

Falkland Islands NEWSLETTER

June 1980 N°8



New talks

Britain and Argentina have resumed discussions on the Falkland Islands. Talks broke down between the two countries early in 1979 but since the general election in May and the subsequent exchange of ambassadors between London and Buenos Aires, a new initiative was expected.

The Hon Nicholas Ridley, a minister of state at the Foreign Office, and Senor Carlos Cavandoli, had three days of talks in New York from April 28-30. For the first time in the current series of talks a Falkland Islander was present. He is the Hon Adrian Monk, an executive and legislative councillor.

In a written answer to a parliamentary question from Mr Ted Rowlands MP, Mr Ridley's predecessor and now a member of the Falkland Islands Committee, the Foreign Office replied that the talks in New York were 'wide ranging and exploratory'. The exchanges were conducted in a cordial and positive spirit and each side was able to reach a better understanding of the other's position. No decisions were taken at the talks although it was agreed that contact on 'day to day' matters between the Islands and Argentina should be expanded.

Each delegation is reporting back to its government. It is hoped to continue the exchanges, said the Foreign Office.

THE ISLANDS AND THE ROCK

The frontier between Spain and Gibraltar is to be reopened in the summer after eleven year's closure. Following the reopening, talks on the future of the British colony will take place between Britain and Spain, which claims Gibraltar.

The announcement of the reopening came after talks in Lisbon during early April between the British foreign secretary Lord Carrington and his Spanish counterpart, Senor Marcelino Oreja. The people of Gibraltar, whose determination to retain their 300-year British sovereignty has been demonstrated by a referendum, reacted with a protest march led by the popular Socialist opposition leader in the colony.

The Chief Minister of Gibraltar, Sir

Falkland Islands Foundation

The Charity Commission has approved the application for charity status of the Falkland Islands Foundation. The foundation has been set up to provide for an international scientific centre in the Islands to study the fauna and flora of the region, to protect and preserve the many wrecks of historic and educational interest and to preserve buildings and places of historic interest.

The foundation is established in the United Kingdom and the Falkland Islands and will have an office in London and a local committee in Port Stanley. It is planned to appoint a salaried director of operations who will be concerned with fundraising, the management of the foundation's surveys, secretariat duties and other activities.

Sir Peter Scott is the foundation's chairman; Mr Peter Mould — a member of Lord Shackleton's 1976 Economic Survey team — is the honorary treasurer and Mr Richard Fitter, secretary of the Fauna Society, is the honorary secretary.

The foundation will have a board of not more than 30 trustees, serving for three-year periods, as well as Falkland Islands representatives.

Joshua Hassan, flew to London to discuss the development with Lord Carrington and insisted that the colony should be represented at the talks with Spain. Lord Carrington assented and pointed out that no change in the status of the colony could take place without the agreement of the Gibraltarians.

The political status of Gibraltar, the Falkland Islands and Hong Kong has often been linked. Broadly speaking, however, the status of Hong Kong is unlikely to change at the end of the century when the arrangement with China terminates because of mutual convenience; Gibraltar is claimed by a democratic power on a more plausible legal basis than the Falkland Islands and does not as a territory have such significant territorial, strategic and particular economic implications. These factors are recognised by commentators who are now treating the three colonies as separate issues.

TREATY MOVE

The Antarctic Treaty powers have signed a convention which will bring the Falkland Islands Dependencies into the Treaty Zone — a protected area under the 1959 pact between Russia, the United States, Britain, France, Norway, Argentina, Chile, New Zealand, Australia, Belgium, Japan, Poland, South Africa.

The Treaty Powers are seeking agreement on the future developments of the area, which is of unique scientific importance but also of significant economic potential. The United Nations Law of the Sea Conference is watching developments closely.

Fish Report Available

The White Fish Authority has completed a desk study of the fisheries potential of Falkland Islands waters, described by scientists as the largest untapped food resource in the world. The report analyses the revenue aspects of a number of fish surveys by British-based vessels and concludes that such voyages could be profitable.

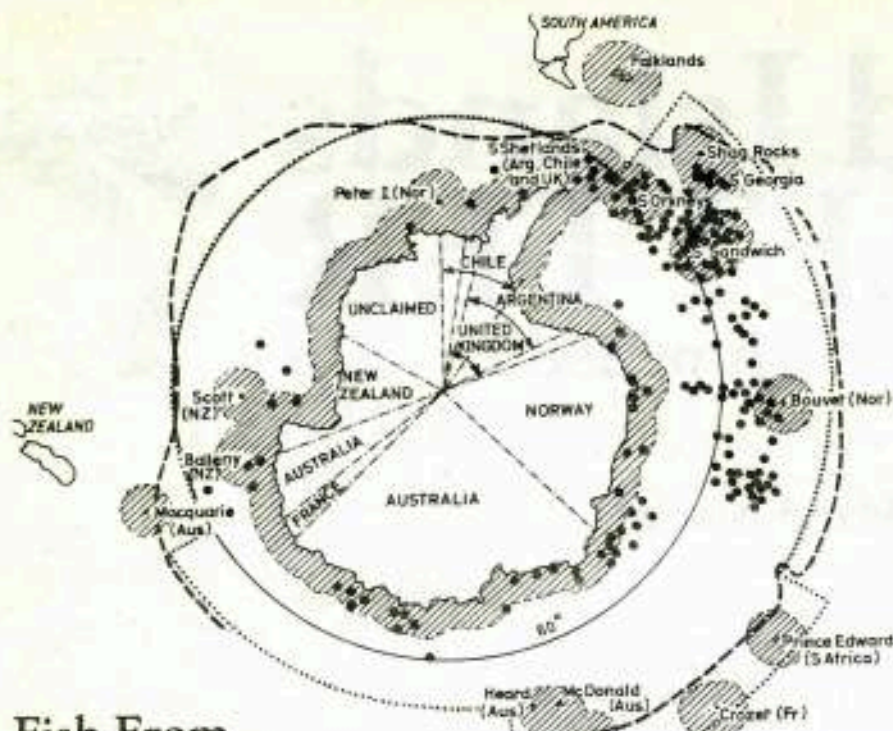
At a recent meeting of the South Atlantic fisheries Committee (SAFC), a representative from the White Fish Authority said that the financial aspects of the report — which was actually completed in late 1979 — must be reconsidered in the light of inflation. At the same meeting, trawler owners and food industry representatives confirmed their support for an exploratory commercial voyage, but insisted on government financial guarantees.

In April 1978 the SAFC presented a memorandum to the Minister of Agriculture, Fisheries and Food calling for an exploratory voyage. The government then commissioned the White Fish Authority desk study.

The SAFC believes that a viable British fishing industry could be established in the Falkland Islands, whose facilities were used by 150 Polish fishing vessels alone last year.

The White Fish Authority announced recently that the UK now imports 70 per cent of its prime fish, against only 16 per cent in 1971.

● This issue of the NEWSLETTER contains a special report on Falkland Islands fisheries (see inside)



THE ANTARCTIC

The Antarctic Treaty extends to 60° but has now been increased to the dotted line for the conservation and development of marine resources.

The heavy dots show the main concentrations of krill.

The shaded areas are notional 200-mile Exclusive Economic Zones.

The dashed line represents the Antarctic Convergence.

An international commission is to be established to administer the area, including the Antarctic Treaty powers and other interested parties.

Fish From Falkland Waters

One of the most powerful House of Commons Committees — The Expenditure Committee, investigating the British fishing industry in 1977, urged the government to "make an all-out effort to explore and exploit the possibilities of far distant waters such as the South Atlantic". The report from the 40-member Expenditure Committee also insisted that "when arrangements for the Falkland Islands are being considered, the fishing potential of the waters around them must be fully taken into account in any negotiations about their future".

What is the fishing potential and what research has been done in Falkland Islands waters? This review of all the research and policy work done on the Falkland Islands and their seas attempts to answer the questions.

● From 1920 onwards, much research was done by British scientists employed by DISCOVERY INVESTIGATIONS until the Second World War and subsequently. As early as the 1930's, this research suggested that a hake fishery in Falkland Islands Waters could be profitable and the Discovery teams also identified huge krill resources.

In 1973, working for South American interests, the British freezer trawler BOSTON LINCOLN fished in Falkland waters, but for a total of only five hours. The West German vessel WESER conducted exploratory fishing in 1971/72 and 1975/76, as have an East German vessel, the Spanish trawler MAR DELVICO, and the Japanese vessels TAIYO MARU 82 and 85. These voyages have established that the sea conditions are no worse than the Arctic ocean and that fog is rare. However, little valuable commercial intelligence on Falkland waters was yielded.

Most recent research has been on the seas south of the Antarctic convergence, where cold water meets warmer northern water. Soviet and Japanese teams have led in this work and retain their information. Large scale commercial exploitation is taking place: a West German estimate for six months in 1973 showed that between them, the Russians and Japanese took out about 700,000 tons of fish and krill in the Western South Atlantic and Southern ocean. In recent years, according to the UN Food and Agricultural Organisation, Russian catches off South Georgia have ranged up to 450,000 tons annually

The two West German vessels WESER and WALTHER HERWIG, which operated in the South Atlantic in 1975/76 with British and French scientists aboard, studied the harvesting and processing of krill, work which was followed up by the British Antarctic Survey.

● LORD SHACKLETON'S 1976 ECONOMIC SURVEY OF THE FALKLAND ISLANDS was a major work undertaken by the Economist Intelligence Unit for the Foreign Office. The section on aquatic resources covered the areas up to a notional median line with Argentina, offering vast tracts of continental shelf.

The Report noted the abundance of crustacea and molluscs in coastal waters, such as a large spider crab and huge mussels. Ironically, in view of their proximity to vast fish resources, the Falkland Islanders are not sea-fishermen.

Outside the existing three-mile limit around the Falkland Islands — which the British government claims is under review — occur significant amounts of fish such as hake, blue whiting and croaker. Lord Shackleton reports a view that the annual sustainable yield of blue whiting could be of the order of one million tons per year. Although this fish is parasitised, selective fishing would probably reduce the infestation and in any case, it is now believed that the fish would most likely prove to make an acceptable fish meal. A similar unexploited resource, however, exists in the North Atlantic off the Hebrides. The hake is the only species for which a market exists; indeed, Patagonian hake is regularly available in European markets at competitive prices.

South of the Antarctic convergence and especially around South Georgia, Lord Shackleton indicated immense resources of krill, a shrimp-like creature measuring up to 2½ inches. The sustainable yield of krill was put by the Shackleton Report at between 75 and 150 million tonnes, the larger figure being confirmed by later studies.

Lord Shackleton suggested that "what may be the world's largest untapped source of protein" might be most economically exploited and managed from the Falkland Islands, and an Exclusive Economic Zone created. His report pointed out, however, that harbour, processing and storage facilities, an improved domestic infrastructure and external travel links must be

established before any commercial fisheries could develop in Falkland Islands waters. In addition, the policing of seas within a potential Exclusive Economic Zone would present problems.

● In 1977, the United Nations Food and Agricultural Organisation issued a three-part report totalling nearly 300 pages under the title THE SOUTHERN OCEAN. Part One dealt with the "Living Resources of the Southern Ocean", Part Two with "The Harvesting of Krill" and Part Three, "The Utilisation of Krill".

The entire report, under the auspices of the UN Southern Ocean Fisheries Survey Programme, lays a heavy accent on krill and begins by saying that the Southern Ocean had the image previously of heroic exploration and the ruthless slaughter of whales: "Over the past few years an additional dimension has been introduced, that of krill. In addition to being the staple food of many whale, seal and bird species in the Southern Ocean, it is also being considered as a raw material for producing fishmeal and also for direct human consumption". Part One deals with the location of the krill resource and the sustainable catch yields. In brief, mature krill occurs as a spreading dense biomass north from Drakes Passage migrating south of the Antarctic convergence, through a swathe of sea enclosing the Falkland Islands Dependencies of South Georgia south to Thule Island, all in international water. At present, the Report estimates that 43m tons of krill are eaten by whales (previously 190m tons) and that the potential "surplus" is in the order of 150m tons.

Part Two of the Report, written by Doctor Gordon Eddie, deals with the harvesting of krill, and concludes that, despite the lack of firm information of a kind useful to the manager and designer of fishing fleets, or the investment analyst, it is possible to reach some tentative conclusions about systems for harvesting the species.

No system is ruled out on technical grounds and the author points out that the report will soon be out of date because knowledge and experience are accumulating rapidly. The author reports a comment that the location and catching of krill seem so easy that it is difficult to put an upper limit on what attainable catches may be.

However, he estimated that a hypothetical independent super-trawler of about 130 m LOA with a 7000 cubic metre hold should catch nearly 150 tons per day of acceptable krill to earn perhaps US \$8.5 m in a season at 1977 prices, offal being discarded. An important conclusion of Part Two is that a comprehensive network of navigational aids, communications and emergency services should be established in this area, "to serve what may become one of the biggest fisheries in the world".

The third section of the UNDP report is concerned with the uses to which the enormous krill resource could be put. The "market" for the product, whether as human dietary supplement or animal feed, will probably occur in the developing nations and resource development will be led by demand. Profit is not seen as the motive for exploitation, but national commercial organisations should be made aware of the potential, particularly for fish meal.

The vastness of the protein resource — enough to meet the annual protein needs of China — would, if fully exploited, disturb the existing protein market.

The Report estimated that the current market value of unprocessed krill was about US \$600 per tonne: this gives a total exploitable value of US \$90 billion, three times the OPEC current account surplus! However, as the Report correctly stresses, the resource must be seen in a social context and as part of the United Nations' concern for the provision of much needed protein to the Third World. It must be the wish of all that the resource be controlled and carefully exploited to the mutual benefit of mankind without prejudicing the unique ecosystem of the Southern Ocean.

● During the parliamentary session 1977/78, the HOUSE OF COMMONS TRADE AND INDUSTRY SUB COMMITTEE of the powerful Expenditure Committee completed a report on the British Fishing Industry. It is no secret that Common Market membership has had an appalling effect on the British industry and successive crises, including the "Cod War" and the ban on herring fishing in British waters are indications of the seriousness of this problem. In addition, trawler fleets are laid up causing widespread unemployment, and in some cases, the closure of traditional fishing ports.

The last of 64 recommendations made by the report reads "HMG should give full weight to the importance of the fishing industry in all international negotiations which may affect the industry's interests. The Falkland Islands are a case in point". The Report repeatedly criticises the Foreign and Commonwealth Office for lack of awareness of the importance of the fishing industry and implicitly for failing correctly to brief the minister of state in his negotiations with Iceland in 1975. The Report refers to the ambiguity of the British industry's attitude to a Falkland Islands fishery but the references leave no doubt of the serious view the Sub-Committee took of the resource, as subsequent enquiries by the author of this review have confirmed.

● Comment should be made here about the establishment in 1977 of the South Atlantic Fisheries Committee (SAFC), under the auspices of the Falkland Islands Office. Under the presidency of the Labour MP for Hull West, Mr James Johnson, the Committee has consistently pressed for more research into the area. Membership includes scientific organisations, food manufacturers and representative organisations such as the NFU.

In April 1978 the SAFC presented a lengthy memorandum to the Minister of Agriculture, Fisheries and Food. The memorandum had been prepared jointly with the White Fish

Authority and called for the expenditure of £1.5 M on a commercial fisheries pilot scheme in the South Atlantic. The memorandum pointed out that "the economic viability of a British fishery in the South West Atlantic could depend on fish meal and fish oil for its bread and butter and high value white fish for its jam".

● The Foreign and Commonwealth Office then commissioned a "desk study" from the White Fish Authority into the fisheries potential of the South Atlantic. This 75-page study, entitled FISHERIES OPPORTUNITIES IN THE SOUTH WEST ATLANTIC, was presented to the FCO in December 1979 and sent to the governor of the Falkland Islands for his comments before being placed in the House of Commons library. The South Atlantic Fisheries Committee received the report at a meeting in April 1980 with ministers from the Foreign Office and Ministry of Agriculture.

The Report drew together available information about exploitable resources with emphasis on those with any commercial potential and sought to discover whether an exploratory voyage in Falkland waters was justified.

The WFA confirmed that the main species of interest to the UK are found on the continental shelves and associated banks. In a putative 200 mile zone there are two principal species — Patagonian hake and Southern blue whiting. The hake, the report says, is found over the whole area of study, including the Patagonian shelf, and has been target for intensive fishing for at least 12 years. There is some evidence to suggest that stocks are heavily fished with production levels at about the maximum sustainable yield. This fishing, principally by Argentine vessels and their associates, the Germans, Japanese and Spanish, may well affect Falkland Islands stocks.

The blue whiting stocks seem to be under-exploited, probably due to lack of interest. The blue whiting is larger than the northern variety and is suitable for block fillets or minced fish. Because of the size of the resource, about one million tons, and its concentration, blue whiting could provide a basis for the development of a fishery.

South of the convergence and around South Georgia, the stocks appear to have been heavily fished by Comecon vessels and could now be depleted. In this area, "Antarctic cod" and ice fish could be an important resource for the UK if sufficient concentrations could be found. Of course, the WFA Report also stresses the importance of the krill resource below the convergence.

The Report considers that the most profitable type of vessels available within the UK fleet for the area would be a fillet freezer trawler operating as part of a fleet for a period of not less than six months and sending the catch back to the UK in a refrigerated cargo mother ship. However, such UK vessels are probably too small in capacity for optimum economical operation.

An analysis of the cost and revenue of sending four fillet freezer trawler for eight months to the area using an 8000 tonne refrigerated cargo mothership based in the Falkland Islands yields a profit per vessel of more than £272,000. However, fuel cost increases since December 1979 could reduce the profit significantly.

The WFA Report suggests that the gross licensing revenue from a 200-mile limit could amount to about £2M per annum but it must be pointed out that policing and conservation costs would be very heavy and probably self-liquidating. In the longer term, this could nevertheless be an advantage, from the sovereignty

and conservation points of view. The Report indicates that much development of port facilities would have to take place in the Falkland Islands to rival those of even modest South American ports.

● In early 1980, the METRA CONSULTING GROUP published a 350-page economic report on Argentina. This section on fisheries shows that Argentina is busily exploiting her 2,500 Km of coastline and vast continental shelf. Between 1972 and 1978, total fish catches grew from 211,000 to about 420,000 tonnes, half of which was exported. An investment of over US \$550 M in the fishing industry over a six-year period — much of it for the purchase of deep sea vessels — will increase Argentina's US \$120 M per annum fish exports. West Germany, Japan, Spain and the Soviet Union have all signed fisheries co-operation and exploitation agreements with Argentina in the last few years.

● In April 1980, the International Institute for Environment and Development (IIED) published THE MANAGEMENT OF THE SOUTHERN OCEAN, a 160-page summary of a report produced for the International Union for Conservation of Nature and Natural Resources and the World Wildlife Fund. The work sets out to reconcile the protection of the Antarctic marine ecosystem with the interest in resource exploitation by the international community. In their introduction, the authors say that the Antarctic Treaty which currently governs the continent is to a great extent "part of the old order of things, where those who got there first and / or are technologically capable of staying, are calling the cards", an intimation of the political stand-point of the report.

Support for the Falkland Islands plea for a 200-mile zone is available in the latest draft resolution before the UN Law of the Sea Conference (UNCLOS), although, because of their colonial nature, the rights to the resources within such a limit may be vested in the inhabitants of the Falkland Islands rather than in the territory. The Islanders, it seems, would be well advised to stay where they are!

It is clear that the United Nations is anxious to open up the debate on ownership of the Antarctic area to wider representation. The report warns the Treaty Powers to take note of the changed global climate post-Brandt Commission and the "North-South Dialogue".

On krill, the report affirms that it is a gross over-simplification to conclude that the "surplus" stocks over those eaten by whales could be fished. The authors expect only 2-5 million tonnes of krill to be fished in the next 10-15 years because of the lack of a market.

The IIED report insists that parts of the area be held in trust for future generations; that an internationally representative trust be established; that a technical and economic committee be established to liaise with other international bodies and preferential quota allocations of marine resources for Third World countries should be provided for.

The report is a valuable addition to the wealth of scientific data available, particularly in so far as it reveals something of the arcane discussions under UNCLOS and the Antarctic Treaty.

The world is clearly going to need, at some point, the resources of the South Atlantic. The region is very much a British sphere of interest under international law, and must remain so. The Falkland Islands and their Dependencies straddle thousands of square miles of sea which could, in truth, become "Britain's new North Sea".

Edward McMillan Scott

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pence each.

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pence each.

Falkland Islands Tweed shirt lengths £8.00

MEMBERSHIP DRIVE

The Falkland Islands Office is increasing the number of island supporters through a subscription and membership drive.

The work is being handled on an honorary basis by Mr Les Taylor, who recently retired from the Falkland Islands Company. Letters have been sent to a large number of firms and individuals with Falkland Islands connections. Support has been encouraging, according to Air Commodore Frow, director general: "It is a great boost to know that so many people share our concern for the future of the Islands. Mr Taylor's work is yielding the most tangible support, finance for us to continue the fight". The Office was set up in 1977 to provide the United Kingdom Falkland Islands Committee and its associated organisations with their own office and salaried staff in London; to incorporate a members' organisation to which sympathisers in Britain and the people of the Falkland Islands could subscribe, ultimate control of which would rest with the individual membership; to provide Falkland Islanders visiting Britain and anyone interested in the Falkland Islands with an information centre; and to stimulate the commercial implementation, in accordance with the wishes of the people of the Falkland Islands, of the recommendations made by Lord Shackleton's economic survey.

1980 RECEPTION

The annual reception for Falkland Islanders visiting Britain and their supporters to meet parliamentarians and the media will be held on Tuesday June 24 1980. Once again, the event will be held in the beautiful Great Hall at Lincoln's Inn and the Royal Marines will beat retreat on the lawns at the end of the reception.

Applications for tickets should be addressed to the Falkland Islands Office, 2 Greycoat Place, London SW1.

CAMBRIDGE SEMINAR

A two-day residential seminar will be held at Fitzwilliam College in Cambridge from July 4-6 entitled "The Development of the Falkland Islands".

Among subjects for discussion are philately, tourism, archaeological prospects, transport and communications, biological husbandry and the establishment of a scientific study centre in the Islands.

The cost of the seminar is £40, which includes meals and accommodation from dinner on July 4 to lunch on July 6, service and VAT. Applications to attend should be addressed to the Falkland Islands Office.

Elections

Mr John Cheek has been elected chairman of the Falkland Islands Committee (Local Branch) in Port Stanley at the annual general meeting.

Mr T. Spruce was elected vice-chairman, Mr S. Smith as treasurer, and Mrs Velma Malcolm continues as secretary.

Other members elected were Mr W. Roberts, Mr V. King, Mr G. Cheek, Mrs Betty Miller, Mr Les Harris, Mr N. Keenleyside and Mrs Hilda Stewart.

Mr John Cheek succeeds Mr Neil Watson, who has been a most popular and effective chairman of the committee.

COALITE SUPPORT

Mr Ted Needham, the new chairman of Coalite and Chemical Ltd, the parent company of the Falkland Islands Company, has affirmed his support for the wishes of the Islanders to retain their British sovereignty.

In an interview with the Daily Express, Mr Needham commented that the Islanders' pro-British sentiments had his complete support. The newspaper reports that Coalite would be in a unique position to provide back-up services in the Falkland Islands if any oil exploration took place. "Coalite shares . . . offer encouraging prospects for those who are prepared to take a medium term view", says Roy Assersohn, the city editor.

Mr Needham has recently joined the board of the Falkland Islands Research and Development Association.

Stamp Digest Published

The Falkland Islands Philatelic Digest Number Two has been published and succeeds that issued in 1975.

Major Ronnie Spafford, chairman of the Falkland Islands publicity sub-committee in Britain, has edited the 200-page book. The Digest contains reprints of the most important articles appearing in 'The Upland Goose', the Falkland Islands Philatelic Study Group's journal, between 1972 and 1975.

In addition, there is a vast range of other information covering recent developments, with plentiful and varied illustrations.

Orders for the book have already made it a financial success. Copies are available, at £10.50, from the Falkland Islands Office.

● The British magazine 'Stamp Collecting' devoted its entire issue on March 27 to Falkland Islands stamps.

Articles were written by Major Ronnie Spafford, Malcolm Barton, Richard Griffiths, Charles Glass and Reg Leppard. There was also a feature on the new bird stamps, designed by Ian Strange, which are due out this year.

As a result of the special issue of the magazine, Major Spafford — editor of the Falkland Islands Philatelic Study Group's paper 'Upland Goose' — reports a deluge of new members to the study group.

● Two members of the Study Group exhibited Falkland Islands stamps at the 1980 International Stamp Exhibition at Earls Court during May.

Major Spafford was awarded a bronze-silver medal for his display of 100 years of Falkland Islands stamps (1868 — 1978) and Doctor R. K. Clough won the same medal for his display of stamps from 1901 — 1936.

'The Upland Goose', edited by Major Spafford was also awarded a bronze-silver medal. The 'Falkland Islands Philatelic Digest', numbers one and two, were both awarded bronze medals in the literature section at the exhibition.

SS Great Britain Ten Years On

This year is the tenth anniversary since the SS GREAT BRITAIN, Brunel's revolutionary vessel, was brought back as a hulk from Sparrow Cove in the Falkland Islands to the Bristol dock where she was launched in 1843. A special event is planned for July 19.

The world's first propeller-driven iron vessel was salvaged thanks to a £150,000 donation from Bristolian millionaire Mr Jack Hayward.