th, Sep 8th and Nov 11th. You will see that I mentioned in my Despatch No.541, par 7, that I planned to lift the produce from there after sheep lifting. This took longer than anticipated and Captain Johnson came straight back to Stanley, owing to shortage of coal supplies. After that the "Falkland" lost a full month through the mishap at Lively Island and then had to resume the sheep lifting from Port Howard to Egg Harbour, which took her into June. In July I sent her out to call at Speedwell Island on her return from the West, but a deputation including Mr. Miller and Mr. Luxton crossed to Egg Harbour purposely to ask me to bring Mrs. Evans direct from Port Howard to Stanley, to which I consented under the circumstances explained by them. Then I sent her in in August, advised Mr. Clark to have his wool ready, and through the lack of understanding Captain Thomas left it behind, preferring to lift all he could at North Arm instead. I furnished him with written instructions to bring in both Speedwell and Bleaker Island wool. The suggestion of unfair treatment is in itself unfair. As regards the rams, had it been feasible to take them round this would have been done. The rams were three days drive from Port Howard and four days notice was necessary to arrange for shipment. This year we have the wireless working and owing to this were able to arrange to take the rams to Speedwell early last month. Now Mr. Clark informs me that he only received 20 rams instead of 40 and he was onboard himself that trip. I was not even aware last year that so much depended on Clark receiving the rams by April. The previous year we shipped a number of rams from San Carlos South for the Station.

I hope the Transport Company will decide not to renew the service with the Government. Their not doing so will put us in the position, when it is considered profitable, to send her to the Coast whenever it is necessary.

25. 1190. 17. I paid Dr Wace his salary at the

13.

rate of £300. a year until June 30th in lieu of notice, as I believed him to be seriously ill and not to give him a loophole to circulate the story in Stanley that I dismissed him without notice after knowing his condition. The Acting Colonial Surgeon also informed me that he was in danger of his life. It was difficult to know what to do under the circumstances.

26. 1190. 22. I send out a good clerk from the East Store every year for the canning season, but during the season I could keep him in Stanley and send him, who could keep all the returns carefully in addition to the other work.

27. 1190. 23. Finlayson approached me when I was at Darwin, at the request of Mr. Townson, on the subject of his loss through the burning down of Tranquilidad house. He then informed me that it was well known by Nicholas that the chimney was in a dangerous condition. I of course told him that insurance can be effected in Stanley on furniture etc., and at the same time arranged with Mr. Moir to make this generally known. Of course there is no insurance on a house when it is known that the chimney is dangerous. I cannot make out when I passed on his appeal for compensation referred to in your paragraph 23.

28. 1190. 24. I note the decision of the Board to pay William Coutts a pension of £41 from October 31st last. I am informing him through Mr. Townson.

29. 1190. 25. Mr. Townson is not killing off so many sheep this year before other flocks come along. He will certainly not kill as many as 10,000.

I am sorry to note that the statement sent under the heading of Resume of sheep killed at Goose Green Season 1918 is not complete in that it does not furnish you with the number of sheep killed in each class. I will instruct Mr. Townson to see that the necessary information is given on the form drawn up by you. It will mean a lot of extra work and new forms to give the weight of carcasses under 35 lbs., but I will see if this can be given.

29.(cont)

Contract forms were sent round to all farmers but only one has been returned signed, as I already said, from Packe Brothers & Company, although all are sending their sheep. My Circular Letter clearly stated 'subject to the enclosed contract', which asked them to kindly sign and return. Before next season I will add that unless the contract is signed no sheep will be taken. It is very difficult to do business here on business lines and some such action as you advise must be taken in future.

30. 1190.36.

I understood that January last saw the end of our five years contract with the Pacific Coy. Freights on our goods, I notice, on the "Potosi", are much less than neighbours, but I presume that this is the last occasion for low rates. It is to be sincerely hoped that a new arrangement can be come to ensuring us a service, and at the same time that rates of freight will be within reasonable limits. I fear that the Pacific Company will be very difficult people to come to terms with.

31. I regret to say that the 27 Bagging from Calcutta is of very inferior quality and very difficult material to handle. The bales wrapped with it are arriving here in a very unsatisfactory condition, so by the time they reach their destination it looks to me as if many of them will be ripped to pieces. It will hardly stand sewing even. Some farmers are not taking it, hoping to obtain better material from home before next season.

32. In view of Weiss, after his return from the Coast, writing to some of our leading hands at Goose Green offering them positions under him at his new place I stopped his salary from November 30th. I have one of his actual letters. He would not agree to this so I arranged with him to settle it out of Court. He is willing to leave it to you to settle.

I am, Sir,

Your obedient servant,

33. 19 Rams for us arrived on the "Potosi", two having died at Glasgow before sailing. These rams arrived in a most disgraceful condition, very poor indeed and suffering from foot rot. The Captain informs me that such shipments are made without any man on board knowing anything at all about sheep and without instructions from shippers as to feeding. They are given bedding, although full wooled, which is only changed periodically and it is, therefore, no wonder they develop footrot. Owing to the delay at Glasgow, only some loose hay has been landed from the steamer.

I note that they have been shipped in the nature of an experiment and are not exactly pedigree stock.

ENCLOSURES.

Duplicates (Originals per H.M.S. Bristol, 10th January 1919.)

- Despatch No. 550,
- Cash Book for November & December,
- Journal for November,
- Remarks on accounts,
- Correspondence:-
- Circular letter to Clients (Land Tax),
- Brecht Coy., Oct. 18 and Nov. 20,
- Colonial Secretary (accreage of Lafonia),
- Store Indents No. 540.

17th March, 19.

ORIGINALS.

- 1. Copy of Cash Book for January, 8, on the year 1917. The enclosed
- 2. Cash Voucher - West Store,
- 3. Store Indents No. 541, account will show the results of the indiv-
- 4. Remarks on Stores,
- 5. s.s. Falkland Manifests - voys. 1-6 F,
- 6. Camp Wages Return, Dec. 31st,
- 7. Coasting Insurances, 1917, 1918, 1919 - December 31st, 1919.
- 8. Remarks on Accounts,
- 9. Statement on Accounts, I have account will show that the returns for
- 10. Confirmation of cablegrams,
- 11. Correspondence:- in spite of the substantial increase
- London, Concell & Co.,
- 12. Specifications:- of Wool, Skins, Hides, in 1917. It

will	JBH	10	that in 1917 half of the season's
	WP	46	10
	SE	47	10
	D & S	200	16
	H & B	255	8
	TH	149	7
	S & S	90	7
	RED	65	10
	JLE	325	23
	McG	23	23
	F	286	
	EM	2	
	S	207	24
	FIC		
	DE	577	21
	NA	979	22
	WC	447	8
			36
	F		
	S		56
	FIC		
	S		9

- 13. Copy of PSN account.

THE SECRETARY,

London.

552.

17th March, 19.

Sir, I beg to enclose accounts for the year ending 31st December, 1918, shewing a net profit of £107,293.10.9, a decrease of £21,443.11.8. on the year 1917. The enclosed comparative statement will shew the results of the individual accounts.

2. FARM, £102462.17.10 - decrease £19,965.18.6.

The Abstract of Farm Account will shew that the returns for Wool and Sheepskins, in spite of the substantial increase in the clip of the former, are much lower than in 1917. It will be remembered that in 1917 fully half of the season's wool clip was shipped and disposed of prior to the decision of the Board to sell to the Government, and realized unusually high prices; the total 1918 clip was consigned to the Government and consequently only realized 55% in advance of prices obtained in prewar days. Further the greater part of the season's produce has had to be estimated as, so far, returns are only to hand for shipments made early in the year. In valuing 1687 bales of wool at £60,000 I feel sure that I have allowed a reasonable margin of safety. No farm sheepskins or hides have been included in my estimate. The transfer of £24,070.6.2. from Canning Account is less by £5167.16. than the previous year. In this case the total season's produce has had to be estimated as part has not yet been shipped. I do not think my estimate of £73,458 will be found to be excessive. The Extract was sold at 6/6 per lb to arrive

THE SECRETARY,

LONDON.

and the mutton selling at above £5 per case, and I have estimated the value of the former at £30 and the latter at 70/- a case. The tallow I estimated at £60 a ton which I fully expect will be well within the mark. To have omitted sheepskins altogether, as has been done in the past, would have made too large a cut into the profits with such a large output. I do not think an estimate of £15,000 for 622 bales will be found to be other than conservative. Then I have not included last season's boiled mutton still at the Works, around 500 cases. Stock on hand at the Works at the closing of accounts has also been well written down.

Both Farm and Canning wages shew considerable increases on 1917. The former amounted to £12,915.18.11. against £12,230.9.6., although 1917 was saddled with £893.19.10 pertaining to 1916. Mr. Townson informs me that the War Allowance for 1917 was only paid to Camp hands in 1918 making two payments under that head in 1918. Canning wages explain themselves in the increased killing and the long drawn out season.

The expenditure on buildings charged to Farm amounted to £3,357.0.1. against £3,419.7.9. Of this the new Cookhouse and Mens' quarters at North Farm cost £2,413.0.4. and the new house at Brenton Loch £514.16/-. Live stock cost £2,039.17.5. against £1,621.18.9. and Export Duties £964- against £1,001.1.3.

I have again written down Building and Consumption materials on hand by 33½.

3. STORE ACCOUNT - £11,281.16.11 against £12,235.5.11. Sales and Deliveries for the years 1917 and 1918 were:-

	Sales.	Deliveries.	Total.
1917.	47663.	22192.	69855.
1918.	45926.	26501.	72427.

Higher values are again responsible for the increased turnover.

3.

The stock at £42,609.7.6. is very high, but this is largely due to extremely high costs. Part from that I have considered it necessary, in view of the long intervals between vessels calling at Montevideo, to keep a large stock of essential commodities on hand which are at present altogether imported from that port. At the same time I have written down such articles as are likely to drop in value at any time, reducing the stock in this way by over £2,000.

All goods from the Coast are entered in the Stock returns at net laid down cost and goods from the United Kingdom at invoice value plus 10% to cover freight, insurance and other charges. Our stock of Millinery goods is far too high, although it is all good saleable stock. I was misled by the local Government giving out that the exportation of clothing from the United Kingdom was prohibited, and purchased considerable quantities of dry goods through Messrs Maclean & Stapledon, Montevideo; instead of being prohibited unusually large supplies arrived at practically the same time, being mostly back indents.

4. LIGHTER GE, HULK GE, etc. Loss £943.9.7. Part from the credit of £1000 from the Government on the shipment per s.s. "Cardiff Hall" which belonged to 1917, the account has received no credits for handling and storing 1918 produce. I did not consider it desirable to allow for even a portion of this.

5. "SAMSON'S" WORKING ACCOUNT. Loss £217.19.11 against £514.6.10.

A few sums were earned during 1918 for work done, which are exceptional now-a-days. As the "Samson" is used exclusively for towing lighters and landing cargo, in future years the respective accounts will be charged with total cost of her maintenance.

6. INTEREST & COMMISSION ACCOUNT. £775.11.2. against £1081.11.4. Receipts continue to decrease due to the position of Station accounts and the lack of vessels calling at our Port.

4.

7. MAIL AGENCY. Loss £94.19.0. I presume that there is very little in the way of commission on freights due to us on produce shipped since the wool and sheepskins in the Colony were bought by the Government f.o.b. Stanley. Few passengers are yet able to travel from here as mail boats, for the time being, have ceased to call.

8. BUILDINGS. - £2,296.11.7. against £1,243.2.11. Much repair work to buildings in Stanley was effected during the year. There is still much to be done. A report on work done will be submitted to you on the return of our foreman carpenter from Goose Green.

9. CONSUMPTION. - £381.8.11. against £316.8.3.

GENERAL CHARGES. - £622.7.3, against £439.11.0.

Both these accounts shew increased expenditure due largely to higher costs. The former includes all stock of smithy coal written off and the latter much expensive stationery.

10. SUNDRY DEBTORS. - £40.7.9. against £348.12.6.

It was not necessary to write off many doubtful accounts at the end of the year. A fair proportion of the £348.12.6 written off in 1917 has been recovered.

I am,

Sir,

Your obedient servant,

RECEIPTS.	1918.	1917.	Increase.	Decrease.
Rent.	35. 0. 0.	342. 0. 0.	8. 0. 0.	
Interest on	775. 41. 2.	1081. 11. 4.	306. 0. 2.	
Insurance.	438. 6. 9.	826. 1. 3.	387. 4. 4.	
Store	11,81. 6. 11.	12235. 5. 11.	353. 13.	
Farm	102462. 17. 1.	122428. 16. 4.	19965. 18. 6.	
Mail gency.		5. 5. 1.	1. 4. 1.	
General Charges.	622. 7. 3.	439. 11. 4.	21326. 1. 9.	2126. 5. 8.
Consumption.	381. 8. 11.	316. 8. 3.	65. 0. 8.	
Buildings.	2296. 11. 7.	1543. 2. 11.	153. 8. 8.	
Fencing.	163. 6. 5.	6. 13. 4.	437. 6. 11.	
Lighterage, etc.	943. 9. 7.	514. 6. 1.	296. 6. 11.	
Stanley Office.	32. 3. 15. 6.	3697. 1. 1.	483. 4. 7.	
undry debtors.	4. 7. 2.	348. 12. 6.	343. 4. 9.	
Mail gency.	94. 19. 0.			
Plant & tensils.	45. 6. 0.		45. 6. 0.	
			1767. 9. 2.	1539. 3. 2.
				237. 6. 0.

DECREASE OF PROFIT. £21,443.11.8.

STANLEY, 31st December, 1918.

ENCLOSURES.

- 1. Balance Sheet.
- 2. Profit & Loss Account.
- 3. London Office Cash Account - items outstanding.
- 4. Statement of Items in Deposit Account.
- 5. Inventory of Stores at Darwin Harbour and Goose Green.
- 6. Inventory of Stores at North Arm.
- 7. Summary of Stock - East & West Stores.
- 8. General Summary of Stock on hand.
- 9. Balances due to and from men in Camp.
- 10. List of Consumption Stores on hand.
- 11. Building Material.
- 12. Fencing Material.
- 13. Canning Material.
- 14. Copy of Stanley Cash Book for December with Cash Voucher
West Store. (already sent.)
- 15. Copy of Stanley Journal for December.
- 16. List of Store Debtors.
- 17. List of Butchery Debtors.
- 18. Abstract of Farm Account.
- 19. Detailed Statement of Fencing erected in 1918.
- 20. Auditor's Certificate.
- 21. Details of Carpenters' Labour on Stanley Buildings, Farm
Buildings and Hulks.
- 22. Details of Store Deliveries to Farm.
- 23. Comparative Statement, 1917 - 1918.
- 24. Details of Salaries, etc., Stanley Office, 1918.
- 25. Estimate of Canning Produce on hand.
- 26. Estimate of Farm Produce on hand.

(2)

1. Since, fully 1000 sheep are being killed per day, so that

the season should be over by the end of present month.

2. The work itself is also better than it has been in

the past year. It is unfortunate that Mr. [unclear] has

but he has given the works the necessary [unclear] 2nd April, 19. 19.

should be a danger of any falling off after he goes.

3. The [unclear] tried the new skin sheep which has

The Secretary,

but I [unclear] will be unable to raise sufficient work.

London.

so [unclear] in to report on it and take [unclear]

Dear Sir,

to [unclear] [unclear] [unclear]

The whaling factory "Solstrief" arrived this morning
unexpectedly, due to shortage of coal, and leaves again this
afternoon or to-morrow morning. There is, therefore, no
time to write a proper mail.

CAMP MASON: Kindly note that it will be unnecessary
to send out a mason or bricklayer as I have been able to
come to satisfactory arrangements with Crawford, our Stanley
mason, whereby he will attend to both Camp and Stanley work.
He will go to the Camp whenever required and merely put in
the balance of his time here. He is a first class man, well
acquainted with all ~~xx~~ branches of his trade, and a very
quick worker. The work that he is doing here at present is
highly satisfactory, and ~~xxxx~~ his engagement will obviate
the risk of getting out a man such as Deprato.

CANNING: Up till last evening 22,000 sheep were
killed at Goose Green. I am glad to be able to report that
the work is progressing in a manner even beyond my expect-

(2)

ations. Fully 1000 sheep are being killed per day, so that the season should be over by the end of present month.

The actual work itself is also better than it has been in any former year. It is unfortunate that Miller must leave, but he has given the works the necessary start and there should be no danger of any falling off after he goes.

Miller has already tried the new skin shed which has been completed, but he was unable to raise sufficient heat, so I have asked him to report on it and make recommendations to have it brought into working order.

ERONUCK: I have just been to see the Governor on the subject of shipping produce on the whaling factories due here about the middle of the month. To-day Captain Johnsen informed me that he has space for over 1000 tons, which is lost altogether as he is to proceed home with his cargo of oil. The whaling Companies have only had a short spell in the South and consequently have been unable to obtain more than half loads. The Governor had asked home suggesting it, and should hear the result in a few days. I would have liked to have shipped all our tallow on the "Solstrief" but it is now too late to make arrangements. Tallow at least would come to no harm on a whaler. We are at present full up with produce and unless we get rid of a quantity very soon it will be awkward knowing where to stow it all.

yours faithfully,

Manager.

553.

5th April, 1919.

Sir,

My last Despatch dated 17th ultimo was sent per s.s. Thor 1 and the s.s. "Inca" arrived on the morning of the 4th instant, bringing your despatch No. 1191 dated 26th February.

2. Cables exchanged are confirmed as per copies enclosed.

3. According to what the Governor told me on Saturday he had not up till then confirmed the quantities of wool and sheepskins advised by cable as in Stanley on March 31st, additional to that telegraphed on February 28th. He informed me that the Home Government had written to him saying that they had not bought and had no intention of buying the 1919 output of wool and sheepskins. I told him that they must mean next season's produce as the sale of 1918-1919 produce was arranged as long ago as July last year, and he agreed to send a message to this effect. It is to be hoped that the quantities are confirmed promptly, as the settlement involves a large sum of money. I was sorry not to be in a position to advise heavier arrivals than 842 bales of wool and 221 bales of skins but the "Falkland" left for the West to carry sheep across to Egg Harbour on the 17th ultimo and only returned on the 3rd instant. On her return she brought in N. 456 B/s Wool and 19 B/s sheepskins, J.L.W. 18 B/s Wool and 23 B/s Sheepskins and E.E.M. 2 B/s Wool, which can of course only be included in the present month's settlement. As it happens I found it convenient to ship a lighter load of the produce just in on the "Inca", which can be set against the same number of bales

The Secretary,

London.

No. 553. 5/4/19.

2.

already paid for by the Government. By the end of May I hope to see practically the total season's produce in Stanley, provided always that we have storage accommodation. Even now I have wool and skins stored in the shore hulks "Egeria", "Shand" and "Charles Cooper". Of course the "Inca" will clear a quantity, and will make way for a large lot, as all the tallow is certain to go, which has naturally taken up a larger part of our space than would wool or sheepskins.

4. The "Inca" commenced discharging and loading alongside the "Great Britain" on the afternoon of the 4th inst and should finish on the evening of the 8th. All tallow stored on the "Great Britain" is already aboard and the "Lady Elizabeth" is now alongside loading the balance. I have no idea yet how much wool or skins will be taken in addition to the tallow, but Captain Barkley informs me that he will load a full 1,200 tons measurement. I am doing everything possible to get meats away as well by inducing the Captain to fill up all unbroken stowage space with it.

5. Reports from Goose Green are still satisfactory and so far some 26,000 sheep have been killed. The numbers put through will be reduced for a day or two as they are now killing Facke's Port Howard sheep, which appear to be of an enormous size and weight. I feel sure that this year's produce will be equal in quality to that of any previous year. Care is being taken to ensure the full weight per can. It seems that a lot of fat was canned last year which was largely responsible for the short weights. It is possible that the 400 tons of coal will see us through the season, but in any case I am shipping out a quantity this month. Mills reports that having the smithy boiler installed has actually reduced the coal consumption and given much greater satisfaction all round.

Mills is sailing for England on the s.s. "Inca" via Valparaiso. I would much like to see him back and I feel sure that you will be able to come to an arrangement with him in London. My idea is to put him in charge of canning operations

No. 533. 5/4/19.

3.

during the season, with Runaeres as his assistant, and to resume his ordinary duties in Stanley and the Camp in the off season. My great fault with Mills is his temperament, as he is very erratic in this respect. I would suggest £100 as a gratuity to offer him for each Canning season should he wish to return.

6. Our mason is pushing ahead at present cement facing the whole of the front of this building. First of all it is being Keyed and will be as solid as the walls themselves. To give you an idea of the cost, with an assistant he keyed and faced that part of the building from the East end to the Office porch in a week and used thereon one and half barrels of cement. I will send you a photograph of the building as soon as the work is completed.

7. 1191. 4. It is good news to learn that the new Babcock & Wilcox boiler will shortly be ready for shipment. Blue print and book of erecting instructions etc. are to hand. I am particularly sorry that the erection will not be done under Mr. Mills' supervision, as apart from Peters we have no qualified engineer fit to undertake the work. Fortunately our present Stanley mason built in the last old boiler, so that he is thoroughly up to that part of the work.

8. 1191. 5. The position of this Colony at present as regards passenger boats is, as you remark, deplorable. Thanks to the Whaling Companies a number of people are getting away as far as Montevideo on their factory boats, but it is far from a choice mode of travelling. I sincerely hope that your proposed tentative enquiries elsewhere will bring the P.S.N.C. to their senses. The present is rather an unfavourable time for entering into a fresh contract having regard to present scarcity of shipping and consequent independence of shipping companies. At the same time any company alive to their own interests will look ahead now for regular business as it looks to me as if very soon judging from the activity in the shipyards throughout the world and the speed at which ships of all descriptions are now built, that ere long the position will be reversed through competition.

4.

9. 1191. 6. The Brecht Company through whom Weiss made most of the purchases, appear to have been willing to supply him with anything he asked for without reference here. I did not bargain for this as I had not even written to them. My greatest disappointment is over the skin-drying shed, but I can see no reason why it should not be in full working order in time for next season. Mills will discuss the whole matter with you in London and I hope that you will be able to send out cast iron radiators or any other heating arrangement to take the place of the coils now fitted which appear not to have a sufficient heating area. Weiss' visit to Valparaiso and vicinity was on someone else's account, I think Balfour, Williamson & Company, who paid all his expenses.

10. 1191. 7. As I said in paragraph 5 I feel sure that the meat and extract turned out this year will be equal in all respects to that of any previous year. The men in charge of each department have all been trained by Weiss, so that there is no reason why it should be otherwise. The organisation is ahead of previous years and that is why we can now can more sheep per day and run the works with less men. As a good many men are leaving the ^{Colony} ~~company~~ in the course of the present year I fear that it may be necessary to import again a number of unskilled labourers from the Coast. If all the men had come forward this season who were taken on we would have had no worry at all, but a good many neither turned up nor even said they would not. This in spite of very good wages. There is hardly a day at Goose Green when less than 10 men are incapacitated from work through one reason or another and it is, therefore, of vital importance to have a number of men in reserve. To keep up the supply of cans a lot of overtime has been necessary, and we cannot expect men to work both day and night and give us their best.

I am particularly pleased to have the copies of the reports received from Mr. McGhie of the Queensland Meat Export Coy., sent out in 1911, the existence of which was not previously known to me. A copy I now find on enquiry is

still at the works. I take it for granted that there is very little fault to find with our Extract, except perhaps that the water used is not perfect. We add a quantity of sugar as you are doubtless aware, which is of course very profitable to us. As you say there are no secret methods in the preparation of Extract, nor, in fact, in the whole process of canning.

11. 1191. 8. I am pleased to hear that Mr. nson, William Stickney, Bernard Stickney and Rear Admiral Chambers admit that Mr. Evans' grazing charge for paddocking their sheep, amounting to the £380.8.4, should properly be met by them and the necessary adjusting entries are now being made. I regret to see that Messrs J.L. Baldron, Ltd. have declined to reduce their charge.

12. 1191. 11. I am very glad indeed to have the £3,000 in Bank of England Notes, which reached us safely under registered cover per s.s. Inca. This will put us in a position, for the time being, when the need arises, to square our indebtedness at the Treasury at the end of each month and thus avoid having to apply for the Governor's sanction to cable asking you to pay sums to the Crown gents. I kept a sum on Deposit at the Government Savings Bank to set against deposits from Clients and I will now be able to release this and draft will be enclosed. After the Governor decided to charge interest and commission I started remitting sums for local people free of charge and our position through so doing has improved considerably. You would notice that since he laid down his terms for such transactions that only once have I asked you to make a payment to the Crown gents and this against the Land Tax to the extent of £3,000. On this the commission was $\frac{1}{2}\%$. When conditions are again back to the normal it would be an easy matter to upset the whole Government financial arrangements by flooding them with coin and notes and it would be desirable to bring them to a proper sense of the position by so doing. The present Governor is an old man and cannot therefore be

in the service long, so in the near future we may see a successor appointed with broader views, who would more than likely take a more reasonable view of the situation. I trust your able letter on the subject addressed to the Crown Agents will have the desired effect, but it seems to me that the policy of the Colonial Office is to support the Governors of Crown Colonies no matter what their actions may be.

13. 1191.12. I am glad to know that, should the contract between the Transport Company and the Government be renewed, it has practically been decided that it cannot be renewed on anything like the same terms. The present Governor cannot understand the value of the service to the Colony and I am convinced that he will try to get the subsidy reduced. The Government must make the first move and should a new contract be entered into I sincerely hope that the terms are finally decided here. The present one-sided contract appears to me to have been drawn up by the Government to enable them to assume control of the movements of the Falkland.

It now appears that the class of the Falkland will not be withdrawn for one year from last December. Her tailshaft must be withdrawn for examination before the end of June, but at present I cannot see who can do this as Peters will soon be the only engineer in the Colony. I will require to depend on making arrangements with any engineer who may be in port within that time. If she must go to the Coast she must be away and back before the beginning of December.

Messrs Lowden, Connell and Company advise that they received a message from Messrs Chadwick, Reir & Co., Ltd., their agents at Montevideo, to the effect that they had an offer of a load for the Falkland at \$20 per ton for freight. I had no idea who offered it to them as the freight on our own cargo was to be arranged here. As \$20 is out of the question I have credited the Transport

No. 583. 5/4/19.

7.

Company with freight at the rate of 80/- per ton, less the 20% commission always allowed us on shipments from Montevideo by the P.S.N.C.

14. 1191.13. I am very glad indeed to learn that the Board has decided to add a porch to the front of my house. Judging from the design as shewn on the sketch you enclosed it will be a decided improvement in every respect to the building. It is satisfactory that you have been able to secure the services of Mr. [redacted] to supply the design and the suggestion that the whole porch should be constructed before shipment is an excellent one. I return the sketch with exact measurements noted on the drawing attached.

15. 1191. 14. I found that it was necessary after all to stitch the narrow bagging but I think this was due to the poor quality requiring all possible strength. We will not require any further supplies for next season.

16. 1191. 15. tinsmith should be out here by November at the latest. It would of course be no gain to engage a man at such high wages as is indicated by you when the price of solder is again nearer the normal.

17. 1191. 16. I note that you have compromised the claim of £416.12.5. made by Lowden, Connell & Coy, to cover loss through the trip of the "Falkland" to Punta Arenas for £275.6.1. She was of course sent over in our interests, but it happened that the advantages derived from the trip were shared by the Transport Company by adding considerably to her earnings through sheep carrying and the large quantities of produce made available for shipment. I wonder what our friends in Liverpool would say to any Master of their vessels should he disregard, even unintentionally, explicit instructions, such as Johnsen received, regarding her cargo. It would have suited us better to have paid a round sum to bring over only the tinplates, thus avoiding stoppage of the works and the upsetting of all our plans.

3.

18. 1191.20. I am very glad to have the views of the Board on the graduated Land Tax Ordinance now in force. Copy of your letter dated 6th February to the Under Secretary of State for the Colonies is very welcome as it would be very unfortunate if the Managers here addressed the Colonial Office on different lines from the owners resident in the United Kingdom. Naturally the small farmers will not support a Memorial if it is not sent with the object of reducing their taxation, so I fear that a Memorial will not be generally signed. I am pleased to know that Messrs J. B. Waldron, Ltd and others ^{also} are addressing the Colonial Office. Whale oil, I am told, is now up at £60 a ton, so that a tax of 1/9 on £60 at present compares with £1.10, on £40 in the case of sheep farmers paying one penny per acre. The two Norwegian towns Sandefjord and Larvik owe practically altogether their wonderful prosperity to profit on the whale oil industry of our Dependencies; as one correspondent puts it Norway has not got a war to pay for now, the British have, and surely every penny that the British can scrape up is needed urgently for that purpose and not for enabling Norwegians to break their champagne drinking records? With that I entirely agree. I await further developements with great interest.

19. 1191. 21. I note that the Board has decided that, for the present, Great Island etc., hitherto leased to James Smith, will be retained for the Company's use. Mr. Smith is coming into Stanley next month to discuss the whole question of his leaving with me. Mr. F. M. Cobb I see is strongly opposed to the suggestion that the Islands should be let to the Speedwell Island Company. Since I wrote on that subject I have gone further into the question and have ascertained that this suggestion would be the simplest solution of all. As soon as I can manage it I will go out myself and value the property on the islands. It cost \$400 to repair the cutter recently and although £800 is a high price he can easily obtain that sum for it and it is really

9.

worth the money. The awkward thing will be for Smith to dispose of his sheep.

20. 1191. 23. I am going out to Darwin and Goose Green this month, when I will go into the whole question of next season's supplies of tinplates etc, and will cable the quantities required of the most important materials.

21. 1191. 24. The Estate Louis Williams squared their indebtedness before the end of the year, but not prior to November 8th. Interest was charged thereon.

22. 1191. 25. I am sorry to learn that Norman dam does not consider my offer of sufficient inducement to come out for us. It is impossible to find a position for him at once but he would certainly have been advanced when an opportunity occurred. The Governor has been making enquiries about him, so it looks as if he had made application for a position in the local Government service.

23. 1191. 26. The "Gwendolin" is now ready for sea and has been put in thorough repair. Our carpenters have started on the decks of the "Lafonia" and work will be continued until she also is ready for sea.

24. 1191. 27. I see that both Mr. Cobb and Mr. Harding agree that the purchase price of 3/- per acre for land does not include anything in respect of old rental. This is what I made out, but I could not understand the Chief Justices in the past allowing the deductions and assumed that there must be some reason which escaped my notice.

25. 1191. 28. I had a long discussion with the Governor some time ago on the subject of the proposed Memorial in Stanley in commemoration of the naval battle off the Falkland Islands. He is in entire sympathy with the movement and said that he was very glad it had been brought forward. As it happened the Governor had handy a photo of an obelisk already erected in the Fiji Islands.

I await to hear from the Committee, formed to deal with the matter, what action they desire me

10.

to take locally.

26. 11/91.29. It is satisfactory to know that in the case of canned meats carried on the "Potosi" and the "Corcovado" last year the P.S.N.C. gave way in the matter of the rate of freight levied.

27. 9/4/19. The "Inca" left first thing this morning with 597 casks of Tallow, 775 bales of wool and 270 bales of skins. I am sorry to say that I was unable to ship any canned meats, although I did everything possible up till the last moment to induce the captain to lift a quantity. As the whaling factories are due here homeward bound any day I am sending this mail on the first vessel that comes up, which should arrive home much quicker than if sent on the "Inca".

28. Mr. Oswald and Mills left for England on the "Inca" but may have to transfer to another boat at Valparaiso.

29. The Governor confirmed my figures of wool and skins apparently on the 6th instant, so from this it would appear that he has had an answer to his message regarding the sale to the Imperial Government of our 1919 Clip.

30. steamer is coming over from Punta Arenas next month with a load of horses and as Mr. Hobbs informs me that the price of timber is the same as in March 1917 I am taking advantage of the opportunity to bring across a quantity. We are badly in need of Sandy Point wood and will readily dispose of all that we can bring across in one bottom. I have included in the order 20,000 battens which practically all stations are in need of. I understand the boat is taking back 1,000 wethers from Douglas Station for Menendez, bought at 11/- per head.

31. In view of recent telegrams asking for quantities of wool and skins on hand at the end of each month I am assuming that a revised arrangement has been come to with the Government whereby they have agreed to monthly settlements instead of quarterly as formerly advised.

I am, Sir,

Your obedient servant,

S.S. "ANTARTIC"
554.

31st May, 1912.

Sir,

My last Despatch was dated 5th April, since when I am without any mails from you for acknowledgement.

2. Telegrams exchanged are confirmed as per copies enclosed. The Manager of the cable station informs me that they will now accept deferred messages at half rates, which will effect a considerable saving in cabling expenses, as there is seldom more than 24 hours delay in such messages reaching their destination. The cable broke down recently, hence my reason for sending a few messages by wireless.

3. The Home Government did not approve of the Governor's suggestion to ship wool and sheepskins on the haling factories. I can understand this as I learned later that they were filling up at Monte Video with canned meats and hides, the rate of freight being £10 per ton. For some weeks past I have been in close touch with the Governor endeavouring to stir up the Home Government to send in a steamer for their produce and the position appears now to be that both the Sorata and the Kenuta will call. The latter is to lift 1,200 tons, but it is not clear yet how much the former will take. Originally our idea was to get a steamer to lift all produce, but I fear there is little prospect of this, as it is hardly likely that these two boats, outward bound, will lift 7,500 bales of wool and skins, nearly 9,000 cases of meats and fully

The Secretary,

LONDON

600 casks of tallow. I expect that you are working hard at your end on the same lines as we are here.

There is some confusion regarding one of the boats calling at Montevideo. The Governor received a message from a department of the Admiralty stating that the P.S.N.C. would only include a call at that port for £2000 plus £1.10/- a ton freight and compensation for deviation. That message was received yesterday, but this morning I received a cable from Messrs Maclean & Co. London, Montevideo, to the effect that the P.S.N.C. should advise that the Kenuta will call there about August 14th as the terms asked for are altogether out of the question next and future seasons.

I arranged with the Governor to send a message to Messrs Lowden Connell & Co., Liverpool, asking if they approve sending the 'Falkland' to Montevideo about the beginning of July for survey and informing them that I can obtain a full return cargo at £5 a ton. If they agree to this the Governor will so inform the Admiralty and cancel the call of the 'Kenuta'. As the question of future calls at Montevideo of vessels en route for this port is a serious one I must place orders for large supplies of foodstuffs by first opportunity, so that it will be an easy matter finding a full cargo for the 'Falkland' if it is decided that she is to go. Flour, sugar and some other articles are at present cheaper in Montevideo than for some time past and I anticipate lower exchange rates as well.

4. As requested in your message, received on the 17th ultimo, I telegraphed the quantities of the present season's canning produce as follows:-

7900 cases mutton
107 tongues
136 beef
129 extract
and 190 tons tallow.

Actual figures are:-

7902 cases mutton
107 tongues (sheeps)
136 beef
129 extract
6 sundries
and 191 tons tallow.

These figures will be to you, I feel sure, as they are to me very disappointing. Throughout the killing I was informed that the average sheep put through the works was better than in any previous year and that they filled 2.7 cans to the sheep and yet in 1917, killing fewer sheep, we filled 16,000 more cans and had only 10 tons less tallow. It is true we had complaints of 1917 mutton being canned too fat, but even allowing for too much fat to the can, waste has taken place somewhere. Perhaps as soon as the mutton is on the market you will send a report on the packing in good time for any alteration that may be necessary next and future seasons.

As far as the running of the works and the organization are concerned the season was probably our most successful one. Killing only commenced on March 3rd and I was actually in the works on April 30th when the last lot of cans were taken out of the retorts, the total number of sheep killed being 43,245. Not a solitary complaint of any kind has reached me from any source and the men worked well throughout. The doctor visited the works daily and consequently malingering was conspicuous by its absence. A small number of men from the various stations have already left the Colony and as there are a good many in Stanley now trying to get away it may be difficult to get the requisite number of local hands for next season and will be far short, but it would be a mistake to leave the distribution of labour over until the last moment. I am, therefore, asking Messrs Maclean & Stapledon if it is possible to obtain about 20 good men from Montevideo. The four Italians send down by the Brecht Company to work the casings have been in Stanley for some time waiting to leave for B. but they say they will come back in November and bring a few more men of their own nationality with them. They are unusually good men. The 400 tons of coal which I sent out lasted until the end of the season and I had only to send out a few tons

towards the finish to be on the safe side. There was no scarcity of fresh water at any time. The cost in wages during the season - I have not the exact figures yet - amounted to about £3000. The cost of materials was enormous, but we have saved everything possible and have still on hand a fair quantity of tinplates and solder. I cabled on the 6th instant asking you to ship at the earliest possible opportunity the following:-

560 boxes I X tinplates
370 I do
5 tons solder

to duplicate our last order for boxboards and on the 19th instant for 300 tallow casks.

I considered it advisable to order a full season's supply of both tinplates and boxboards to be prepared for a large killing. It is to be hoped that prices are now more reasonable. Our old filling machine broke down and the standby, apparently brought by Weiss when he came here, proved defective, so I asked you to ship out one the same as the original one and to consult Mills about it. The name of the makers is not on the machine, but since I sent my message Mr. Townson informed me that Redmond thinks it was supplied by a firm ? and Goodwin.

5. I could think of no man at present available whom I could recommend to you for the vacancy in the office here. Sam would, from all accounts, be a capable enough clerk but from other points of view I do not consider him suitable. I hope you have been successful in finding a first class man.

6. In accordance with the instructions contained in your telegram received here on the 21st ultimo. I terminated the agreement dated 22nd August 1916 entered into between Mr. H. A. Townson and the Company. Owing to bad weather my message did not reach him until the 26th ultimo, so that the 6 months salary to be paid to him commences from that date. Mr. Townson and his family are now in Stanley, but will return to Darwin first chance to complete their packing.

554, per Antartica. 31/5/19.

5.

I am taking over from him some furniture that he took out with him, as the house formerly was miserably furnished. As soon as they leave Darwin I intend spending a time out there myself, so that I can have all matters straightened out for the new Camp Manager when he arrives. At present I am working all Camp matters through Mr. Moir and we are fortunate in having such a capable and tactful man in the present circumstances. I thought of having Simpson part of the time at Darwin until the arrival of the Camp Manager, but he thinks that jealousies would arise by his being there, so I have left each Overseer in charge of his own Section. As we have all this year been running Darwin short of navvies I am sending out several men this month and also a few for Goose Green.

7. J. Smith of Great Island came to Stanley recently to discuss with me the question of giving up his lease. The great difficulty is the disposal of his sheep. There are no means of shipping sheep from the Islands except by cutter and that would involve a tremendous lot of work and time. Next season's wool clip is practically certain to be sold in the open market, when very high prices should be realized, which tempts me to recommend that we run the Islands ourselves for at least next season. I am led to understand that the men at present employed by Smith, men well accustomed to the work, will remain with us, so it would only be necessary to send one man from North Arm to take charge. There are about 5,000 sheep at present on the Islands, but the numbers counted at shearing time should be the tally on which payment is made. As no rams have been put out present season there should be a good average clip of wool. The wool at 2/- a lb (I expect it will be higher) would realize £3,000 gross. Perhaps you will let me know by cable whether or not the Board approves of my recommendation. I sent Nicholls across to make an inventory and valuation of buildings etc., and enclose his statement. Including yawl, sheep, buildings, pens, fences and sundry stores

554, per Antartica. 31/5/19.

6. to the 1st April are to be included. the total valuation does not exceed £5000. As regards the yawl Smith informs me that the cost was £1,100, the £471 which you mention as the cost, being merely a proportion thereof. Recently he spent over £400 on repairs and to-day I believe that it is in excellent condition. Without doubt it is an ideal boat for the work. To thoroughly overhaul 8. The shortly after arrival here one of the mine ex s.s. Potosi died, and 18 were safely landed at Goose Green on April 29th. They improved considerably in Stanley but were still far from being in a satisfactory condition when they were landed at Goose Green. I am pushing on 9. 11.6.19. I was very pleased to receive your message to-day informing me that the Directors have again granted their employees a bonus of 15% on all salaries and wages. On behalf of all those in the Colony I beg to express to the Board my appreciation and thanks therefor. 10. Since writing the foregoing I have ascertained from Maclean & Stapledon that the freight from Montevideo by the Kenuta is fixed at £5.10/- per ton. Although still exorbitant it is different than mentioned as being the terms in my third paragraph. If the Falkland must go up there for her No. 3 survey it would go far towards covering her expenses to secure a load at £5 per ton, and I hope Messrs Howden Connell and Company can arrange accordingly. Otherwise there will be little or nothing for her.

11. In confirming the quantities of wool and sheepskins stored in Stanley during the month of May, telegraphed to you on the 1st instant, I am glad to see that the Governor has included the figures furnished you as having arrived on the first. Perhaps the latter will be included in the May settlement; if so all Company's wool for the season 1918-1919 will have been partially paid for. As the value placed on our sheepskins by the Government must be well under the market value, I thought it advisable to ask you if present season's canning output of skins were sold to them and note from your reply that only those from

7. sheep killed previous to the 1st April are to be included. The number of sheep killed on March 31st was 30,373, therefore out of the total of 43224 skins 22351 are free.

12. We have now the Lafonia alongside the West Jetty effecting repairs to her as weather permits. Before being returned to her moorings she will be put into condition for sailing. I found it necessary to thoroughly overhaul the lighter Nimrod as she was leaking badly but I hope it is now tight and serviceable for a number of years to come.

We are now strengthening the mizzenmast of the "Great Britain" which should soon be completed. I am pushing on with all such work in view of the early departure from the Colony of Captain Thomas, who is an expert in such matters. It will be unnecessary to replace him. I am sorry to say that in a few places the decks of the "Great Britain" are still leaking, and that it will be necessary for the carpenters to caulk and repair the defective parts at the earliest possible date. Through some alterations on the "Great Britain" we have made it possible to store more wool than formerly, but after next load arrives we will fill up the Fleetwing, which has been cleaned up for this purpose.

At the moment we have 5326 bales wool and 467 bales skins stowed in Stanley, of which fully 5300 bales are on the "Great Britain", and over 2000 cases meats. I shall be glad to see some of it shipped, however.

13. The Government after all refused to receive our Bank of England £5 Notes at the Treasury on the ground that they are not legal tender in the Colony. Of course they are not legal tender, but they are accepted generally throughout the world in the same way as a sovereign is and the Governor should not have formerly indicated that they would be accepted as currency. When I discussed the matter with him at the beginning of May I asked him for an order on the Mint for £5000 or £6000 but instead he at once instructed the Treasurer to let me have £1,000 in cash and

same day cabled the Crown agents asking them to ship us out £1,000 in silver. For this he made no charge, but charged one per cent on the remittance of £1,000 (with which the £2000 was included in my cable of 14th to square our indebtedness at the end of April. Between payments to cunning workmen and men in from the camp, we have had to part with considerable sums of money lately and it is still a hard struggle to keep a working balance of cash in the Office. At time of writing we hold £1225 in Bank of England Notes, the public being willing enough to receive them. It is hard to say where the money is hoarded locally, but it is hoarded, mainly due to the fact, I think, that there are so few opportunities for people to remit monies home or elsewhere against purchases.

14. Mr. G. J. Felton recently resigned his seat on the Legislative Council. He appears to have done so owing to the lack of consideration at present shown to the farming interests, particularly in connection with the introduction and passing of the graduated land tax. The Governor (now Sir Douglas) offered the vacancy to me on the King's Birthday, but I felt bound to refuse to accept it under the circumstances. Since my refusal the Governor has urged me to reconsider my decision, but I see no reason for changing my mind. As at present constituted the Legislative Council may as well be without Unofficial Members and probably Mr. Felton's resignation and my refusal may help to improve matters. In any case I do not feel disposed to sit on the Council with Mr. Turner, as he is in no way fitted to represent any interests in the Colony.

The Memorial to the Secretary of State, copy of which I enclose, on the subject of the land tax, is at present on the West Falklands for signatures and should shortly be ready for transmission.

15. 18.6.19. The s.s. "ntartico" arrived from Punta Arenas on the 13th instant and brought us 135,000 ft of timber. She started off with 211 horses on board, but

lost some 150 on the way owing to very bad weather. From here she is shipping 1,100 sheep from Greenfields and is taking this and last season's casings. boat thirty camp hands from various stations are leaving the Colony on her, some going to the Coast while others are going home. There is a general exodus from the Colony of people at present and it looks as if the labour question, particularly on the West Falkland, is going to be a serious one soon.

16. I duly received your cables dated 13th and 17th instant: the latter this morning. I am glad to learn that the Government has included in last month's settlement, the wool and skins which arrived on the first. Everything was done to have that produce here on the 31st but bad weather made it impossible.

17. I have only been able so far to get single tin samples of this season's canning produce and am sending them to you by parcel post. Larger samples will be sent first opportunity. I am convinced that the quality will be found to be in every way satisfactory.

18. I am glad to note that you are shipping 60 cases of tea at prices averaging 1/10 per lb f.o.b. My reason for asking the price was that I had an offer from Maclean & Stapledon at 55 cents per lb and did not care to purchase supplies there unless price was lower there than at home. I also note that you can now ship all provisions with the exception of flour, rice, sugar, butter and bacon. In view of this I am only ordering these commodities and such articles as maize, pollard oats, etc., from Montevideo for shipment by the Kenuta.

19. I have received no information regarding the Brecht Company's draft No. 549 presented to you for acceptance. In view of this I have telegraphed to that firm in B. asking them what it is against and when their reply comes to hand will at once telegraph you. No amount is mentioned and the only conclusion I can come to at present is that shipment has been made from New York of the minor machinery

bought by Weiss and detailed in the Brecht Company's letter of October 18th. The large stove for Goose Green cookhouse was only to cost around £200 and I cannot imagine that they would draw on you for that small sum when this season's casings had still to be paid for.

20. We do not want another filling machine of the same type as the spare one at the Factory from Wallers. The original machine which appears to have come out a little later than the rest of the machinery for the works has proved in every way satisfactory but unfortunately it broke down last season. Waller's was immediately fitted, but after one days working one cog after another broke and it was found necessary to patch up the old one and replace it. We may possibly be able to repair the old one, but it is important that we should have a spare one. A machine of sufficient strength of make to bear the strain of filling at least 3000 cans a day is absolutely essential and Mills must know this.

21. 19.6.19. Since writing the foregoing I have heard from the Brecht Company that complete documents covering vacuum soldering machines, meat cutter, capping machine, etc had been delivered to Messrs Maclean & Stapledon, who, on enquiry confirm this. I will therefore ask you to-day to accept the draft in question. All the purchases amount to about £2300, apart from the stove, so that there will be a further sum to be met even after we are credited with the value of this year's casings.

I am,

Sir,

Your obedient servant,

Manager.

No.554 per Antartico . 31/5/19.

(sailed 21 June, 1919.)

ENCLOSURES.

Duplicates. (Originals per Crn 11 16th pril, 1919.)

Despatch No.553.

Store Indents No.542.

Remarks on Accounts.

Statement on Accounts.

Journal for January & February.

Coasting Insurances.

Establishment of Wages paid.

Mr. Townson's Reports - 3rd & 8th pril.

Originals.

1. Cash Book for pril.
2. Journal for March, pril & May.
3. Cash Vouchers - West Store for pril & May.
4. Stanley Ledger Balances to 31st March, 1919.
5. Camp Establishment of Wages paid.
6. Canning Weight Sheets.
7. Canning Debit Notes.
8. Resume of Sheep purchased.
9. Summary of Canning Produce.
10. s.s. Falkland Manifests Voys 9, 10, 11, 12, & 13 F.
11. P.S.N.C. statement, dated 7th May.
12. F.I. Gazettes for May & June.
13. F.I. Magazine for do
14. Copy of Land Tax Memorial.
15. do Brecht Company's account.
16. Copy of correspondence with Govt. re Financial settlement.

SPECIFICATIONS.

	Wool.	Skins.	Hides.	Tallow.
S.	136	3	18	
F.B. Triangie.	108	2		
P.H. do	92			
HGC	86	12	11	
FC	36	4		3
A.P.	177	10	18	2
F	11	3		
R.B.C.	32	1		
W.E.D.	71			

(continued).

SPECIFICATIONS (continued)

	Accl.	Skins	Hides	Tallow
J. L. S.	4	14		
E. H. M.	2			
J. S. S.	11	1		
B. & S. for Laundry	17		58	5
Club, amount of	135			
F. I. C.				
DS				
GI	58	6		
J. B. S.	360	10		
S. S. S.	64	1		
17. Schedules of Property	Shore & Time	New & Old		
18. Mr. Robinson's Letter				
19. Statement on Accounts				
20. Remarks on Accounts				
21. do Stores				
22. Store Indent	543			
23. Letter to Secy. of War				
24. Letter to Secy. of Navy				
25. Letter to Secy. of State				
26. Letter to Secy. of Army				
27. Letter to Secy. of Interior				
28. Letter to Secy. of Agriculture				
29. Letter to Secy. of Commerce				
30. Letter to Secy. of Education				
31. Letter to Secy. of Justice				
32. Letter to Secy. of Labor				
33. Letter to Secy. of Pension				
34. Letter to Secy. of War				
35. Letter to Secy. of Navy				
36. Letter to Secy. of State				
37. Letter to Secy. of Army				
38. Letter to Secy. of Interior				
39. Letter to Secy. of Agriculture				
40. Letter to Secy. of Commerce				
41. Letter to Secy. of Education				
42. Letter to Secy. of Justice				
43. Letter to Secy. of Labor				
44. Letter to Secy. of Pension				
45. Letter to Secy. of War				
46. Letter to Secy. of Navy				
47. Letter to Secy. of State				
48. Letter to Secy. of Army				
49. Letter to Secy. of Interior				
50. Letter to Secy. of Agriculture				
51. Letter to Secy. of Commerce				
52. Letter to Secy. of Education				
53. Letter to Secy. of Justice				
54. Letter to Secy. of Labor				
55. Letter to Secy. of Pension				
56. Letter to Secy. of War				
57. Letter to Secy. of Navy				
58. Letter to Secy. of State				
59. Letter to Secy. of Army				
60. Letter to Secy. of Interior				
61. Letter to Secy. of Agriculture				
62. Letter to Secy. of Commerce				
63. Letter to Secy. of Education				
64. Letter to Secy. of Justice				
65. Letter to Secy. of Labor				
66. Letter to Secy. of Pension				
67. Letter to Secy. of War				
68. Letter to Secy. of Navy				
69. Letter to Secy. of State				
70. Letter to Secy. of Army				
71. Letter to Secy. of Interior				
72. Letter to Secy. of Agriculture				
73. Letter to Secy. of Commerce				
74. Letter to Secy. of Education				
75. Letter to Secy. of Justice				
76. Letter to Secy. of Labor				
77. Letter to Secy. of Pension				
78. Letter to Secy. of War				
79. Letter to Secy. of Navy				
80. Letter to Secy. of State				
81. Letter to Secy. of Army				
82. Letter to Secy. of Interior				
83. Letter to Secy. of Agriculture				
84. Letter to Secy. of Commerce				
85. Letter to Secy. of Education				
86. Letter to Secy. of Justice				
87. Letter to Secy. of Labor				
88. Letter to Secy. of Pension				
89. Letter to Secy. of War				
90. Letter to Secy. of Navy				
91. Letter to Secy. of State				
92. Letter to Secy. of Army				
93. Letter to Secy. of Interior				
94. Letter to Secy. of Agriculture				
95. Letter to Secy. of Commerce				
96. Letter to Secy. of Education				
97. Letter to Secy. of Justice				
98. Letter to Secy. of Labor				
99. Letter to Secy. of Pension				
100. Letter to Secy. of War				

20th June, 1919.

The Secretary,

LONDON.

Dear Sir,

I enclose schedule and valuation of all Company's buildings and floating property in the Islands at this date. The delay in sending same is owing to the length of time taken to value property in the Camp. At the moment our stocks of merchandise are much below the average, but I have entered what I consider to be full normal values in each building. 35000 is not too high a valuation of the "Great Britain"; in fact twice that amount would not be excessive.

MENENDEZ: I am informed that Mr E.S. Felton, who returned here from the Coast on the "Antartico" and will again leave on her, is offering East Falkland farmers on behalf of Menendez 10/- a head for wethers and 7/- for ewes off the shears and that that firm is sending two steamers across at the end of this year to commence lifting them. All farmers in Salvador waters are said to have sold on these terms, shipping their sheep from the Moro. Others will no doubt follow as they all state that it will be a great convenience ~~for~~ to get rid of their surplus stock immediately

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after they are shorn. Mr G.J. Pelton says that as far as his sheep are concerned this price will be far more profitable than sending them to the canning works apart from the advantage already mentioned of getting rid of them from the shears. It is to be hoped that nothing comes of it.

The winter so far has been very open, but very wet, and reports from all sources say that the sheep are in good condition. Simpson informs me that he has taken the ewes away from the ewes and that the latter are looking very well and in good condition. The last cut of butchery sheep came from North Farm and I have rarely seen better.

yours faithfully,

Manager.

S.S. "SORATA",

FFF.

8th August,

19.

Sir,

I last wrote you on May 31st per s.s. "Antartico" and have for acknowledgment your despatch No. 1192 dated June 5th.

2. Cables exchanged are confirmed as per copies enclosed.

3. 1192 par. 5. I regret that I can find no vacancy here at present for Norman Adam. It is always more difficult to find employment for a married man than a single one.

4. 1192 par. 6. I am pleased to learn that when freight rates are revised these will be fixed in accordance with distances from Stanley and port facilities. The "Falkland" recently lost three full days at Horseshoe Bay and Rincon Grande owing to the situation of the sheds at these ports. Should it be necessary I note the Company reserves the right to lend schooners to its own Stations. The "Gwendolyn" is now fit for sea and in the course of a month or two I hope to be able to report that the "Lafonia" is in a similar condition.

5. 1192 par. 7. As you instruct I will notify all farmers that unless they sign our sheep contracts their will not be taken and likewise those farmers who do not lend us their quota of hands for the canning season. I feel confident that we can again collect a sufficient number of men to enable us to carry through the season successfully next year without importing labour from the Coast. We will have a great lift to begin with in being in a position to commence can-making shortly and hope to have sufficient made before the season commences for our requirements. This saves some 15 men during the season, enabling us to run the works with 84 men all told. Wages will be the same as this season, but there should be a large reduction in overtime.

The Secretary.

FF. 8.8.19

which upsets the work, at the works,
better quarters will be
minimally result in

Balliol & Co. I could not believe a word of it.
the works.

6. 11.19

Mr. Weiss returned from the Coast on the 28th of November. He informed me that unless he was given an absolutely free hand at Goose Green, without interference from Mr. Townson, he would accept a position on the Coast offered to him by Menendez. It was only bluff as far as I could judge, as he must have fixed up when in Punta Arenas. I naturally could not agree to his request in any case. Then I found that he had approached some of our leading hands at Goose Green to go with him to the Coast, and the enclosed copy of one of his letters will prove that he did so immediately after his arrival. Under the circumstances I could not agree to his going out to Goose Green to do work that we were capable of doing ourselves as he would not agree to see us through the season. To make certain of carrying through I had to offer him a bonus of £200 if he stayed with us long enough to ensure the success of our canning operations. Weiss' salary went to meet this. Worse than his attempting to prevent canning at all, which I took to be a serious matter, he was negotiating secretly with various farmers to buy their sheep for Menendez. This is a breach of contract of the worst kind and under the circumstances there was no alternative but to stop his salary from the date of his arrival. In addition to that he loses his bonus for 1918. After his arrival he wrote his report in the office, not in the office at my request, which as you already noted was absolutely negative in information and of no use to me whatever. To erect the skin-drying shed, which would have been impossible in any case as he was to leave in February, he asked for £500 on

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the outlay, which I did not even consider. Mills thought he could erect it himself, but he failed to raise the requisite heat after completion. Weiss made the remark to me that the gratuity of \$250, recently granted him by the Board, was a "filthy insult". Although Weiss did excellent work during his term here, he came out in his true colours as soon as he was independent of the Company. I simply could not believe a word he said.

I regret that the information on the case sent you was not fuller, but I thought that my report on his tampering with our workmen was sufficient to satisfy you. I surmised, but only learned later, that he had been attempting to book sheep in opposition to us. I am glad to note that you have collected his draft for \$192.19.10, and trust that in view of his general conduct throughout ~~that~~ you will close the matter at that.

From Despatch No. 576 par. 14 I was all along under the belief that Weiss' contract did not expire until August 1919.

7. 1192 par. 9. I have just this moment received a letter from the Colonial Secretary regarding our indebtedness at the Treasury at the end of last month. With land tax we owe them \$4,569.16.8, ^{and} ~~which~~ I am cabling asking you to pay the Crown Agents the sum of \$4,500 against same. The Governor is again charging us $\frac{1}{2}\%$ on the Land Tax and 1% on the balance of \$3526.5.9. Although the Treasury would not accept Bank of England Notes, they were quickly disposed of to the Public, but unfortunately none have come back to us. In spite of the \$5000 we have been worse off in the matter of cash than since I came to the Islands, some days being recently being without cash at all. I received \$1000 from the Governor free of charge some time ago, and the "Sorata" has brought us a further \$1000 in silver, also free of charge, from the Crown Agents. With the \$2000, just safely received, we will be in a position to meet ordinary demands for cash, but as next month is our largest month for deposits in the Savings Bank, I fear ^{our} present satisfactory position will not last long.

8. 1192. par. 10. I am pleased to note that you have taken

up with Colonial Office the question of the charge to be made to the Lessees of our Islands for Land Tax, and trust you will receive a favourable reply. It will be a gross injustice if these small farms are required to pay at the rate of one penny per acre.

It is satisfactory to note that you are strongly taking up the question of the assessment of acreage of Lafonia and that you will not let the matter rest until a satisfactory solution is arrived at. I should estimate that at 700,000 acres we are taxed on fully 100,000 acres that do not exist. The 1883 Chart does not appear to be strictly accurate, and for that reason a Survey would be the most satisfactory, but of course no matter how the land is measured it will be found to be fixed at 700,000 acres only by guess work. I have before me Mr Cotton's estimate and also old estimates, originals of which I am sending you, keeping copies here. The same system should be applied all round as other farms appear to have had their acreage assessed more or less accurately.

9. 1192 par 11. I am glad to learn that there can be no question to our title to Swan and North Swan Islands. Since I wrote on the subject the Governor has not again referred to the subject. He only mentioned it incidentally, and I was afraid that he might at some time or other dispute our rights to the Islands.

10. 1192 par. 16. I regret I have not so far been able to arrange with any of the warships for the services of a diver to examine the bottom of the "Lady Elizabeth". Since Captain Owen took command of the "Falkland" two of her plates have been damaged, one holed and another driven in and cracked. Captain Owen admits having holed one of the plates in going alongside, but does not admit having damaged the second one. I am inclined to think that Captain Thomas in taking the hulk alongside the "Ince" damaged her and did not notice it then, but meanwhile the one blames the other. The value of a plate is more or less £50.

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11. 1192 par. 17. I am forwarding a sample of the Calcutta bagging by this mail. Farmers are at present waiting for the better F4" socking from Dundee, but should supplies be late they will be obliged to purchase from us. I will see what stocks are left over after the coming season and do all possible to sell same on the Coast at a price that will cover cost. Price I note for F4" when you wrote was 1/7 7/16d per yrd fob Liverpool, which shows that the market remains very high.

12. 1192 par. 21. I am glad to see the ~~papers for~~ ~~caning~~ materials are now available for shipment and that prices are much more reasonable. The question now is coal and I am anxiously waiting to hear that you are able to secure supplies. It is to be hoped that the "Kenute" will bring out supplies, as it is awkward sending the "Falkland" out twice in the wool season with supplies, as it is a very slow process landing it.

13. 1192 par. 23. I note the appointment of Mr Thomas George Slaughter as Camp Manager. He is also well spoken of here by those who know him. His long experience on the Coast should be most valuable to us. I carefully note your instructions to him regarding his duties etc.. The news that he will be able to arrive here on the "Falkland" on her return from Montevideo is most welcome, as he will thus be here in time for the coming season's work.

14. 1192 par. 26. The Bentley Code is safely to hand, and as soon this mail leaves I will study it for future use. As soon as I am ready to use it I will add to my cable message "Bentley" as you request. All suggestions for additions will be sent to you for approval.

15. 1192.27. Copy of Mr T.G. Slaughter's agreement is to hand together with letter guaranteeing that his remuneration from all sources shall not be less than £1300.

16. 1192.28. I much regret that I did not settle with Mr Oswald before he left Stanley, and that my failure to do so has caused you considerable trouble. Having no instructions to follow I adopted the course, in similar circumstances, followed

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in the East, as far as my experience goes, that is to leave the terminating of his agreement to the Head Office. Having put in over five years in the Islands I assumed that he was entitled to six months vacation in England. On April 14th I wrote to you privately advising that I left it for you to fix and expected that my letter would be in your hands well before his arrival in England. I took it that you give him six months notice from the date of his arrival. I am clearly in the wrong and very much regret the circumstances which have arisen.

17. 1192. 29. In my despatch No. 550, paragraph 13, I advised that I had written to the Brecht Company suggesting that they draw on you direct for purchases made through them. Before I had any answer from them the draft covering the tin, lead and copper etc. had been met by you and charged out. It was after communicating with you that I ordered tin, lead, copper, tallow casks and material for the skin-drying shed from them and the only other alternative other than for them to draw on you was to arrange for payment through Messrs Maclean & Stapledon who would have charged a commission of $2\frac{1}{2}\%$ for advancing the money. In the same despatch, paragraph 4, I attempted to report fully on all the "minor machinery" purchased by Weiss, and therein reported that he had exceeded his instructions in placing orders for Retorts, Digestors, etc.. These I tried to cancel, but the orders had been placed by Weiss some time previously and when I cabled they replied that it was impossible as the goods were being manufactured specially for us. After going into the whole question of the purchases with Mills I decided that they were all good purchases and did not insist on the cancellation. I had not even given Weiss a letter to the Brecht Company as I did not expect any further purchases to be made through them. I sent you a copy of their letter dated October 18th, 1918, which shewed all the orders placed and the approximate prices. In my despatch No. 547, paragraph 6, I advised the instructions given to Weiss before his departure to the Coast and sent you a list of the

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various articles he was authorised to purchase; these I discussed very carefully with Mills beforehand. The new machinery was all intended to economise in labour and material and Weiss estimated that he could purchase the lot for \$400. The digestors, retorts, scrap dryer and vacuum extract maker were to quoted for only and I was very annoyed on Weiss' return to find that he had actually placed these, hence my reason for trying to cancel. The importance of cleaning up the beach at Goose Green has been under discussion for a considerable time and the scrap drier was bought for this purpose. \$250 was given as the approximate price, which is cheap enough if it means the purifying of the water around the works. The digestors are absolutely necessary, but could have been purchased in England now that the war is over. Prices quoted were considered reasonable, otherwise I would have insisted on their cancellation. When Weiss left he expected to purchase most of our requirements second hand, but when he reached the Coast he found that all works there were in full swing, including one formerly closed.

When I agreed to allow Brecht 5% commission on all purchases on our account there were great difficulties in securing permits for the export of materials and considerable work involved in even securing material, but the arrangement came to was for a revision of their charge for commission when conditions were more normal. I will take the matter up with them.

18. 1192. 31. I note that the Board has decided to grant Mills a gratuity of \$100 for his services during the Goose Green season, and authorize me to grant up to that amount to Runacres. Runacres has been satisfied as far as last season is concerned and I do not propose to increase his gratuity. He has been put on permanent wages at the rate of \$12 per month and received \$10 last season additional to his wages. As to Mills as I informed you in my letter of 14th April I paid him \$200 for his invaluable services in making canning a success. I hope that letter reached you in time to cancel the second payment. His remaining for the greater part of the season relieved me of

a great deal of worry and ensured the success of coming operations. Unfortunately his temperament is against him as he was always quarrelling with some one.

19. 1192. 32. I note what you write regarding the advising you of the particulars of settlement come to with any employees going home on leave or on termination of service. In the case of Dr. Wace as you are aware he left Buenos Aires without advising me, and leaving his wife without funds in the Islands. Even after closing his account a cheque was presented, in spite of our posting a notice at Darwin asking for all cheques to be sent in. Then Mills had no account to advise as he was on monthly wages and naturally was paid up till the time he left. Weiss had a debit balance and you were informed that he was only paid until the end of November. He furnished a letter to his Bank for the amount due to us. This he chose to dispute, considering himself to be treated unfairly, but his actions warranted the treatment meted out to him. There was no unfairness in the settlement under the circumstances. Oswald was also on monthly pay and merely left cash behind on deposit for Mr Gresham to settle his store bills etc. and to cover his expenses en route. It was for him to settle his own bills or wait until it suited us to remit the balance when we were certain that all his accounts had been squared. He had bonus due to him, but that had not yet been declared, so that in any case there would have been an amount due to him. Part of the money on deposit and included in my cable belonged to his wife.

20. I just returned on the 5th from a visit to Darwin Harbour where I spent five days. The "Sorata" arrived the following morning, being out 24 days from Vigo instead of 28 days as I expected. The mail is an unusually large one and there is very little time to answer it.

While at Darwin I terminated Mr Waterson's agreement by paying him six month's salary in lieu of notice. Previously he had signified his intention of leaving our service in one year's time, but as the position was unsatisfactory I saw no other

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no other course left open to me. Subject to the approval of the new Camp Manager I appointed Rorie Finlayson to fill the vacancy and I am satisfied that a better man cannot be found. As Mr Moir puts it "he has all the virtues of his father with none of his vices". It was after consultation with Messrs Moir and Simpson that I did so and from what I gather the provisional appointment has met with universal approval. M. McCarthy and J. Middleton were the others considered, but there was no question of the man fittest to undertake the responsibilities of Darwin Overseer. Much work awaits the new Manager, as under Waterson the Darwin Section of our Camp has steadily deteriorated since Stirling's time, some nine years ago. There is much scandal rampant throughout the Camp, and there has been sufficient reason. It will be best for the New Manager to report on what he finds for himself. The ram park must be changed and the fences put in repair on Darwin Section, and record breaking must cease. Many of the shepherds came to me about the condition of their houses, and the work for carpenters in this connection is more than we can cope with for some time to come. We have now only Nicholls and Craig as carpenters and Jay at North Arm, Craig having been sent back by me recently. There is sufficient labour now in the Camp for our requirements and there will be no danger of a shortage for next season. I also spent a good part of my time at Goose Green and everything there is also satisfactory. Arrangements are being made for the installation of the new boiler. The boiler shed is to be extended to the reservoir, so that they will be placed side by side with good foundations. The floor of the digester room must be renewed before next season but this will be done with 2"x 8" Sancy Point wood of which there will not be much required as the floor space is small. There is a lot of work for carpenters at Goose Green and Nicholls who went round with me will go ahead getting the place in order. Our Stanley carpenters will do all they can here. We have not a piece of wood at present, but I am glad to see a quantity has arrived on the "Sorata".

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I am afraid the ensilage pit at Darwin is a failure. It has not yet been opened up very far, but so far it looks and smells more like decayed vegetation than fodder. There are over 40 tons of good oats and tussac in the pit, which I am told by Waterson took three months with practically all hands to fill, so that the loss may be great. The "Flora" is now being used for the carrying of tussac from the Islands and serves the purpose very well.

The manager's house is far from a suitable one, and I trust the Board will consider the question of shipping out a new one from home at no very distant date. The rooms are small and very cold, the new bedrooms being particularly so as I know from experience. I took over some furniture from Mr Townson which is badly required, costing about \$170, Nicholls and Mr Moir fixing the valuation. I have a man and woman living in the kitchen who are keeping the house fired and generally looking after everything. They will stay on, if required, after the arrival of Mr Slaughter.

I am running the farm through Mr Moir who is showing great tact and judgment in all matters. Mr Moir will be of invaluable assistance to Mr Slaughter until he becomes thoroughly acquainted with the whole farm.

21. Your cable of 25th July duly reached me asking me to renew sheep contracts on the same terms as this year. With the exception of Boy Cove on the West and all farms in Salvador waters I feel sure that we will get all the other's sheep, and should can at least 40,000 sheep. The winter has been a splendid one and if the Spring is reasonably good the numbers available will be much in excess of last year.

22. The "Sorata" now here is only loading cased meats and very little of that, some 150 tons. I have been on board doing all I can to get more produce away, but both the Captain and Chief Officer have gone over the stowage plan and it looks hopeless. The meat is being discharged direct from the Falkland on

to her, but it a very slow process. Unfortunately, owing to the small quantity being taken, the Captain would not go alongside the "Great Britain", so that the balance of last season's meat must remain over until the arrival of the "Kenuta". The "Sorata" is, therefore, leaving much sooner than expected, probably to-morrow.

Fortunately as far as this season is concerned there is very little produce still out, but unless we have a clearance before next season's produce begins to come in I will be faced with the problem of finding storage accommodation for the new clip.

23. The "Falkland" arrived from Goose Green the evening before the arrival of the "Sorata" with 6821 cases of mats, leaving roughly 800 cases at the works. The tallow must be left out there as we cannot handle it here until the "Lady Elizabeth" is cleared. I am shipping the extract by the "Sorata".

I am, Sir,

Your obedient servant,

Manager.

- 11. s.s. Falkland
- 12. Canning Expenses
- 13. Mr. K... ..
- 14. Canning
- 15. Canning Factory
- 16. P.I. Transport
- 17. Store Ledger Balances
- 18. Butchery
- 19. Stanley Ledger Balances
- 20. Shipping Report
- 21. Copy of sundry figures -
- 22. P.I.
- 23. P.I. Magazine - July
- Correspondence -
- Specifications -

Month	1914	1915	1916	1917
Jan	55	8	10	
Feb	194	8	15	
Mar	6	4	8	
Apr	164	4	10	
May	97	15	8	
Jun	84	11	8	
Jul	80	11	8	
Aug	8			
Sep	209	11		
Oct	23	14		
Nov	28	8		
Dec	12	6		
Total	17	10		
	4	4		
	198	11		

24 Foreman Carpenter's Report on buildings

No.555. per Sorata. 9/8/19.

Enclosures.

Duplicates. (Originals per s.s. ntartio .

Despatch No.554.
Journals for March, April & May.
Coasting Insurance.
Remarks on accounts.
Statement on accounts.
Remarks on Stores.
Store Indents.
Inventory - Great Island.
Canning Resume.
Statement of Canning Produce.
Letter to Secretary, London dated 20th June, 1919.

ORIGIN LS.

1. Despatch No.555.
2. Journal for June.
3. Cash Book for May & June.
4. Statement on accounts.
5. Remarks on accounts.
6. Store Indents No.544.
7. Remarks on Stores.
8. Cash Vouchers for June & July.
9. Establishment of wages and Stanley.
10. do do do Camp.
11. s.s. Falkland Manifests boys 15, 16, 17 P.
12. Canning Expenses for year ending 30th June, 1919.
13. Mr. Runacres Report.
14. Canning Material used and on hand to 30th June, 1919.
15. Canning Factory Electric Light - Mr. Peter's Report.
16. F.I. Transport Company Ltd account to 30th June.
17. Store Ledger Balances to 30th June, 1919.
18. Butchery
19. Stanley Ledger Balances
20. Shipping Report.
21. Copy of sundry figures - Lafonia surey.
22. F.I. Gazettes - 1st July, 2nd July, and 1st August.
23. F.I. Magazine - July.
- Correspondence - R. Finlayson to J. Houston.
- Specifications -

Mark.	Wool.	Skins	Tallow.	Hides.
S.I.	56	2	30	3
Club.	184	8	6	
T.R.		4		5
R.B.C.		4	2	14
H.	164			
Triangle F.B.	97	15		
J.H.D.	84		6	7
B	80	11		
H	8			32
Heart.	209	17		23
H & B	23	14		
H.R.	28	3		
D.H.	12	6		
N.	17	10		
C.	4	4		
L	198	11		

24 Foreman Carpenter's Report on Buildings.

s.s. FALKLAND to Montevideo. 12th September, 19.
556.

Sir,

My last Despatch, dated 8th ultimo, was sent per s.s. Sorata. The Kenuta is due in a few days time, probably the 16th.

2. Cables exchanged are confirmed as per copies enclosed.

3. As the Directors are aware, throughout the world at the present time, there is a universal unrest amongst the working classes for improved conditions of living and higher wages. The latter is largely due to the increased cost of living occasioned by the war but is at the same time, a natural demand on the part of the workers for a larger share of the profits of the concerns in which they are employed. The conditions of living in our Colony compare favourably with anywhere else in the world, but so far the advance in wages by way of bonus and war allowance has far from met the increase in the cost of living. It is often said to me by local employers of labour, that men in the camp are in a position to-day to save as much as in pre-war days. This is a very narrow view of the situation. In the first place families are denied ordinary luxuries either through the lack of any being available or by the prohibitive cost of such articles; in the second place a man's savings cannot be measured to-day at pre-war values, when it is considered that the £1 sterling has much shrunk in purchasing value. If a man goes to the United Kingdom now with his £1,000 savings he would receive a rude shock as to its value compared

The Secretary,
LONDON.

with what he expected when he struggled and denied himself to scrape it together.

The men in this Colony, I speak more especially for our own Camp employees, have loyally continued their work so far making little or no complaints about their wages, but when steamers come to Stanley whose crews are being paid £18 per month and upwards, as is the case, it can hardly be expected that they will long continue thus when the information is common property.

Thanks to the wise policy of the Board through giving the lead in the matter of bonuses and war allowances there has been very little movement of men from our farm, but a fair number of men have recently left the Colony and others likely to follow from other stations which may later reduce the labour in the Colony to a dangerous extent.

For your information I am enclosing a statement drawn up by Government Officials for submission to the Government comparing costs of articles to-day with pre-war costs. The worse view is put on certain of these articles, but I estimate an all round advance in the cost of food and clothing at 120%. In the case of Camp employees there is of course a difference; single men in the cockhouses can live to-day, minus certain luxuries, at an increase of a few shillings a month compared with before the war. Articles of clothing are much higher and altogether I calculate that with the war allowance and 15% Bonus they are little or no worse off to-day than before the war. Married men with families are harder hit; say he buys 1 bag of flour and 1 bag of sugar which costs him 45/- and £3.4.6. respectively, practically a month's wages. Living rent free and receiving free fuel, meat, milk and butter puts him in a more advantageous position than the Stanley workmen, but at the same time there is little or no opportunity for him to save. As the majority of our permanent hands hope ultimately to become pensioners and return to their native countries it is natural that they should be anxious to save money.

At present our standard of pay to navvies is £5 per month for the first five years and afterwards £5.10/- per month.

Married shepherds £6.10/- per month.

Single do £6. 0. 0. do

Boys up to £4 per month according to their worth.

Foremen navvies - Darwin Harbour £8, North Arm and

Goose Green £7.10/- and Walker Creek £7 per month.

Camp teachers £ per annum.

Carpenters £8 per month.

Foreman Carpenter £200 per annum.

Overseers £200 per annum.

All of whom receive in addition, with the exception of the boys, who receive same in proportion to their wages, the war allowance of £1 per month. After carefully considering the whole question I beg to recommend strongly to the Board, that all carpenters, shepherds and navvies receive a monthly advance of £1 apart from the present war allowance - overseers and foremen carpenters an inclusive wage of £20 per month - camp teachers £80, £85, £95 & £100 inclusive during their agreement of 5 years. I would also recommend that in the case of the war allowance of £1 that this payment should continue as such, so that when the time comes, should it ever come again, when the cost of living is again normal, we could reasonably stop the special payment on the grounds that it was only paid to cover increased costs created by war conditions.

* As regards our Stanley jetty gang who work for 9d per hour, plus a war allowance of 6/- per week - if they do not lose over 4 hours without special permission - I consider their lot to be the hardest of all. To make ends meet they are obliged to cut their own peat out of working hours and in some cases, where there are large families, their wives are obliged to work to augment their incomes. These men load cargo boats alongside casual men, earning 1/3 per hour and the ship's crew £18 per month, apart from overtime. Under the

circumstances I recommend that, beginning 1st January, 1920, they are paid an inclusive hourly wage of 11d per hour.

Carpenters earn fair wages at 1/1¹/₂d per hour, but I recommend that their wages are advanced to 1/3¹/₂d per hour to keep them in line as regards their present wages with the labourers. We have four men earning weekly wages, two for the Samson and the Plym, one for the motor boat and a striker. These men earn £2.5.0 (Inestrom) and £2.2.0 (Petersen, Walker and Mc tasney) and I propose that the first mentioned receives £2.10.0. per week and the others £2.8.0. Shop assistants, butchers and carter would receive a proportional advance.

It is a fact that in spite of the payment of the war allowance to Stanley employees, the total wages paid away so far this year are well under that of last year, although I have a larger jetty gang than necessary - to induce men to go out to Goose Green last season I was obliged to offer some of them work on the jetty on their return.

As regards the staff I am strongly of opinion that some hard and fast rule should be laid down for those entitled to vacations in England after completing their term of service in the Islands. Unless through force of circumstances, no man of any responsibility should remain here for a longer period than five years. Should the Board decide that any such official should not return to the Islands, always provided that he has served the Company to the best of his ability throughout, he should be paid six months full salary or half salary according to his position, in lieu of the holiday which I consider he has earned. No one here wants an annual holiday, the only object of taking a few days off during the year merely being to break the monotony. It would be a very serious matter for any man with a wife and family to arrive in England without funds and not to have any other employment in view. His chances of obtaining employment outside the Falkland Islands while here are practically nil.

I estimate the total annual cost of the suggested advances to Camp employees at around £2,000; the

increase in Stanley Wages, if any, would not be great and the individual will be the greatest gainer.

I do not consider it advisable now to discuss the question of camp wages with any of the station managers, as it would not be long before it would be discussed in the cookhouses. All stations are advised when any change is made by us and they invariably follow our lead.

4. I was glad to learn from your cable received on the 20th ultimo, that you have completed shipping for the coming season with the following stations:

Messrs Holmsted & Bink, Ltd.

J.B. Aldron, Ltd.

Geo. Bonner & Co. Ltd.

Packe Brothers & Company.

J.H. Dean & Vere Packe.

Replies to my Circular Letter are not yet to hand, but from what I gather, Greenshields, J.J. Felton's Estate, M. Fitaluga and Bertrand & Felton have all agreed to sell to Menendez.

I have not heard what W.K. Cameron is doing, but I will be surprised if he does not sell to us. Dean & Anson will sell to us and any of the others who have any available. As the Falkland will not be hampered with mail calls after the end of the year and I hope with no delays in the commencement of the collecting of produce, I have decided to take direct to Goose Green sheep from Speedwell, Bleaker and Lively Islands. Perhaps you will be good enough to arrange the rate of freight with Messrs Lowder, Connell & Company; 2/- a head will pay handsomely and I propose that these Stations and Canning should each pay 1/-. We are now assured of a good canning and should kill anything between 40,000 and 50,000 sheep.

5. On the 10th instant I received your further message informing me that the Board had decided to pay a Bonus of 25% to all sellers of sheep last year who renew their contracts on the same terms but to exclude others. I have accordingly issued another circular letter notifying farmers to this effect.

I am particularly pleased that the Board has found

it possible and decided to grant his Bonus at the present time.

6. I much regret to learn from your cable of the 9th instant that at that date no vessel had been fixed to come here for produce after the "Kenuta". Some time ago the Governor informed me that an Admiralty collier would call early in October, and asked for the quantities of produce which would be ready for shipment then, to put before the Home Government in the hope that it would be arranged to ship everything thereon. The P.S. "NC. Junin" appears to be the collier in question, but from your cable I take it that she will not lift produce here.

7. I was very pleased indeed to have your approval to send out the "Sandon" for the "Garland", the latter to bring in 150 tons of tallow as ballast. It is absurd to have that hulk out there empty while we are struggling in Stanley to find storage space for produce. Now we have her in Stanley we can always find ample and suitable space for tallow, which is a product which should be stored away from wool and skins, and apart from that, in the hold of the hulks instead of upon the decks. Originally I wanted her here to store coal, but it is much more convenient having coal in lighters, as we can thus bunker and load the "Falkland" simultaneously while alongside the jetty. I am not quite sure at the moment when I can bring her in, as it may be necessary for Captain Thomas to go with the "Falkland" to Montevideo as Mate, as that officer has not travelled on the "Kenuta" as hoped for. There will be little or no danger in towing the "Garland" in as the weather will be chosen and we will bring her in via Mare Harbour. I had planned to bring in some of the logs on her ex the hulk "Bertha", but that is out of the question until I have the co-operation of Mr. Vere Packer's Manager.

8. The "Great Britain", "Lady Elizabeth" and "Fleetwing" are now all full up with produce. Owing to unusually large shipments from home I required, for storage purposes, the use of the store hulks "Igeria", "Charles Cooper"

and Shand and accordingly have transferred all wool and skins from them to the Lady Elizabeth. It is sincerely to be hoped that the Kenuta will take away a large quantity. No mention has yet been made of the space available on her, but we are to fill her up with wool, skins and meats.

9. My reason for asking you by cable if you had shipped coal for Goose Green was to know whether I could send out a quantity from stock before the Falkland left for Montevideo. I was anxious to do this as a season's supply means two shipments and the landing of so much coal in bulk is naturally a slow process and awkward during the produce lifting season. I learned from the P.S.N.C. agents at Montevideo that the Kenuta ^{is} ~~was~~ bringing 500 tons. This is no doubt from Lowden, Connell & Company, as they advised last mail that they hoped to obtain a licence to ship out that quantity. These friends have been working on our stocks practically since the beginning of the year and now owe us quite 500 tons. I will require to give her another 150 tons for her trip to Montevideo. When this is replaced we will have a large stock of coal cheap compared with present prices. I am still restricting sales to a minimum, thereby losing considerable profits to the Store.

10. One of our Stoney pensioners, George Thompson, died here on the 8th instant from old age.

11. I note that the Board of Directors desire me to accept the seat on the Legislative Council should it be again offered to me. So far the vacancy has not been filled. Sir Douglas Young leaves for England on the Kenuta and it is probable that the administrator will offer it to me, in which case I will accept. Had the Governor not been censor of cable messages I would have consulted the Board on the subject by telegraph.

12. I have decided to send out Peter Peters at Goose Green as soon as he leaves the Falkland. He will be on the spot to look after all machinery at the wharf and be convenient for him to visit North Arm and Darwin.

when necessary in connection with the inspection of all plant at these places. He can come to stand by periodically, to overhaul launches and machinery, his services here being of much less importance. Peters seems to me to be a good reliable engineer, probably not so proficient as Mills, but he will rub along with the men much better, which is a great asset in his favour.

When Mills visited you in London he reported that the electric gear from Buenos Aires was rubbish and also that there were shortages. All the materials were opened at Goose Green for the first time after arrival, but not a solitary report giving shortages did I receive from him or anyone else. In fact only complaints reached me and it was necessary when I was last out there to get Peters to go into the whole question. I enclose samples of the wire installation. The heavy copper wire was intended for outside and the trouble was mainly caused through using this material on the heated killing floor. Peters hints that the nest was not made of the material, and I am inclined to agree with him. I further agree with him that the original installation having been supplied and erected by experts we would have done well to have kept to it; in fact we are going back to it. For years Mills and Weiss continually reported adversely on the old system and I naturally assumed that their reports were accurate. The old installation served us for many years in spite of every conceivable abuse, which is evidence that it must have been more satisfactory than made out so repeatedly. It was a common practice for Mr. Weiss, when fitting a new light, to merely cut into the bare wire and attach the lamp. You can imagine what effect this had. Then through force of circumstances skins were hung inside the building close to the wires, which would sooner or later ruin the best of wire. Peters will soon put the lighting again on a satisfactory footing.

13. There seems to be an impression prevalent with the Directors that I sent Weiss to the Coast with

a roving commission and that I gave him too much rope. It is easy to be wise after the event and if I had acted wisely at the time I would not have sent him at all. After he left here I impressed upon Mr. Townson the importance of avoiding further quarrels with him and although he said he would interfere in no way with his work, and do everything possible in the interests of the Company in that connection, he continued to discuss him freely and adversely and seemed determined to drive him out of the place. I am told Weiss cabled here before his return, asking if there was any improvement and hearing to the contrary decided to leave. I had no trouble with Weiss myself and always found him keen to shine and anxious to make the most of canning. I therefore sent him believing that he would continue in our service, certainly until August this year. He submitted to me a list of the places where he intended to visit and with what object, copy of which I enclose. I gave him letters of introduction to the Manager of the Exploradora Company, Braun & Blanchard & E.W. Hobbs and an open one, in which I stated that he was visiting Chile and the Argentine in connection with Canning matters and asking them to render him any assistance possible. When he reached Buenos Aires he cabled making recommendations about drying shed, dynamo and stove, all of which I put before your ^{for} approval. He also cabled that he had changed the tin from Bolivian to Japanese and as I asked him before he left to ascertain and make certain that the former would prove suitable I naturally could not do otherwise than leave that matter in his hands. The difference in price between English and Bolivian tin was so material that I was afraid that we might be let down at the last moment should it prove too impure. I was not prepared for the tin costing \$3,000, which I only learned after its arrival. He himself fixed up to travel on the line after his

arrival. I naturally did not write to the Brecht Company or any other firm authorizing or restricting purchases by Weiss. I never in my career heard of any firm entering into dealings with a subordinate unless he carried credentials and authority. When he cabled me about the dynamo etc., I took it that he was

referring all questions of purchases to me. I enclose copies of letters, dated 27th November, 1918, and 28th April, 1919, from the Brecht Company, the latter in reply to one from me on the subject of the purchases made by Weiss. The originals of these letters only arrived on the Kenuta, present voyage.

As I have received no bills from the Brecht Company since they commenced drawing a you against shipments, I asked you in my letter of the 11th August not to pay any further drafts drawn. At the same time I informed ^{them} of this, saying prices must be in accordance with their letter of October 18th, 1918. Since then I received your advice that a draft for £879.1.0., dated 5th instant had been presented and asked you not to accept same as I am waiting a detailed statement of prices and shipments. The Brecht Company advised having drawn on you for £474.1.4. on that date, so that the amounts in any case do not correspond. When payment was refused they cabled asking me to request you to pay it and that they would respond for same. I will await the arrival of the "Kenuta" for full particulars before doing anything further in the matter.

14. The s.s. "Kenuta" arrived on the morning of the 15th instant, bringing your despatches Nos. 1193 & 1194, dated 25th & 28th July respectively.

15. 1193. 3. I feel that the very worst interpretation on the part of the Board has been put on my action in allowing Mr. Oswald to depart from Stanley under the impression that he could return here or stay at home at his own choice. No mail steamers being expected I did not anticipate that he and his family would be able to travel this year. When he himself fixed up to travel on the Inca after her arrival, I felt that the Board would be glad to relieve me of the unpleasant task of terminating his agreement here, in view of having so much of this to do recently, and that in view of his length of service the Directors would not grudge him his six months salary in lieu of vacation. I am willing to admit

however that if I had to do it over again I would have acted differently. It was necessary that I should ask for another clerk at once, as the work in the office has increased considerably during the last few years.

When I fixed the increased salary with Mr.Oswald I wrote to him as follows:-

"When it is mutually agreed that you leave for ENGLAND the Company will provide you and your wife and family with first class passages, always of course subject to the usual conditions laid down in the agreements between the Company & the staff. The question of outward passages can only arise when it has been arranged for you to return to us".

Before his departure I carefully avoided to state that I expected him back and he, I have always understood, took away all his belongings with him.

16. 1193.6. I enclose a letter received from the Stock Inspector with reference to the rams landed ex s.s. "Potosi" in March last. It was only after the departure of that vessel that I had time to look at them myself, but the Stock Inspector, who went on-board, reported to me that he had never seen imported rams landed in worse condition. When I saw Captain Fleignier he said the rams had been onboard a long time and that they had no man on board who knew how to look after them. The stock Inspector even worked at the feet of some of the rams passing through and shewed the man in charge how to treat footrot. Mr. Morris of Punta Arenas, now in Scotland, was one of the passengers referred to in the P.S.N.C. letter but I cannot recall exactly what he said about them.

17. 1193.7. I regret to hear of the bad condition of the hides shipped per s.s. "Potosi". These hides were stored in the "Great Britain" from the time of the departure of the "Cardiff Hall" in the usual way away from any contact with iron. It took me a long time before I could induce the Captain to take them and if I remember right he said it would be

necessary to restow them in bunta rooms. I had tried repeatedly before but without success. When I went on-board the "Great Britain" I showed the officer who accompanied me the quantity there was ready for shipment and we then noticed nothing unusual about them as regards their condition. There was no evidence of them being in a heated condition before shipment, and the only report I received was that many of them had lost their marks. I cannot believe that the damage took place before shipment, as the hides from Goose Green, ha. just arrived and were taken ^{from} the jetty straight to the steamer and some others which had only recently been brought to Stanley. Those bundled in sacking, I presume, were as bad as the loose ones. The homeward voyage of the "Potosi" was a very long one and it is more than probable that they had become heated on the way and that the damage can be traced to that. Insufficient salt may be the reason, but that could hardly apply to them all. Kindly say if you wish us to ship hides, in future, flat in the ship and not in bundles. The present system of binding hides only leads to confusion through the marks being obliterated and the binding coming undone through so much handling.

18. 1193.8. The codicil to the will of the late Alexander M. Vitaluga is safely to hand. This is required here for Probate, on completion of which certified copies of the Will and Codicil will be sent to you.

19. 1194. 9. The Oppenheimer Casing Company have been frequently requesting us to offer them our output of casings, but never indicate what they are prepared to offer us. Our impression here was that when we sent them samples they reported adversely on them to get them cheap. This may have been the wrong conclusion, as it is possible that the men sent here by the Brecht Company sent them inferior samples purposely. To make sure of finding an outlet I contracted in April 1918 with a representative of the Brecht Company to sell to them our total output for the year 1919, 1920 and 1921 @ £17 per thousand, all

expenses for their account, payment of £500 to be made as soon as they arrive in Stanley and the balance when shipped.

20. 1193.10. I sincerely trust there will be no difficulty in obtaining a filling machine in good time for next season and that a suitable one will be sent.

21. 1193.11. Mrs. Herklots and Miss Miller arrived in Stanley on the Kenuta. The purser gave them his cabin as a special favour, having known Dr. Herklots when he travelled out on the same steamer.

I have asked Messrs Chadwick, Reir & Co to do all possible to arrange with Mr. Stapledon to get Mr. Slaughter down on the Junin, but the question is left for the Captain of that steamer to decide.

I note that Messrs Cobb & Lains, also now in Monte Video, are paying their own passages, all expenses incurred there being for their own account.

22. 1194. 2. Lieut. Colonel F. G. St. Johnston arrived here on the Kenuta. I am glad to note that the Chairman has had several opportunities of discussing with him, prior to his departure from England, matters concerning the Colony, and that your relationship has been most friendly and cordial. I have only had several minutes conversation with him so far, but my first impression of him is very good. Needless to say I will do all in my power to maintain the good relationship so happily begun on your side.

23. Your cable reached me to-day advising that it would be necessary to have the 19 x 19 tinplates, indented for on June 19th, specially made, that they are difficult to obtain and asking if you can substitute. These tinplates are for Extract cans, the special size being indented for to avoid waste, but as the increased cost to have them made specially would be great and to substitute another size would be no advantage, I will ask you to cancel the indent in first cable.

24. I enclose copy of an indent for electrical gear I am giving Mr. Peters to purchase in Buenos Aires.

This is to complete the electric lighting system at Goose Green. I find that the only shortage from last shipment was bolts for the insulators, the lamps never having been ordered. Mills made up an indent for a few items which was sent on June 19th, but omitted to include those given on indent. The cost of these will be insignificant. The whole question has had to be straightened out by Mr. Peters, which should have been done immediately after the arrival of the materials.

Peters will, when in B.A., collect all the information possible in the short time he is there regarding the new machinery now here, although there is none of it that he could not have installed without help. Weiss cleared out with all catalogues etc. Peters is a very keen man and I am confident that he will be a success.

25. I note from your cable of the 9th ins. that the Board has decided to await the recommendation of Mr. Slaughter regarding Great Island.

26. On various occasions I have referred to the difficulties of the drainage of the canning works, but so far nothing has been done. I believe that a few septic tanks would solve the problem, and perhaps you would be good enough to make investigations and ascertain if such a system would be suitable. If not, and you approve, I will have the floor of the preserving room raised a few inches with a gradual slope towards the beach.

There is also the question of the additional dam to ensure a sufficient water supply in abeyance. Apart from the drawbacks mentioned I consider the present sight of the works the most convenient all round.

27. The breaks in the Stanley-Darwin Telephone, although sufficiently annoying, are no worse to-day than when the line was erected. In 1908 there were 64 breaks, 1909 - 50, 1910 - 25, 1911 - 20, 1912 - 23, 1913 - 27, 1914 - 34, 1915 - 52, 1916 - 39, 1917 - 48, 1918 (not reported). The wire generally breaks close to the insulators,

through continual swaying, or when geese fly into it. Should Geo. Bonner & Company link up with us I think a metallic system should be installed and No. 12 Galvanized telephone wires (2) used throughout. It is too soon to bring out a man to look after all systems in the Islands as there are still some stations to which extensions are contemplated and it will be desirable to include every station with a telephone line in any arrangement come to.

28. The West Falkland Farmers Medical Association will be obliged if you will select and appoint a qualified doctor to succeed Dr. Henry, who has asked to be relieved of his duties as soon as another man comes out. Copy of their agreement is enclosed. They prefer a married man, but suggest that, as Dr. Bolus is well acquainted with the place and conditions, you might approach him and consider any recommendation he may be able to make. Perhaps you will notify me by cable when the appointment is made and when the new Doctor sails.

29. The Kenuta is lifting fully 2,000 bales of wool and skins and some 6,000 cases meats. Both the Falkland and the "Lady Elizabeth" are alongside her, the former receiving coal for her trip to Montevideo and the latter shipping produce.

30. A very large number of passengers are sailing on the Falkland for Montevideo, including practically all the Naval Wireless men, who are to sleep in the hold. I have, therefore, decided to send Captain Thomas as Mate, to conform to Board of Trade Regulations, which is unfortunate as this delays the towing in of the "Garland" from Goose Green. She leaves on the 22nd instant.

31. The Governor has just informed me that the s.s. "Junin", apparently due here next month, will lift produce. This is very good news indeed. I have received no advice about this from any other source so far.

I am, Sir,

Your obedient servant,

ENCLOSURES.

DUPLICATES.(Originals per s.s."Sorata").9/8/19.

Despatch.No.555.
Remarks on Stores.
Store indents.
Canning A/C to 30th June.
Stanley Ledger Balances.
Remarks on accounts.
Statement on accounts.
Store Ledger Balances.
Butchery Ledger Balances.
Journal for June.
Establishment of Wages to June 30th.
Runacres Report.
Shipment per "Srata",10 Aug,1919.

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ORIGINALS.

1. Cash Book for July & August.
2. Journal for ditto.
3. Remarks on Accounts.
4. Statement on Accounts.
5. Remarks on Stores.
6. Store Indent.54.
7. Cash Voucher - West Store. (August)
8. Stanley Bonus List 1918.
9. Coasting Insurances.
10. Shipping Report.
11. Henry Waldron's A/C to 11th August,1919.
12. s.s."Falkland" Manifests. Voys 18 & 19F.
13. Mason's Report with plan of suggested sight for Memorial.
14. Carpenter's Report on Camp Houses.
15. F.I.Magazines for August & September.
16. F.I.Gazettes for ditto.
17. Certificate - Milk duly landed.
18. Stock Inspector's Report on Rams ex "Potosi".
19. Mr.Weiss's programme for Coast visit.
20. Copy of Dr.Henry's Agreement.
21. Comparative Prices statement 1914 - 1919.
22. Copy of Brecht Co.Indent.
23. Correspondence:-

J.Houston to Lowden,Connell & Co.
do P.Bogen,Sandefjord.
Circular Letters re Sheep Contracts.
do F.I.Battle Memorial.
H.H.R.Gresham to Manager,Stanley.
Brecht Company to J.Houston.
General Electric Sudamerican to J.H.

24. Specifications:-

Wool.Skins. Tallow . Hides.

F.I.C.

591.

130 Extract.

P.H.

92

J.H.D.

172

9.

Kindly hand pla and report to Mr.Cobb.

21st September, 19.

The Secretary,
LONDON.

The Secretary,
LONDON.

Dear Sir,

Your letter dated 25th July to hand, from which I am very pleased to note that the Board authorises me to pay to Mr Gresham the sum of £200 as a special allowance in respect of the increased cost of living during recent war years and in recognition of the zeal displayed by him in the Company's interests.

Mr Gresham desires me to convey to the Board his grateful thanks for this appreciation of his services, with which I wish to associate myself.

As Mr Gresham has now taken over the position of Accountant, I shall be glad if the Board will consider the question of an adjustment of his salary. He is of great assistance to me in the office here, and I cannot speak too highly of the excellence of his work in every respect.

yours faithfully,

Manager.

21st September, 19.

The Secretary,

LONDON.

Dear Sir,

Your letter dated 28th July to hand enclosing draft agreement to be entered into by me with Mr Herbert John Slaughter on behalf of Williams & Coy., The Speedwell Island Coy. and H. & G. Cobb, for whom he has been appointed Manager of the Islands, Weddell, Speedwell and Lively.

Mr L.A. Baillong has written me on the subject of the appointment.

yours faithfully,

Manager.

(3).

and they are trying to meet whatever bills they can to
 make legally I do not think they can have a leg to stand
 on. If they do I trust the House will decide not to pay
 the bill for \$879,110 dated August 25th.

27th September, 1916.

After seeing the orders placed by Weiss, advised in their
 letter dated October 18th, 1916, there is still a question

The Secretary, New York still to come forward. This was

LONDON. By me, after having obtained the approval

Dear Sir, the above draft for cash is presented to you

The s.s. "Kenuta" is leaving to-day, but has not
 quite finished loading at time of writing. She will take
 about 2,550 bales of wool and skins and 8000 cases of meat,
 which is quite satisfactory.

The PSNC inform me that they anticipate sending
 in the "Duchess" for produce, and that she will leave Glasgow
 about the 7th of November.

The Brecht Coy. I enclose copies of my letters to
 that firm dated 22nd and 26th instant. You will see from the
 latter that in no case have they invoiced the goods ordered
 by Weiss, advised in their letter of October 18th, 1916, at the
 prices given approximately therein; in fact no notice has
 been taken of these quotations. Including their draft for
 3879,110, payment of which has been refused, I make the
 first cost of the goods to be 31,166,13.4 in excess of
 what they originally quoted. I may be wrong, but the whole
 transaction now appears to me to be sharp American practice,
 first of all accepting orders from Weiss without authority

(2).

and then expecting us to meet whatever bills they care to send. Legally I do not think they can have a leg to stand on and if this, ^{is} so I trust the Board will decide not to pay the bill for \$679.10 dated August 5th.

Apart from the orders placed by Weiss, advised in their letter dated October 16th, 1918, there is still a dynamo costing \$600 for New York still to come forward. This was originally ordered by me, after having obtained the approval of the Board, so when draft for same is presented I shall ask you to pay it.

Meanwhile I await the instructions of the Board on the whole matter.

yours faithfully,


Manager.

of Memoirs 27/9/19

ENCLOSURES.

DUPLICATES (Originals per Falkland 22nd September, 1919)

Despatch No. 556.
Journal for July & August.
Remarks on accounts.
Statement on accounts.
Store Indents No. 545.
Remarks on Stores.
Pilferage Claim.
Carpenters Report on Camp Houses.
Bonus List 1918.
Mason's Report on sight for Battle Memorial.
Copy of Invoice - Brecht, Buenos Aires.
Letters to Secretary.

ORIGINALS

1. Letter to Secretary, dated 27th Sep, 1919.
2. Remarks on accounts.
3. Statement on accounts.
4. Store Indents No 546.
5. Copy of P.S.N.C. Statement.
6. Correspondence -

Copy of letter to Brecht Co. 22nd Sep.

ditto

26th Sep.

(2)

that she is now useless as a hulk, even for Goose Green. Many of her plates have so perished that we were able easily to drive holes in them with a small hammer. My opinion is that she should be stripped forthwith of anything of value and taken away from her moorings and sunk in deep water, anywhere clear of shipping. It would be unfortunate if she were to sink at

31st October,

E9

The Secretary,

LONDON.

Dear Sir,

I arrived here on the 6th instant on the "Samson". H.M.S. "Southampton" is at present in Stanley and I am writing this in anticipation of her taking a mail when she again sails.

The S.S. "Polish Monarch" is also in Stanley with some 3 to 4000 tons of coal for the Admiralty. After discharging her coal, the Government is placing her in the hands of the PSNC for the homeward voyage and it is probable that she will lift the balance of our produce now in Stanley.

I brought out the "Samson" to prepare the "Garland" for towage to Stanley and to place that hulk alongside the Goose Green jetty to load the tallow. I very much regret to report, however, that after a most careful examination of the hulk I am obliged to abandon the project of bringing her to Stanley altogether. When Captains Saanum & Thomas last inspected her, her condition at that time was considered by both to be sufficiently satisfactory for the voyage, but whether that inspection was not thorough enough or her condition since has greatly deteriorated, the fact remains

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that she is now useless as a bulk, even for Goose Green. Many of her plates have so perished that we were able easily to drive holes in them with a small hammer. My opinion is that she should be stripped forthwith of anything of value and taken away from her moorings and sunk in deep water, anywhere clear of shipping. It would be unfortunate if she were to sink at her present moorings. Her anchors and chains are worth something to us in Stanley at present. Her condition is naturally a great disappointment to me, as it is impossible at present otherwise to bring the bulk of our tallow to Stanley and store it there ready for shipment. The only other alternative is to make use of the "Gwendolin", and I will do so should the "Polish Monarch" lift all the produce now in Stanley. Coal will be wanted for the settlement here in about ten days time, so that it will be advisable to bring her out in any case.

Although we had an unusually mild and open winter, I regret to say that we have had an exceedingly bad Spring. Since the last week in August we have had hardly anything else than Southerly gales with snow and hail squalls, which may seriously reduce our lambing returns, especially as there has been no growth of grass so far. What promised to be a good lambing year will now be below the average.

Of the three Sections, North Arm alone dipped their hoggets this Spring; Walker Creek was obliged to abandon their dipping owing to bad weather and Darwin decided not to dip this year at all.

(3)

Scott and Campbell are at present making a round of the camp marking colts, including those two years old from the Welsh studs. As soon as the corrals dry up at Egg Harbour all colts there will also be marked. It would appear from reports all round that the two year old colts from the Welsh studs are a miserable lot. By being kept at Darwin after foaling, in parks without sufficient feed, they had a very bad start from which they have not recovered. Last year's foals are more favourably reported on. I am visiting Egg Harbour when the colts are brought in for taming and marking, after which I will report on them more fully. There are only between forty and fifty colts fit for taming present year.

While here I am making a round of the shepherd's houses as far as possible to investigate their condition generally as a number of shepherds complain that they suffer great discomfort from leaky roofs. Some of those I have seen are in a deplorable condition, especially ~~Hill~~ High Hill and Teal Creek. The former I consider not worth repairing, as the roofing sheets are red with rust, and the house generally unfit for habitation. The site in the first place is wrong as it sheltered behind a hill, causing it to smoke almost continuously. The roof of the latter is also eaten through with rust and leaking badly. A new roof is absolutely necessary, which I am told will be the third iron roof on that building since erection, all through the lack of a coat of paint. Swan Inlet and Arrow Harbour houses are already condemned; material for a new house at the former

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is already in Stanley and most of the framing for the ~~xxx~~ latter is completed, but unfortunately we are short of weather boarding and lining.

I had to send down a carpenter to Walker Creek to repair the roof of the old cookhouse there, as it also was leaking, and have now the mason down repairing the chimney. The other carpenters are at Goose Green putting iron roofs on the New Men's quarters and the drying shed, which ^{are} ~~is~~ now practically finished. There is also further work for the carpenters at Goose Green, including the extension to the boiler shed to accommodate the new boiler. We are short of rafters and other wood for this also.

I would strongly recommend that four new houses are erected in Darwin settlement for married men. Married men are the main stay of the place, and the more we have the more secure our position is as regards labour. One of the best labourers we have on the Camp, George Bowles Jr., intends to marry shortly, and without a house for him we can only lose him.

He built the North Arm and Goose Green jetties and is handy for all kinds of work. Then there is the question of houses for two married carpenters from home. There is not a house available, so that I am at a loss to know what to answer, as we must have carpenters if the work is to be caught up. Fortunately I sent a married carpenter out from Stanley recently and he occupies the Mason's house, but we have no house for Crawford.

Crawford, as I have already said, is a first class man

(5)

and with Richie from North Arm for a Mate, gets through his work both quickly & well. With him here we can tackle any kind of stone building, which as far as I can see is the only building suitable for this country. Stone, brick, or concrete houses would naturally cost more for erection, but once the initial cost is covered there would be little or none of the continuous repair work.

So far we have not received the ordinary bricks necessary for the erection of the new boiler at Goose Green. 20,000 are required, but these will no doubt arrive on the "Junin".

The men at Goose Green are at present cutting peat, making tongue and tripe cans and doing odd jobs about the works. We intend to can the tripe this coming season, which should pay handsomely.

The only change in our cultivation this year is that instead of oats, which were an utter failure last year, we have sown grass seed in that part from the sod corral down to the top of the hill towards the settlement. The ground was first of all gone over with the disc harrow and after the seed was sown with the chain harrow.

The studs and the cart horses are now eating the ensilage mixed with fresh tussac, but only about half of the oats and none of the tussac—about 1500 bundles are of any use. Even the stuff now being eaten is not quite right, being too moist.

The Welsh studs are in good condition, except that the

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dark bay one has developed some trouble in one of its hind legs. Bonner of San Carlos South put his stud out to feed and I understand that it is doing extremely well. It is a pity that we did not at the beginning do likewise. In any case the place for them is Egg Harbour.

George Bowles, Senior, has signified to me that he intends to retire and leave for England sometime in April next. I enclose his record of thirty years service and presume that he has qualified for a pension. Personally I think a great deal of Bowles and I believe that he has been a very faithful servant to the Company. One of his sons is a shepherd on North Arm Section and the other a navvy at North Arm, and both are exceptionally good men.

One of the rams ex s.s. "Potosi" died here after arrival, cause unknown. Another was destroyed owing to having a black patch and black hairs on its back. They are now in fair condition and there should be no further losses.

This year the stud ewes were left undisturbed after lambing on their ground at Teal Creek. In former years they were for some reason or other transferred to Coronation Point, where there is very little feed and shelter for stock. Their own camp is an ideal place for them.

Since I came out here I have been taking up the question of amusement for the men both at Darwin and Goose Green. There is no question that everything possible should be done to occupy their attention during their spare time, as otherwise

(7)

the single men sit in the cookhouses and air their grievances. On Saturday last I played cricket for Darwin against Goose Green which both players and spectators enjoyed thoroughly. By this mail I am ordering a complete cricket set for them to be paid for by a Club which they are forming. If the Directors can see their way to provide anything in the way of recreation for the men, I need hardly assure them that it will be money well spent.

On the 18th instant your telegram arrived informing me that you have appointed Mr Millwood^{ward}(?) as Assistant Camp Manager at a salary of £500 per annum, and that he is now in Montevideo. Over a month ago Mr Slaughter telegraphed me from Montevideo saying that he had appointed a man, but as I knew nothing about it I asked him what position he was given. His reply was that he had made a mistake, at the same time saying that he was appointed as assistant at Port Darwin. I took it from this that the message came here in error. Your further particulars re. the appointment is awaited with much interest. I am hoping that the new assistant manager here will be acquainted with the canning process and will take charge of that branch at least during the season; otherwise I cannot at present account for the need for an assistant manager here. At present it appears to me that it would have been advisable for Mr Slaughter to have gone into that question on the spot, as I very much doubt if he will bring a man better amongst stock than R. Finlayson who is at present acting as Darwin Overseer.

(8)

The question of peat for both Darwin and Goose Green is now becoming serious. It is estimated that there are only 750 yards at the former and some 5000 yards at the latter. This will only last roughly one and two years respectively. In a few days time I am going out to ascertain where the nearest peat banks to Darwin can be found, somewhere on this side of Camilla Creek. I feel sure that it would pay us to bring out a motor tractor, which would carry a large quantity at a time, and would at the same time be invaluable for many other purposes. It is the only solution of the peat question as far as I can see, and would soon pay for itself when the price of coal is taken into consideration.

23.10.19. When out at Ceritos yesterday I there saw one of the two year old foals off the dark bay Welsh stud. It is much undersized and Stewart, the shepherd, and Finlayson both say that it will never be fit to ride. It is not to be compared with those I saw at Hill Cove in January last off the Welsh stud there.

As very few of the houses in the camp have never received a coat of paint and the houses in the settlement are very badly done, I am convinced that we ~~xxx~~ have sufficient work on the farm for a permanent painter. I accordingly recommended that one be sent out from home. For ~~the~~ all the difference in the wages of a proper painter and a handy man there is no question whatever that it will pay us to employ a skilled man. I see the paint peeling off the roofs of some of the Darwin houses although only recently painted.

(9)

I have just learned that the "Falkland" will be in drydock at Montevideo until the middle of December on account of having to undergo extensive repairs. This is extremely disappointing news in every respect and will mean a late start again in the collecting of next seasons produce. It was an unfortunate day for the Transport Company when Captain Saanum left them.

The only thing to do now is to put the "Gwendolin" in commission and run her between Stanley and the Farm. With Captain Thomas away with the "Falkland" it is difficult to secure a suitable Master for her, but I have two men in view who will probably prove to be satisfactory.

I find that Mr Townson has taken away with him all copies of letters despatched, and Mr Waterson his stock books.

yours faithfully,

Manager.

ENCLOSURES.

DUPLICATES. (Originals per Kenuta 27/9/19.)

Letter to Secretary, dated 27th Sept.

P.S.N.C. Liverpool

Remarks on Accounts.

Statement on Accounts.

Remarks on Stores.

ORIGINALS.

1. Letter to Secretary, dated 21st October, 1919.

2. Cash Book for September.

3. Journal for September.

4. Stanley Ledger Balances. - September quarter.

5. Remarks on Accounts.

6. Statement on Accounts.

7. Replies to Remarks on Stores.

8. Return of Camp Pages for September quarter.

9. Have two do Stanley. Will do.

10. Cash Voucher West Store - September.

11. Specification Kenuta, shipment.

12. Copy Transport Company's account.

13. Farm Bonus List - 1918.

14. George Bowles, senr - statement of his record.

15. F.I. Gazettes - 27th Sep & 1st Oct.

16. F.I. Magazine - October.

2. I am enclosing a report from our men giving the
 results of the improvement of the sanitation
 of the Whaling Works. I am sure the work with both
 the Whaling and the men has been done that if this work
 is done, the men will be healthy and the work will be done.

3. The "JUNIOR" is expected to be ready 13th November, 1917.

4. The way of the whaling will be that line. Of course
 the work will take a long time to complete, but if the
 men are healthy it will be done and the work will be done.

I last wrote you from Darwin Harbour on the 21st
 ultimo per H.M.S. "SOUTHAMPTON", and have now received
 your despatches Nos. 1195 & 1196 dated 12th and 23rd
 September respectively per S.S. "Junia".

2. Cables exchanged are confirmed as per copies
 enclosed. I regret to learn of the omission to send
 the usual forms on the occasion complained of. We ran
 out of forms and it was not observed that the interpreta-
 tions were not given on carbon copies sent you.

The schedule of additions to the supplement of our
 Bentley Code has been duly noted.

3. Mr T.G. Slaughter, Mr H.J. Slaughter and Mr
 & Mrs Milward arrived on the evening of the ninth on the
 Whaling factory ship S.S. "Solitaire". The two former
 have just left for Darwin, Mr H.J. Slaughter en route
 for Lively and Speedwell Islands. Unfortunately Mr Milward
 underwent an operation recently at Montevideo for
 appendicitis, so that I am keeping him for the time
 being as it would be inadvisable for him to ride out.

Mr T.G. Slaughter has arrived in good time for
 lamb-marking, which is most fortunate.

4. The "Polish Monarch" is at present loading our
 produce and between her and the "Junia" I am hoping to
 get away all produce now in Stanley. It is a great pity
 that our tallow is still at Goose Green, but there are
 no means of bringing it here until I run the "Henderson"
 and then can only take small lots at a time.

The Secretary,

London.

187. 13.11.19.

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6. I am enclosing a report from our mason giving his suggestions for the improvement of the sanitation of our Canning Works. I went round the works with both Dr Herklots and him and feel sure that if this work is done according to his suggestions we will get rid of many of the existing evils in that line. Of course the work will take a long time to complete, but if the Board approves it will be proceeded with steadily, the more important work first. His report has only to be read to realize the great need for improvements. There is no man to my knowledge in the Colony more experienced in questions of drainage than Crawford. I think his suggestion to take up 12 feet of the cooling floor at a time a good one, and I have for long advocated the advisability of replacing the present wooden ^{floor} by one of concrete. I hope that there is now no question of changing the site of the works. Once this idea is dropped I will go into the dam question as well, as I am convinced that we will be able to enlarge our present dams sufficiently to ensure an adequate supply of water independent of summer rains. I am anxious to receive definite instruction from the Board to proceed with the foregoing suggestions, otherwise we will only go from bad to worse.

6. When I get rid of the two steamers at present loading I intend asking your permission to run the "Grandollin" to the farm until the return of the "Palkland" from Montevideo. She can bring in the tallow from Goose Green so that it will be ready for shipment first opportunity. The skins are now being pressed, which means a further several loads for her.

7. The weather has continued bad even until now, and reports from all farms regarding lambing are very discouraging. Both Simpson and Finlayson of Walker Creek inform me that their prospects are that they will at least equal last year, which will be highly satisfactory considering the weather. Owing to the state of the

weather lamb-marking on all Sections has been held back one week later than usual, and a start has only now been made.

By this mail I am forwarding a specification from Nicholls for timber to erect four new Camp houses. It is not quite decided where these would be erected, but when Mr Slaughter gets round he will make suggestions. Both New House and High Hill houses should be pulled down, and I would like to see more houses in Darwin Settlement itself.

I am at a loss to know what house to provide for Mr Milward. In the meantime he will live with Mr Slaughter. The Preservers house at Goose Green is at present vacant, but I had decided to give it to Mr Peters and Mr Slaughter agrees with me that that arrangement would be a good one. For the time being I have of course left this question in abeyance and Mr Slaughter will go into the housing question on the spot. I was naturally surprised to learn that Mr Milward was married and arriving with his wife.

8. 1195.3. It is excellent news to learn that the P.M.C. are disposed to resume a regular service which will include calls at this port, and from present sailings it looks as if they are already doing all they can in that respect.

9. 1195.4. It is difficult to get at the truth of the reason for the reduced output of canned mutton, but it is certain that the boners were at fault and two of my Stanley men who went out "cutting" say that they were instructed to cut off too much fat, much more than they thought was necessary. Of course the cutters are always liable to make this complaint as it involves more work for them, but at the same time I think in this case there is no question but that it was so.

If Mr Slaughter finds it possible to leave a

gang at the works during the shearing season, thus enabling us to complete the making of the necessary number of cans for the season, there should be no serious difficulty in securing sufficient men locally. It is most regrettable that we cannot get the season's supply of coal out before wool collecting commences, owing to the detention of the "Falkland" at Montevideo, so I will be again handicapped all through the season through this. I will try to get as much as possible out on the "Gwendolyn". It is at any rate excellent news to know that 500 tons is to be shipped on the "Dunedin", similarly for the subsequent seasons.

10. 1195.5. No further news has been received regarding Menendez and his sheep buying, and I doubt if the scheme will materialize. No further contracts have been signed, but from indications it looks as if all of them will come round.

11. 1195.6. It is unfortunate about the filling machine, but I sincerely hope that one will be sent which will prove satisfactory.

12. 1195.8. Mr Slaughter will, when he finds it possible, go into the question of what should be done with Great Island and make recommendations. I could have run the place from here for next season and had actually made provisional arrangements. Mr Smith has now sold his cutter and is working the place himself until the end of next season.

13. 1195.10. The Administrator, who is merely here for a matter of months, is not altering any of the arrangements made by the Governor in the matter of remittances, and recently the charge was again 1%. I have been told that correspondence is at present pending between the Colonial Office and the local Government on the subject, but cannot ascertain the position. The Administrator is apparently here to do what he can for the Colony during his term of office, but it is disappointing to learn that he is

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to be here for such a short time.

14. 1195. 14. The vacant seat on the Legislative Council was offered to Mr H.C. Harding on his arrival here by Sir Douglas Young and was accepted by him.

15. 1195. 13. The B. & C. Co. has written me a long letter on the subject of the orders placed by Welles & Co. of which they say they have forwarded to you. As I have already said I would have insisted on the cancellation of the retorts, digestors etc. but for the fact that prices seemed reasonable and we were really in need of them. The invoiced prices, however, particularly for the digestors, are altogether out of the question and we cannot be expected to meet their bill, and I await your instructions in the matter. I sent Mr Peters, who will be in charge of all mining machinery, up to ~~Mendoza~~ Buenos Aires to see the Brecht Company and ascertain all the information he could regarding the new machines and he reports that they are all useful ~~and~~ improvements, with the exception of the digestors which are out of date. The plans drawn up by Mills and Wells have been followed and I feel sure that they will prove to be satisfactory. The soldering machine Peters says is a particularly good improvement and will very soon pay for itself. All prices are much in advance of those originally quoted and should not be met as the Brecht Company had no authority whatever for taking orders from Wells without confirmation from here. All orders have already been executed, and the unpaid bills are 3879.1.4 for digestors and £ 3,289.04 for the dynamo. This latter was properly ordered after receiving your approval, but should not be paid for until the whole question has been settled.

15. 1195. 14. The agreement of the acreage of Lafont by Sir Alexander Stenning & Partners at 455,000 against 700,000 acres shows conclusively that the latter is

557. 13.11.19.

(6).

out of all reason. I will take up the question with the Administrator and trust that the question will not be opened up.

16. 11.19. 5. I have discussed with the Master of the "Polish Monarch" the possibility of hides shipped from here via the Panama Canal being affected through being in the tropics for so long, and he is of opinion that they stand a great risk of arriving in a heated condition or from the effects of heating. I do not see how it can be otherwise as I personally showed the Chief Officer of the "Potosi" the hides in question on the "Great Britain" as I was urging the Captain to lift them and certainly then there was no evidence of them being in other than good condition. I have an idea that the Captain said if he took them ==== they would require to be re-stowed elsewhere and probably they received rough handling in so doing.

I cannot understand how it comes that you are short so many specifications, as a specification must have been received for the majority of the marks. These hides had been accumulating in Stanley since the shipment per S.S. "Cardiff Hall". Sometimes we require to prove for specifications, but with the exception of J.B.H. in the list all the others rarely fail to send them with their produce. Darwin must have failed to send specifications for F.I.C. 24 and N.A. 74 as we have no copies in the office, the arrivals being merely entered in our books. Lichtenborg sent in 92 hides in 1917 and 95 in 1918 all of course without specifications. He runs a lot of cattle on See Lion Island and had been killing them off during the two years. He has still a number on the Island. I am having the whole matter looked into.

It is almost an impossible proposition to keep the marks on hides when they are kept here for a long time. Some mark them with white paint, while

(7)

others affix tags to the string. Both are unlike
liable to be lost, the former after a time becoming
invisible and the latter coming adrift through
handling. They generally arrive showing their marks
and would, if shipped promptly, probably leave here
with their marks discernible, but by the time they reach
their destination many would certainly have lost them.

The suggestion to ship them flat would be the best
method when a metal brand could be securely fastened
to them. I will pay particular attention to any hides
arriving in future and will refuse to ship any unless
on our own account with faulty branding.

17. 1896. 13.11.19. I note that a form of agreement
will be sent out for Mr Milward to sign. Mr Slaughter
informs me that he offered him a furnished house and
a salary of £500 per annum.

18. Mr Slaughter informs me that on the Coast tallow
casks have rods or some sort of fibre fitted between
the staves which appears to be an excellent arrange-
ment for reducing leakage, and would be particularly
valuable to us now that our tallow is shipped via the
Panama Canal. Perhaps you will go into the question
and supply us with the necessary material, which must
be well known to the Trade.

I am, Sir,

Your obedient servant,

Manager.

15. Government Circular re. Agriculture in the Islands.
16. Falkland Islands Shipping Report.

No. 557 per [unclear] 14/11/19.

Inclosures.

REPLACES (originals per H.M.S. Southampton, 30/10/19.)

Letter to Secretary.
Remarks on accounts.
Statement on accounts.
Replies to Remarks on Stores.
Journal for September.

- 0 -

ORIGIN IS

1. Despatch No. 557.
2. Remarks on accounts.
3. Statement on accounts.
4. Remarks on Stores.
5. Store Indents No. 547.
6. Cash Book for October.
7. Cash Voucher - West Store for October.
8. Mason's suggestion for sanitation at Goose Green.
9. Carpenter's Report - Camp.
10. Government Stock Report & Returns.
11. P. I. Magazine for November.
12. Bentley's Code - words for coding.
13. Letter to Secretary.
14. Specifications -

Mark	Skins.	Hides.
HeG.	38.	78 Bds.
F. C.		4 do
S		6 Hides.
D		41 do
P. I. C. 500 cased Mutton per Samson		

15. Government Circular re Arboriculture in the Islands.
16. Falkland Islands Shipping Report.

(2)

No.	Quantity	Description No.	Weight
1	8	540	541
2	19	541	547
3	25	547	547

As I cannot visit any of the other agents in London, I must take you as my agent. 17th November, 1915.

I am sorry that the H. & B. Co. and V.P. Co. are not in the position of the specification for the 25th March 1915. I have to have been entered in the specification of the 25th March 1915. The Secretary, LONDON.

Dear Sir,

Loading will finish on the 17th "Pottish Monarch" to-morrow and she will leave for Punta Arenas on Wednesday morning. At time of writing she has fully 4,200 bales of wool and skins aboard and some 2,300 cases of canned meat. It is doubtful whether she will lift everything, but if not I will ask the PSNC, Valparaiso, to reserve space for the balance on the "Oregon".

Hides: In view of the unfortunate outcome of the hides shipped per "Potosi" via Panama, I am holding back the hides now in Stanley for examination and to re-book if necessary.

As regards the missing specifications for the hides shipped per "Potosi", referred to in your despatch No. 1194 par. 3, it is not correct for you to say that you have not received from us specifications for eleven different marks.

The following were sent you:-

S. 18 hides Despatch No. 114

(2)

T.M.	9	hides	Despatch No.	548
W.R.D.	8	"	"	541
P \triangle E	19	"	"	547
L	23	"	"	547.

As we cannot trace any of the others amongst the enclosures sent you, I must take them as missing altogether.

P.S.

I cannot understand H. & B., G. I. and W. P. being missing as they invariably send theirs with the produce. I have Stanley Office copy of the specification for 25 hides P. E. C. which appears to have been entered in the specification of shipment as 24 in error. The weight for these is given at 1856 lbs. London copy would go through Darwin and probably was not sent to us. In the case of North Arm hides - 74 - the specification for these also comes from Darwin, sometimes much later than the produce as the North Arm specification is sent to Darwin for transmission here. Lichtenberg never sent a specification. The only thing I can do is to ask each Station to send a copy of their specification and forward same to you.

yours faithfully,

Manager.

Enclosure

Spec. for 25 hides P. E. C.

Stationed at Darwin

Specification for 25 hides P. E. C.

Stationed at Darwin

Stationed at Darwin

Stationed at Darwin

No. 558 per "Creoma" 4/12/19.

ENCLOSURES

DUPLICATES (Originals per "Junin" and "Polish Monarch".
Despatch No. 557.
Letter to Secretary, dated 17th November.
Remarks on Accounts.
Statement on Accounts.
Store Indents No. 547.
Remarks on Stores.
Mason's Report and suggestions.
Specification per "Junin".
do per "Polish Monarch".
Certificate 2 b/s Wool H.G.C. lost overboard.

ORIGINALS

1. Despatch No. 558.
2. Journal for October.
3. Cash Book for November.
4. Statement on accounts.
5. Remarks on accounts.
6. Store Indents No. 548.
7. Camp Manager's letter, dated 28th November, 1919.
8. Statement of 1919 Wool and Skin shipments.
9. West Store Cash Voucher for November.
10. Engineer's Report on Great Britain's Donkey Boiler.
11. Copy of P.S.N.C. statement.
12. F.I. Gazettes for Nov. 1st and 7th.
13. F.I. Magazine for December.
14. F.I. Shipping Report.

Correspondence.

re Overcoats for Camp hands.

re acreage of Lafonis.

J. Houston to Lowden, Connell & Co.

S.S. OROCOM

4th December, 19.

558.

Sir,

My last despatch dated 13th ultimo was sent per S.S. Junin.

2. Cables exchanged between us are confirmed as per enclosed copies.

3. From your cable of November 12th I note that the recommendations I made in my despatch No. 556, paragraph 3, as regards the wages question, are approved of generally. I will not take action however, until the arrival of the S.S. Oroom, and am meanwhile obtaining the views of the leading Station Managers as per your instructions.

The local Government were obliged to pay all men working coal from the Polish Monarch 1/3d per hour, plus a weekly bonus of 12/-, which is a big advance on any wages previously paid here for casual labour. They asked the same for stowing, but only got the 1/3d.

4. In accordance with instructions contained in your cable of 22nd ultimo, I shall take no action for the present on telegrams from Messrs Lowden, Connell & Company. They cabled on the 21st ultimo, copy enclosed, advising greatly increased freight rates, both homeward and outward, to come into force on and after December 1st.

5. In view of Runacres good work at Goose Green

The Secretary,

LONDON.

during and since the canning season, I have given him a gratuity of \$50 as authorized by you in your despatch No. 1192, paragraph 31.

6. Mr. G. D. Stephen, travelling teacher, is leaving the Colony for the Coast on the "Oream" his agreement having terminated. He offered to stay on if I would promise him promotion, but we have no prospects of any opening for him. I am paying him \$23 and a second class passage to Punta Arenas in lieu of a passage to England. In the meantime Tom Goodwin will act as Camp teacher, but I shall be glad if you will send a man out to take his place as soon as possible.

7. As advised in my letter of November 17th, I did not ship any hides by the "Polish Monarch". I have now two experienced men opening up every hide for examination and it is a good thing that we did so. Many of the Hides have been sent in with hardly any salt at all on them and would certainly have reached home, via Panama, in the same condition as those shipped by the "Potosi", had we not re-booked them. All binding wire and metal tabs are being taken off and hemp string and canvas labels substituted. Those with no marks are all being branded P. I am sending out a circular letter to all stations regarding their curing and binding with a note advising each of them of their proportion of expenses incurred in re-booking them. I now agree with the Brokers that the primary reason for the bad condition of the "Potosi" lot was the lack of salt. Being all in one heap aboard the entire lot would naturally be affected.

8. According to tallies the "Polish Monarch" lifted 4373 bales of wool, 345 bales of skins, 50 casks tallow and 2336 cases of canned meats. With the exception of the Hides this cleared all produce in Stanley. From the statements being sent you herewith it will be seen that in a number of cases the

the quantities shipped do not tally with specification. I hope there will be no difficulty in straightening them out at your end.

9. The P. S. N. C., Valparaiso, telegraphed on the 1st instant asking what quantity of produce we will have ready for shipment by the "Duendes", due here about January 25th. I am not replying until I hear when the "Falkland" will return to Stanley, which according to a message recently received should be in about a week's time.

10. I have again taken up with the Government the question of the assessment of Lafonia and adjacent Islands and enclose copies of correspondence. So far I have had no answer to my letter of November 25th. Since then I have had discussions with the Administrator on the subject, who, at present does not see how he can alter the ruling of his predecessor, although he realizes that the Government records are wrong. He is writing the Chairman this mail himself.

11. Since writing the foregoing I have received from Messrs Lowden, Connell and Coy a further telegram revising some of the rates of freight and informing me that you have agreed to them. Copy of their message is enclosed.

12. I have just received a message from Chadwick, Seir & Coy, Montevideo, saying that they now hope the "Falkland" will be undocked on the 15th. This makes it very difficult to estimate what quantity of produce we will have in for the "Duendes". Meanwhile I will keep the "Gwendolin" running between here and the Farm.

I am,

Sir,

Your obedient servant,

Manager.