

C. S. O.

0 5 8 8

Vol. I.

AGR/AJG/1 # 11

114/39

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5
8
8

(Formerly)

SUBJECT :

PROPOSED ESTABLISHMENT OF A FREEZER

IN THE FALKLAND ISLANDS.

CONNECTED FILES.

NUMBER AND YEAR.

0588/A

114/39

10/40

6/39

Proposed Establishment of a Freezer in the Falkland Islands -
factory ship.

Proposed Establishment of a Freezer in the Falkland Islands.

Possibility of introducing a Freezing Works in the Falkland
Islands.

Disposal of Falkland Islands Surplus Sheep.

DESPATCHES AND TELEGRAMS.

To S. of S.			From S. of S.		
No.	Date.	Page.	No.	Date.	Page.
Despatch 30	26.4.48	51	Saving Tel. 103	17.11.47	1-5
" 64	5.7.48	73	Despatch No 70	1.12.47	6-7

EX. CO. MINUTES.

Date.	Page.	

YE 10 S 10

His may with

his death?

Abse
29

Name of it. (is. this file).

mc

21 ii

Abse

COPY.

GOVERNMENT HOUSE,

1A

STANLEY.

17th October, 1947.

FALKLAND ISLANDS.

No. 43.

CONFIDENTIAL.

Sir,

I have the honour to address you in regard to the economic position of the Falkland Islands which with the failure of the British American Kelp Company project, as announced in your telegram No. 306, is causing me no little concern.

72 in 2004
"B.A.K.C."

2. While it is true that the Colony has no public debt, the aggregate deficit on the annual working since 1939 is of the order of £112,000 (including revised estimate for the current year) and I see no possibility of arresting this melancholy trend. Recent investigations have satisfied me that while on the one hand no field remains for the exercise of further economies (local salaries and wage rates are not susceptible of reduction and you have encountered difficulty in filling vacancies), there is on the other little prospect of any further substantial increase in revenue. I must here remark that of a total population of 893 adult males, only some 292 are in a position to pay income tax at all and indirect taxation is now to be established (see my Confidential telegram saving No. 72 of 21st August 1947 to which as yet I have not received a reply) at as high a level as is compatible with local circumstances or with the prospects of an undiminished return albeit the latter consideration will, inevitably, be affected by restrictions on imports which have just been introduced in conformity with imperial requirements.

72 in 0011
"Revenue
Committee"

3. To this I would add that no benefit will accrue to the Colony (unless Messrs. Salvesen establish a shore station here, a project which they have not pursued) from the increased taxation on whale and seal products which you have recently approved as the proceeds therefrom go merely to swell the Research and Development Fund i.e. to the financing of what are essentially Imperial commitments and although, in the wider sense, I am well content that some relief will thus be afforded to His Majesty's Treasury, as Governor of the Falklands, I can but deplore this diversion of revenue, earned within the Colony and its Dependencies, to purely non-productive ends when it is so sorely needed for promoting the welfare of 2,239 of His Majesty's subjects here of pure British descent; the more so when I reflect that in addition to the substantial - and in my view excessive - cost of the Falkland Islands Dependencies Survey, thousands of pounds still go each year to feed the Discovery Committee.

4. Be that as it may, the financial position of the Colony is, as you have yourself implied (paragraph 5 of your telegram No. 51 Saving, of the 23rd of June), unhealthy and it is urgently necessary to take stock of the future. Our allocation under the Colonial

Development/

23c in 208/46
"Estimates
of Estimates"

THE RIGHT HONOURABLE
ARTHUR HONOURABLE
SECRETARY OF STATE FOR THE COLONIES.

1B

Development and Welfare Act (£150,000) is sufficient to meet only the most immediate needs and my Development Plan has been so designed as to leave the minimum of consequential recurrent expenditure behind it but this, particularly in so far as Education is concerned, must be faced.

5. Unless- and it appears increasingly unlikely - fresh natural and exploitable resources are discovered (e.g. mineral oil, doubts as to the presence of which are still unresolved), it must be accepted that sheep-ranching will remain the Colony's sole source of wealth and all our energies should therefore be concentrated on fostering and developing this industry to the maximum. What, then, can be done to this end?

6. As you are doubtless aware, Sir, of a total area of 2,955,520 acres (some part of it useless for any farming purpose), no less than 2,238,806 acres of the Colony's land is held in freehold by, for the most part, absentee proprietors (1,218,106 acres by a single combine) who have with few exceptions pursued a policy of taking all they might out of the properties in the way of dividend and putting the least possible amount back into the industry. Authoritative observers have reported on the progressive deterioration of the natural pastures but the advice which they have tendered in remedy has been consistently ignored. The sheep population continues to decline, as does the lambing aggregate; mortality remains at a high level. Accommodation for the workers in the Camp is generally sub-standard and only in the case of the Falkland Islands Company and four other farms is there any Provident Fund. These circumstances, doubtless, combined with the inevitable feeling of isolation, which I am now endeavouring to overcome, discourages labour; shortage of labour means inter alia inability to cope with the demands of normal maintenance and we are thus confronted with a vicious circle. The Administration itself has produced no long-term Agricultural policy and much paper and patience have been wasted on unprofitable recrimination. Finally, no means exist for the profitable disposal of surplus sheep and - in a word - the economics of the industry are unsound.

7. It is fair to say that most farm managers with whom I have discussed the problem (and there remain only three or four with whom I have, as yet, had no opportunity of doing so) are no less conscious than the critics as to where the trouble lies and if they had access to funds and were not frustrated by their shareholders would do what they could to improve matters; but they cannot do this unaided, nor is it a situation which can be remedied piecemeal or by anything other than a well-considered long term plan with, at all its stages, the greatest possible measure of co-operation and good-will. The farmers have enjoyed a stable market throughout the war years, prices continue to be favourable and relations between the industry and Government are happier, I believe, than for some time past. Now, clearly, is the time to set the house in order.

1C

8. The essentials of any agricultural policy must be:

- (a) To arrest deterioration of the natural pastures through sub-division and rotational grazing etc. and so
- (b) to increase the incidence of sheep de-pastured, now standing at 1 per 4.95 acres,
- (c) to improve conditions of workers e.g. housing and provision for old age, etc.
- (d) to improve communications,
- (e) to provide for the economic disposal of surplus sheep.

See 2040

23 in 114/39

See C/30/36

9. (d) is already being cared for within my Development Plan which provides for an inter-island vessel, and internal air service and the installation of radio-telephone communications with all farm centres, while it has thus far been held that (a) and (b) should precede (e). Here I venture to disagree and believe that the introduction of a small freezer (the last word on this subject was contained in a letter addressed by the Department to Mr. Young of the Falkland Islands Company dated 15th of September 1944 would of itself stimulate a re-orientation of farming policy as has been the case, I understand, in both New Zealand and Patagonia. Professor William Davies of Aberystwyth and Mr. D.S.A. Weir have independently, expressed the opinion that the Colony is well suited to the development of a frozen meat industry and trial shipments of mutton to the United Kingdom before the war (through Messrs. Gildemeister of Tres Puntas, Chile) had shown that the Falkland Islands carcase though larger than the conventional and therefore less suited to the home trade could, nevertheless count on finding a market. Your despatch No. 48 of the 20th May, 1938 referred to an agreement, in discussion with the Board of Trade and Empire representatives, to permit imports from this Colony up to a maximum of 1200 tons (the equivalent of approximately 48,000 sheep) per annum.

39 in 114/39

10 in 2288

"Col. Dev. + Overseas Food Corporations"

10. On reviewing this possibility not long after my arrival, I found that while local opinion was on the whole in favour of a Freezer some individuals, including the Chairman of the Falkland Islands Company (Mr. W.M. Dean) opposed it and I was anxious that the farmers should reach agreements between themselves before I made official approach. The Sheep Owners' Association have now informed me that they are unanimously in favour of the venture and I therefore earnestly commend it to your consideration as a project for assistance through the medium of the Colonial Development Corporation in terms of the last sentence of paragraph 7 of your Circular Despatch No. 19297/68/47 of the 10th of July.

11/

15

46-48

2
1

11. I have called for estimates, per farm, of the surplus sheep available (a) now and (b) within three years of the installation of a freezer but it is to be anticipated that, initially, only a proportion of the animals produced will in fact be fit for export and the undertaking must ~~this~~, initially, run at a loss. Suitable sites are at Port Darwin where buildings exist and can doubtless be acquired (they are Falkland Islands Company's property), and at San Carlos on the Falkland Sound; the former is more convenient, geographically, but the latter has the advantage of deep water thereby enabling a ship to load alongside, while there is also a possibility of providing hydro-electric power to operate the plant. Capital outlay must, in either event, include provision of refrigerated space in one or other (or both) of the Company's steamers for conveying the product to Montevideo for transshipment which, if Darwin were decided upon, would involve two lots of overhead charges; consideration should therefore be given to the possibility of persuading the Blue Star Line or Houlder Bros. to send a ship, say twice a year, to load direct, thereby eliminating freight and handling charges occasioned by shipment via Montevideo. These and other considerations will be investigated and reported upon should the project commend itself to you, in principle, and it would I think be desirable to obtain expert and disinterested advice.

12. The installation of a freezer should in my view be considered only as part of a general plan of Agricultural development designed to give effect to (a) (b) and (c) above. Other measures which are necessary to implement the plan include

- (1) a Land Tax returnable in full in respect of improvement schemes approved by Government, and completed; its purpose would be to strengthen the hands of farm managers by ensuring that a due proportion of profits are ploughed back into the land (a survey would of course be necessary and is long overdue):
- (2) enforcement, by legislation, of minimum housing conditions and of the introduction of a Provident Fund for all workers.
- (3) the establishment of an Agricultural Bank with power to make loans for carrying out improvement or approved enterprises against security.
- (4) re-organisation of the Agricultural Department on which subject I propose to address you further and, finally
- (5) an Education Policy linked closely to the natural economic status of the Colony; on this last matter I shall also be addressing you.

I have the honour to be,
Sir,
Your most obeiant,
humble servant,

(Sgd.) MILES CLIFFORD.

Saving.

88206/47

From the Secretary of State for the Colonies.

To the Officer Administering the Government of FALKLAND ISLANDS.

Date 17 November, 1947.

No. 103 Saving.

Confidential at this stage huc

Freezing Plant for Mutton.

0588

I enclose copies of the minutes of a meeting held with the Sheep Owners' Association of the Falkland Islands and of letters exchanged with Mr. E.H. Young of the Falkland Islands Company in which the organisation for the establishment of a mutton export industry is discussed.

2. There is a long-term demand in the U.K. for carcass meat, and anything which can reasonably be done to stimulate exports would be valuable to this country. It is also considered that the establishment of an industry might have the effect of encouraging stock improvement in the Colony.

3. Young is leaving for the Falklands on the 15th November, and you will no doubt wish to discuss the proposal in more detail with him. I should be glad to receive your comments as soon as possible after these discussions.

See 50.

SECEP.

as usual a jump ahead!
huc *mp* *WHE*

2

COPY

NOTE OF A MEETING HELD WITH THE SHEEP OWNERS' ASSOCIATION
OF THE FALKLAND ISLANDS IN SIR FRANK STOCKDALE'S ROOM,
DOVER HOUSE, ON SEPTEMBER 30th, 1947.

Sir Frank Stockdale stated that the purpose of the meeting was to decide whether it was possible to set up a processing or freezing plant to make use of Falkland Islands stock; he also suggested the canning of geese. He thought that the Sheep Owners' Association, organised on a co-operative basis, would be the only means of operating this scheme: each station would take shares and guarantee so many carcasses per annum.

2. Mr. Young said that in his view a freezing plant was a better proposition than a canning plant, since canned mutton would encounter consumer resistance and since a freezer would result in stock improvement. Two conditions must however be stipulated before they could go ahead. One was a guaranteed market for the output of the plant and the other was the reservation of shipping space, say 25,000 cubic feet every third or fourth week during the operative period, for the onward shipment of the meat from Montevideo. Pressure would have to be put on the River Plate Conference to reserve the space. When this plan was worked out in 1944, the estimate for conversion of the existing cannery works at Darwin was £10,000, while the same amount would be required to purchase a ship to take the mutton to the mainland. It seemed that, on present prices, capital of the order of £30,000 would be adequate. It was believed that 20/25,000 carcasses might be forthcoming in the first year. It was also pointed out that the breeding policy would need to be changed and that the farmers would need fencing (present prices were £120 a mile). Mr. Amos (Ministry of Food) said that frozen meat was certainly more attractive in the long term, since tinned meats and tinned stews were liable to become more plentiful. He asked whether some beef could be frozen as well as mutton. The Sheep Owners thought that they could provide 10/15,000 head of sheep and 500/1,000 head of beef per annum. There were about 325,000 sheep in the East Island and 275,000 in the West Island and 8/10,000 head of cattle, mainly Herefords. There was no serious animal disease in the Island. Mr. Barton suggested that the proposal should be linked with a scheme of pasture regeneration.

3. It was considered that the Sheep Owners' Association should have holdings in the proposed Company, to which the Darwin plant would be leased. As regards the raising of the capital, they hoped that the Government would provide up to 50% by loan or grant or a combination of both. It was felt that this could be put to the Governor later on. If the Government were to participate, they might take up debentures or direct shares in the Company.

4. It was agreed that:-

- (1) The Sheep Farmers' Association of the Falkland Islands would support the scheme and would go into it as an association, not as private individuals.
- (2) Mr. Young would present details, taking into account rentals for land, etc.
- (3) Mr. Amos would forward to the Colonial Office particulars of Argentine mutton and beef prices over the last five years and these would be sent to Mr. Young.

COPY

88206/47

Colonial Office,
Dover House,
Whitehall, S.W.1.

23rd October, 1947.

Dear Mr. Young,

See 2 for Minutes

You will remember that there was a meeting on the 30th September in Sir Frank Stockdale's room in Dover House at which the question of the setting up of a cannery or freezing plant to make use of Falkland Islands stock was discussed. I now write to say that the decisions reached at that meeting would appear to have been as under:-

- (a) The Sheep Farmers Association of the Falkland Islands agreed in principle to support the scheme to establish a freezing plant, ~~in~~ which would be operated by a company specially formed for the purpose, subject to the following conditions precedent:-
 - (i) the Ministry of Food to guarantee to purchase the output of the plant for a number of years ahead at reasonable prices;
 - (ii) shipping space to be made available for onward shipment of the meat from Montevideo during the operative period each year.
- (b) The Association would participate in the scheme as an association rather than as private individuals, but under the scheme each farm would guarantee a certain number of carcasses annually for the plant.
- (c) The holding plant would be set up at Darwin and the existing plant and land there would be loaned to the operators of the scheme for this purpose.

Shall be decided?

E.H. YOUNG, ESQ.

/T-

4

I should be grateful if you would confirm that the above is an accurate record of the decisions reached.

2. It was noted that the Sheep Farmers Association proposed that the Falkland Islands Government should participate in the scheme and assist in raising the necessary capital and the Colonial Office representatives undertook to put this proposal to the Governor when the scheme is presented in detail.

3. It was agreed that you should now furnish the Secretary of State for the Colonies with details of the scheme and you are now asked to take action accordingly.

4. The Ministry of Food are being approached regarding the guarantee and in the meantime I forward herewith a schedule showing the present prices of Argentine meat under the Ministry's forward contract. It is recognised that you actually asked at the meeting that the average prices of Argentine meat over the last five years should be furnished, but in view of the range of prices shown in the enclosure hereto it would not appear that these average prices would have any particular significance and it is hoped that the annexure hereto will serve your purpose.

5. I would add that Mr. Harold Jones, the Ministry of Food's Director of imported meat supplies, would be glad to see you to discuss your scheme if you so wish.

Did he?
do so.

Yours sincerely,

(Sgd.) J.F. CORNES.

ed of 1812
? 1812

COPY

THE FALKLAND ISLANDS COMPANY LIMITED

"Southernhay,"
Cavendish Road,
Weybridge, Surrey.

8/6

24th October, 1947.

Dear Mr. Cornes,

4 Thank you for your letter, 88206/47, dated 23rd October.

I agree with your record of the decision reached at our meeting on 30th September, except for a minor point - paragraph (a)(i) should read "market prices." We laid stress on a guaranteed outlet which is most important. Price would be based on the price for similar quality, say Patagonian.

I have already started work on the scheme but fear there will be some delay as I have not yet had a reply from Halls and from our Consulting Engineers re cost of refrigerator equipment for the shore plant and on one of our vessels.

I would certainly like to meet Mr. Jones before I leave for the Falkland Islands on 15th November and suggest the afternoon of 31st October if that would be convenient to him.

Thank you for the schedule of present prices of Argentine meat under the Ministry's forward contract, which will serve my purpose.

Yours sincerely,

(Sgd.) E.H. YOUNG.

J.F. Cornes, Esq.,
Colonial Office,
Dover House,
Whitehall, S.W.1.

Falkland Islands

0588

19889/54/47

DESPATCH

NO. 70

Date 1 DEC 1947

Transmitted with the Compliments of the Secretary of State, for
the Governor's information.

~~the Governor's consideration.~~
observations.

Reference:- Secretary of State's

Governor's

Telegram No.

Despatch No.

Savingram No. 103

of

17/11/47

Date	Nature of Communication
29 th Nov. 1947	<u>Letter to G. H. P. Amos Esq</u> by

19889/54/47.

7
Dover House,
Whitehall,
S.W. 1.

29th November, 1947.

Dear Amos,

No copies
Thank you for your letters of the 4th and 12th November about the project to erect a freezing plant in the Falkland Islands for the export of mutton and beef.

Sol-5
Falklands?
As you know Young has sailed for the Islands and we have told the Governor about our meetings. I think that it was clear from the discussion in Sir Frank Stockdale's room that the idea was to run a ship between the Falklands and Montevideo and this is recorded in the minutes. I am very glad that on this basis, Harold Jones said that there would be no difficulty in finding shipping space for the meat from the Argentine. I do not think that we can do anything further at present until Young submits his detailed scheme after discussion with the Governor but I am pleased to note that the Ministry of Food are, in principle, prepared to discuss a guaranteed forward market.

Your sincerely,

???

(J.E. CORNES).

G. H. C. Amos, Esq.

A

Chart No.

Extract from letter from Hon. Mr. D.W. Roberts, O.B.E. to His Excellency the Governor of 16. 12. 47.

.....

You will have heard about the meeting at the Colonial Office with Sir Frank Stockdale from Barton. I think it was a very hopeful meeting. You will be pleased to know that Salvesen's are contemplating freezing whale meat and may come in on the same plant which will - I think be most helpful.

.....

See 1-5

VP.

B

7/E

may wish to refer to them for
hps any connection with li:
Young

2. 114/39 is being kept open for
applies to the questions about sheep
for freezer (see (46) (48)): and
(54) also awaits reply.

3. 0588/A is below: but
1-2 are, I think, only of acc.
demerit interest.

QBL
29.12

9

the old F.I.C. carrying water at Dawson where
killing floors are already available; also ample space
for holding paddocks.

2 He put the immediate output at about 17,000
carcasses, which is probably optimistic, plus 500 cattle.

3 I mentioned the alternative of getting one of the
regular meat canners to call here & collect but he
shied off this and expressed the opinion that none of them
would consider such a small load worth their while and,
if they did undertake it that they would expect to take
an output in one 'lift' which would mean installing larger
plant with consequent greater overheads and the plant
would be idle for 9 months of the year.

4 The scheme sketched in his view include refrigeration of
one or more of
the hold in the Company's ships - I gathered that Safin
was not contemplated; they would probably buy or build.
Cost of plant estimated roughly (Lall's) at £39,000 and
refrigerated storage in ship at £20-25,000.

5 He suggested that inception of this scheme would
necessitate a re-orientation of farming policy and thought that
any proposal for an Agricultural Bank would fit in well with
the latter as the farmer would have to lay out money on
improvements.

who is definitely opposed to this but has not yet
made a firm statement. According to the present position, but must find
the beginning of a high standard of living and they may demand
more; we must endeavour to show that our present policy
is a good one so that it will not be abandoned.

No.

(It is requested that, in any reference to this minute, the above Number and the date may be quoted).

MINUTE.

19

To

From

Stanley, Falkland Islands.

H.C.S.

If I may add a couple of remarks I wld. say that the implication of H.E.'s § 4 is surprising when one considers that the w. do not appear to have work for the two ^{ships} they already possess.

2. If Salvason is going to freeze whale meat why should he not freeze ungulates which wd. (perhaps) be available in the off season

J.H.D.
16-1-48

Mr.

§1 supra

But they would see 'Lapnia' in that case.

2. §2 is an attraction idea

W.H.

J.H.D. already had this off error but Mr. Roberts informs me that Salvason is intended in getting H.C. to carry whale meat for them.

W.H.

Extract from Notes on an Interview between the
Honourable the Colonial Secretary and Mr. K.W.H. Young,
Managing Director, F. & C., on 22nd Jan., 1948.

Freezer. This brought us to the question of a Freezer and of refrigerating space on a new vessel to be built by the Falkland Islands Company with the alternative of arranging a call once or twice a year of a cold storage vessel homeward bound from South America. Mr Young produced the expected arguments in favour of the former, and suggested the uncertainty of depending upon such calls, particularly when large commercial interests were involved with small consignments in an area known to be inhospitable to shipping. Eventually it was agreed that future discussion of these two topics should be deferred until His Excellency had returned from South Georgia. But I answered Mr Young's enquiry as to whether Government would be prepared to give one year's notice of cancellation of the 1937 Mail Contract with the remark that they gave us no formal notice of the purchase of the "Lafonia" or of its implications.

TELEPHONE:
CITY 1212.

14
CABLES:
INLAND: WEDDELS, CENT, LONDON.
FOREIGN & COLONIAL: WEDDELS, LONDON.

W. Weddel & Company

LIMITED

ALSO
31, TOOLEY ST. LONDON.
LIVERPOOL & GLASGOW.

IN REPLYING PLEASE
QUOTE REFERENCE

LDB/WT.

WEDDEL HOUSE,
14, WEST SMITHFIELD,
LONDON, E.C.1.

21st November, 1947.

The Manager,
Estate Louis Williams,
General Merchants,
Port Stanley,
FALKLAND ISLANDS.

Dear Sir,

The writer's attention has been drawn by our General Produce Department to your letter addressed to us under date of the 27th July and in which you refer to the possibilities of the export of Frozen Mutton and Lamb from the Falkland Islands.

As you know, this question of export of Frozen Meat from your Islands has been considered on many occasions but in view of the small quantity of mutton and lamb likely to be available for export, difficulties of freight coupled with the cost of erecting the necessary plant for such a small quantity involved, has resulted in any such project being dropped. It may well be that the time is opportune to reconsider this project again in view of the necessity for the Authorities here to purchase as much food produce from within the resources of the Empire or any countries within the Sterling area.

At one period before the recent war, this country did receive some mutton and lamb from the Falkland Islands which, as you probably know, was shipped over live to the mainland, treated and shipped by Chilean Works in Magallanes to this country and if the writer's memory serves him correctly, were stamped "Empire," thus enabling the carcasses to obtain free entry into the U.K. without interfering in any way with the Chilean quota laid down under the Ottawa Agreement.

The writer was recently in Chile visiting the various works in which we are interested and others for whom we are selling agents and, in fact, made enquiries regarding the present position in the Falklands, where he understood the quantity likely to be available for export, whether on the hoof to the mainland

15
or for processing in the Falklands for direct shipment in refrigerated steamer would be unlikely to exceed 600 tons per annum which figure, of course, is considerably less than the 100,000 carcasses of Wethers indicated in your letter under acknowledgment.

Where are these carcasses from?
As you will appreciate, all importation of foodstuffs into this country is now under Government control but, nevertheless, we look forward with optimism to the day when we shall be free to operate once more and with that end in view, the project outlined in your letter should certainly be kept in mind for those happier times.

We shall always be glad to hear from you in regard to any developments in the Falkland Islands and any projects which you think would be of interest to us.

Yours faithfully

W. WEDDEL & COMPANY LTD.

W. Weddel

Director.

Clerico

\$ 10 of 10 for last week

~~W. Weddel~~

for

W. Weddel

Ref

Hon. Mr. R. H. S. Hunter

Dec. 23.1.18

For your information, pl.

W. Weddel
B.P.

with

E. G. ROWE

Compliments

31/12/15

MANAGER OF
ESTATE LOUIS WILLIAMS

PORT STANLEY
FALKLAND IS.

FAULKLAND ISLANDS.Freezing of Meat.

A meeting was held on 30.9.47 at the Colonial Office, London, between Sir Frank Stockdale, Head of the Colonial Development Corporation, Colonial Officers and Ministry of Food officials and representatives of the Falkland Islands Sheep Owners Association.

The decisions come to at that meeting have been enumerated in Colonial Office letter 88206/47 dated 23.10.47, addressed to Mr. Young:

"..... You will remember that there was a meeting on the 30th September in Sir Frank Stockdale's room in Dover House at which the question of setting up of a cannery or freezing plant to make use of Falkland Islands' stock was discussed. I now write to say that the decisions reached at that meeting would appear to have been as under:-

- (a) The Sheep Farmers Association of the Falkland Islands agree in principle to support the scheme to establish a freezing plant, which would be operated by a company specially formed for the purpose, subject to the following conditions precedent:-
 - (i) the Ministry of Food to guarantee to purchase the output of the plant for a number of years ahead at reasonable prices;
 - (ii) shipping space to be made available for onward shipment of the meat from Montevideo during the operative period each year.
- (b) The Association would participate in the scheme as an association rather than as private individuals, but under the scheme each Farm would guarantee a certain number of carcasses annually for the plant.
- (c) The holding plant would be set up at Darwin and the existing plant and land there would be loaned to the operators of the scheme for this purpose.

I should be grateful if you would confirm that the above is an accurate record of the decisions reached.

2. It was noted that the Sheep Farmers Association proposed that the Falkland Islands Government should participate in the scheme and assist in raising the necessary capital and the Colonial Office representatives undertook to put proposal to the Governor when the scheme is presented in detail.

3. It was agreed that you should now furnish the Secretary of State for the Colonies with details of the scheme and you are now asked to take action accordingly.

4. The Ministry of Food are being approached regarding the guarantee and in the meantime I forward herewith a schedule showing the present prices of Argentine meat under the Ministry's forward contract. It is recognised that you actually asked at the meeting that the average prices of Argentine meat over the last 5 years should be furnished, but in view of the range of prices shown in the enclosure hereto it would not appear that these average prices would have any particular significance and it is hoped that the annexure hereto will serve your purpose.

5. I would add that Mr. Harold Jones, the Ministry of Food's Director of imported meat supplies, would be glad to see you to discuss your scheme if you so wish.

Yours sincerely,

signed

J. F. COMES

pp. H.

As the quantity of sheep, likely to be found suitable for freezing is small and any increase in numbers will be gradual, it is the Falkland Islands Sheep Owners Association's view that the initial outlay must be kept down to the lowest possible figure, and it is for this reason they recommend that existing buildings and plant at Goose Green be utilized - always providing that a satisfactory agreement can be negotiated with the Falkland Islands Company Limited.

These proposals are based on the assumption that this will be possible. It is of course understood that the Falkland Islands Company is not in any way bound.

PROPOSALS FOR THE ESTABLISHMENT OF A MEAT FREEZING WORKS IN THE FALKLAND

ISLANDS - 1947/8.

1. Numbers Available.
2. Plant Capacity.
3. Site - Water Supply.
4. Plant required and Estimated Cost.
5. Labour.
6. Sheep Weights - Quality - Inspection.
7. Offals - Extract - Tallow - Skins - Hides.
8. Shipment and Marketing.
9. Handling Company and Financial Arrangements.
10. Miscellaneous.

(3).

NUMBERS AVAILABLE

Stock returns show that the sheep and cattle population of the Falkland Islands was:-

	1940	1941	1942	1943	1944	1945	1946
Sheep	623977	634037	632452	627779	619449	611723	604136
No. Killed	76345	76735	82840	87011	69831	71847	77789
Cattle	9886	10552	10950	11226	10873	11205	11197

Sheep. The number killed covers sheep killed for meat (22/23000 p.a.), age, bad mouths, low quality and other defects. The largest proportion being killed during or shortly after dipping, say March/April. A proportion of these are suitable for freezing as will be seen from the figures given below :

SHIPMENTS MADE TO FRIGORIFICIOS IN THE STRAITS OF MAGELLAN 1937/1940.

	1937	1938	1939	1940
Sheep Shipped	27529	27420	23138	13088
Sheep Landed Alive	27052	26895	22395	12985
Number Frozen (est.)	4130	9392	5155	7644
Average weight in lbs.	45	48	49	46.99
Proportion to Total	15%	35%	23%	59%

The Association is of the opinion that the small percentage of sheep frozen in 1937/8/9 does not present a true picture as regards the suitability of the sheep for freezing or otherwise, but was partly due to the vagaries of the meat market and the good market for tallow in Northern Chile.

Farmer's estimates of the numbers immediately suitable for freezing vary; a generally accepted figure is 20,000 a closer estimate is:-

	Ewes	Wethers
East Falklands	3,000	6,000
West Falklands	<u>3,500</u>	<u>7,500</u>
	6,500	13,500

20,000 out of which

3,000 required for restocking

17,000

The numbers likely to be immediately available may therefore be taken

as 17,000 - 20,000.

Cattle. Estimates of the numbers available for freezing are 500 which would be ready about May/June. The Association understands the Ministry of Food is specially interested in securing additional supplies of beef however small.

- (2) PLANT CAPACITY. Sometime back competent persons (connected with meat works operating in the Straits of Magellan) stated that a Freezing Works must handle not less than 70,000 carcasses if it was to be an economic proposition.

This was based mainly on the assumption that the total quantity would have to be shipped at one time and extensive holding chambers with the relative plant would therefore be necessary. (it is understood that Straits of Magellan meat works commence killing about 1st March and probably end about mid May, but their meat is not shipped away until June/July.)

Some members of the Association have long been of opinion that a solution of this difficulty might lie in having a small freezing plant which was cleared at frequent intervals, thus enabling it to handle a considerably greater tonnage than its normal capacity; a scheme based on this was outlined to the Falkland Islands Government in 1940, and is detailed below.

".... A freezing works to be erected on a suitable site, probably on East Falkland Island, near a suitable port in Falkland Sound so that sheep could be conveniently shipped from the West.

Plant capable of dealing with and providing storage for up to 200/250 tons mutton, say 10,000/12,500 sheep, to be erected. As an integral part of the scheme the vessel carrying out the mail service to have refrigerated space for 200 - 250 tons frozen mutton.

Assuming that the killing season would be from the 1st March to 15th May each year, the vessel should make as many voyages between the Freezing Works and Montevideo (where the meat would be transhipped to Europe) as was necessitated by the quantity of frozen mutton awaiting shipment, and sheep awaiting delivery to the works. It is considered that by adopting these means although the total tonnage to be handled would probably not exceed between 350 to 500 tons at first, by installing plant and storage capacity sufficient to handle 250 tons at one time together with means of rapid transport of a like tonnage, the output of frozen mutton could be rapidly increased to meet any increase ~~in~~ in the number of sheep offered to the freezing works up to a total

output of as much as 1,000 tons and possibly 1,250 tons.

My Committee consider that whilst they do not desire to express their views on the possibility of economically increasing the sheep carrying capacity of the Falkland Islands at this juncture they do contend that if Farmers find it profitable to sell to the freezing works it must surely follow that they will do all they can to increase the numbers suitable for freezing; therefore the stimulus to and development of the farming industry should be automatic and in ratio to the development of the freezing industry...."

- - -

These present proposals are based on the Scheme referred to above. The Plant must be capable of freezing carcasses of mutton at the rate of about 12 tons per day and maintaining a frozen store of approximately 30,000 cu.ft. capacity at a temperature of 15° F.

The building will provide space for:

Pens

Killing Stands

Inspection Stands

Cooling room, capacity about 1,000 carcasses

Freezing Chamber

Storage Chamber, capacity about 30,000 cu.ft.

Engine room

and be equipped with runways, try works etc., have suitable skins sheds and a jetty adjacent.

(3)

SITE - WATER SUPPLY.

The most suitable site would be on the Falkland Islands Company's Camp adjacent to Darwin. This Company would supply the most sheep and are conveniently placed for the larger East Falkland Farms, and for shipments from the West Falklands.

If they were agreeable, their canning works at Goose Green would be suitable for conversion to a Freezer. They handle up to 25,000 sheep yearly during the dipping season and have pens, killing stands, runways, try works, steam power and ample space for cooling.

x

The freezing and storage chamber and engine room would probably have to be built outside the existing works.

Overall dimensions of this building about 128' x 42' 6" x 10' plus

(9).

24

Ewes	1st Quality	to 50 lbs.	3 11/16d
		51 - 72 lbs	3 5/16d.
Hearts	uncut		4 7/16d.
	cut		4d
Kidneys			12½d
Livers	moulded		7½d
Tongues	short cut		8½d

River Plate Beef, Frozen 'B' Quality.

Sides	5¾d
Foras	4¾d
Hinds	6¾d
Ribs and Ponies	5½d

ESTIMATED RETURNS AT CURRENT PRICES. Say 18,000 sheep averaging 47½ lbs,
500 head of cattle averaging 600 lbs.

1/3 Ewes	6,000 x 47½ = 285,000 lbs x 3 11/16d	£ 4379
2/3 Wethers	12,000 x 47½ = 570,000 " x 4 7/16d.	10539
Cattle	500 x 600 = 300,000 " x 5½d.	<u>6875</u>
		£ 21793
Skins	say 1/- per lb. net	3600
Hides	" £ 2 each	1000
Offals	allow	<u>1000</u>
		£ 27393

ESTIMATED EXPENSES. Depreciation, rents, labour, stores i.e. Oil, ammonia, mutton cloths, boxes for offal; Insurance, boiling down costs, maintenance charges to f.o.b. and management, are estimated at £ 8125 or 30% of the total amount realised or a net return per sheep of 14/1 and per head of cattle £ 11. 7. - .

Government assistance is essential and the Association suggests it is a suitable proposition for the Colonial Development Corporation to support and assist.

It may lead to considerable development of the limited resources of the colony - only time can show that - however, unless the effort is made no one can say what the possibilities may be.

Any meat produced for the Home market saves exchange and a definite advantage would therefore accrue to the United Kingdom: ~~admission~~ and

producer will benefit so long as fair prices are obtainable but it is obvious that if the scheme proves a success the benefits will be shared by the Home Government, the Falkland Islands Government, the Falkland Islands people and the Producer; and it is on these grounds that the Association submits that there is a good case for material assistance from the Home Government.

(9) HANDLING COMPANY AND FINANCIAL ARRANGEMENTS.

The most suitable means of giving effect to these proposals appear to be - a Falkland Islands Company to be formed and Farmers invited to take shares in proportion to the number of sheep they run.

Government to provide Financial Assistance and to have a financial interest, the form which this might take is:

- 1) An outright grant of £ ²⁰⁰⁰⁰ ~~700000~~ from the Colonial Development Board.
- 2) The F.I. Government to take shares to the extent of one third of the issued capital.

The Colonial Development Board or the F.I. Government would also be required to financially assist the provision of refrigerated space on the vessel to be employed, (see paragraph 8).

Government would supply inspection services free of charge, the passing and grading to be on the same lines as followed in the Straits of Magellan Freezers.

Government would undertake not to impose export or other taxes on meat and kindred products.

Government would use their good offices with the Colonial Office, the Ministry of Food and the Colonial Development Corporation to further the venture, specially as regards finance, the guaranteed market and onward shipment at Montevideo.

Government would nominate Directors to the Board, in proportion to their shareholding.

The Company would work on a Co-operative basis, they would not accept sheep from non-shareholders but might purchase from them outright.

At first sheep and cattle sent in would be selected as likely to be suitable for freezing by the respective Farm managers, as the numbers increased it should be possible for the Company to select at the several stations.

The conduct of the Company's business would be in the hands of the Board of Directors: The Falkland Islands Company Ltd., to act as Managers and

Secretaries.

Secretaries.

The Company would offer to rent the Goose Green Canning factory and Try works from the Falkland Islands Company, Ltd., the provisions of housing for labour being a matter for discussion when full requirements are known.

Alternatively the Company would not work on a Co-operative basis but would buy sheep from all Farmers outright and trade as an entirely separate entity.

Another alternative is for the Falkland Island Government to put up and operate a plant on a central site. This would involve building up a new settlement presumably on Falkland Sound and maintaining a staff for whom there would be no work during the greater part of the year. It would certainly not be economic. The cost of estimated at £ 100,000 - ^{150,000} 110,000.

SUPPLY OF SHEEP AND CATTLE TO THE WORKS.

Farmers would have to deliver their sheep at the Freezing works. Facilities for shipment of sheep across the Sound would have to be provided, but at Farmers cost. This should not be difficult as when the Goose Green canning factory was working shipments of sheep West Falklands to the Works were:-

1916	13,127
1917	11,714
1918	22,317
1919	12,154
1920	7,529

The alternative is a freezer in the West Falklands but this does not appear to be practical proposition owing to the small number to be treated, and the consequent heavy increase in overhead charges.

(10)

MISCELLANEOUS.

Other Means of Disposal.

- a) With regard to other means of disposing of surplus sheep, Dehydration may be ruled out. Canning, in normal times there is no demand for canned mutton which is not palatable.

Shipment of Sheep to meat works in the Straits of Magellan, the difficulty of securing freight renders this impossible, sheep might be shipped to the Argentine as stores for fattening if suitable land was available and the shipping difficulties could be overcome. This proposal is being kept in mind.

- b) Mutton Consumed in the Colony. The quality available for almost half the year is poor and it might be possible to freeze a quantity for Stanley and Darwin consumption when sheep are in good condition. This would necessitate a store being built in Stanley. Butchers and the Public would benefit as they would always have prime mutton. This would also react favourably on the Store sheep/

map position.

Mention should be made of the possibility of the improvement of the general standard of farming which might come about when Farmers know there is an outlet for all the suitable stock they can produce.

This would result in more fencing being undertaken and the improvement of such grasslands as are suitable and the eventual reduction in the age of wethers sent to the freezing works.

The Association does not feel competent to prophesy as to the possibility of a lamb trade being developed.

With regard to beef, the interest shown by the Ministry of Food is of special interest and the Association considers there is a possibility that this business might develop considerably.

(11)

These proposals have been discussed between several members of the Association and have been circulated to others and there is general agreement in principle.

Such comments and criticism as has been made have been concerned mainly with details of working which can be agreed if and when a Freezing Works in the Falkland Islands becomes a practicable proposition; which now rests on the assistance and aid which the Colonial Development Board and the Falkland Islands Government are able to offer.

W. A. H. James
1. 2. 48

[illegible]

29
EXTRACT FROM NOTES ON AN INTERVIEW BETWEEN HIS EXCELLENCY
THE GOVERNOR AND MR. L. W. H. YOUNG, MANAGING DIRECTOR,
F.I.C. ON THE 14th MARCH, 1948

(Original filed in 0643 - Records of Talks with
M. Director F.I.C.)

.....
He remarked that Government could not be responsible
for more than a fair share of the increased cost, and that
the Falkland Islands Company and the public must bear their
due proportion.

0588
B. Freezer. Mr. Young handed to His Excellency a
memorandum on the proposals for a freezer at Goose Green
which he had prepared subsequent to conversations in the
Colonial Office to whom he intended to present it.
(Sir F. Stockdale). His Excellency received the memorandum
which was subsequently discussed by him with Mr. Young,
when His Excellency observed that proposals of this nature
requiring the co-operation of the Colonial Government should
be made through the latter initially.

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

30

S/EST
Despatch by early:—

SENT.

Number

Office of Origin

Words

Handed in at

Date

April 1948.

To Harris Bonna (San Carlos) - Camoun - Pole Evans - Harving (Blue Cove) -
Mieser (Ray Cove) - Luxton (Charles) - Wick ~~Blomfield~~ - Lewis (Douglas Str) -
Jason Hanson - Alec Pitahunga - Batts (Pebble).

To facilitate my early consideration of Young's ~~pre~~ report
 on Freezer project ^{details} of which have, I understand been
 made available ^{to you} ~~copy~~ if you will send me your comments
 earliest possible.

Time

Governor.

See 31-33, 37

GOVERNMENT TELEGRAPH SERVICE.

31

FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
2	Rebble etat	20	09.15	5.4.48.

To Governor,
Stanley.

30 Inreference to your telegram I have not yet received any details
concerning freezer project

Betts

Time

P.S. with HE
JP WK

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
3	Pebble	33	10.45	5.4.43

To HIS EXCELLENCY THE GOVERNOR
STANLEY

REGRET I HAVE NOT YET RECEIVED YOUNGS REPORT ON FREEING OWING TO HAVING NO
MEANS OF PROCURING MAILS FROM MAINLAND LAND SINCE MY SCHOOIER WAS STRANDED
22nd FEBRUARY

HANSEN

See 30

Time

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

33

RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
54	Fox Bay	57	18.10	6.4.48
To	H E GOVERNOR STANLEY			

RIGHT TO INFORM YOU I HAVE NOT RECEIVED COPY OF YOUNGS REPORT ON FREEZER BUT
WILL BE GLAD TO DO SO AND THEN COMMENT STOP SOMETIME AGO THE COLONIAL SECRETARY
ASKED ME TO REPLY TO A CIRCULAR REGARDS AIR FIELDS THIS HAD NOT BEEN SENT HERE
UNTIL I INFORMED HIM SO.

POLE EVANS

See 30

Time

ESTATE J. J. FELTON

TEAL INLET,
FALKLAND ISLANDS.

6th. April 1948

Dear Governor,

Thank you for your letter of the 2nd. by Dr. Arthur.

I certainly understood Young to say that he was assembling S.Q.A. members' written comments on the Freezer project for your information. Maybe, as you say, he forgot them in the last minute rush before he left, but I can think of another possibility too. Farmers, including myself restrict their correspondence to the minimum during the summer months, so Young may not have considered such written comments as he had received sufficiently representative to pass on to you.

At all events I know that he contacted personally every Farmer of consequence in the Islands, and that the views expressed in his Memorandum were agreed to in principle by the majority.

As I was largely responsible for engineering the meeting between our Association and Sir Frank Stockdale in London last September, I need hardly say that I am whole-heartedly in favour of freezing meat for export. I consider it is, and always will be a gamble so long as the world remains in such a state of chaos, but it has a very fair chance of success and worth backing.

I understand some opposition is to be expected from certain Managers who suffer from the delusion that they must alter overnight their methods of breeding in addition to erecting dozens of miles of fencing before they can send one sheep to the Freezer. This is not so, a start could be made with exactly the same type of sheep as was shipped to Rio Seco 1937/40, namely old culls in good or fair condition.

2.

16-27 Young rightly points out in his memorandum that the percentage of these old sheep accepted for freezing was adversely influenced by the state of the meat market, and the demand for tallow in northern Chile. The buyers were well satisfied and if it had not been for the War the trade might have increased.

The buildings are in very poor condition.
As regards a site for the Freezer, I see no reason to look further than Goose Green, where the bulk of the buildings necessary for the Plant are already permanent features. The Freezer could be established there far quicker and at far less initial cost than anywhere else in the Islands. Shipment of sheep across the Falkland Sound from Port Howard to Egg Harbour was a proved success in years gone by.

Sancarlos & Sussex Harbours on the East, Port Howard on the West, are all possibilities, but the cost of erecting a Freezer in any one of the three would cost from 50% to 100% more than at Goose Green.

Agree
I have not heard Young or any other FIC authority say that the Freezer must be at Goose Green or the FIC will not be interested, but even if such a thing were said, one must admit that as producers of one-third of the Colony's surplus stock the Company has every right to favour its home ground and existing facilities. Nor indeed have I heard any independent Farmer suggest any other site but Goose Green unless it were possible to build one on each side of the Sound - which is manifestly out of the question.

Quite but it seems right to be in the West.
I do not suffer from an anti-FIC complex. I do my share of growling about high freights and the inconveniences caused by sudden changes of plans, but I am quite sure that any other Shipping Company

3.

But FIC has substantial farming value. The extra freight charges are very high.
particularly if it had no farming interests, would do no better.

Yes. We must accept.
The actual operation of the Freezer, to my mind, presents more difficulties than the financial arrangements, or the location of the site. Shortage of labour will be the biggest problem. I am confident that Farms can, and will, find the sheep with which to make a start if only they can get the extra men necessary to ensure a steady flow of sheep, and the manning of the Freezer itself.

where?
Government's contribution towards financing the undertaking should not be difficult when one considers the ease with which countless thousands of pounds of taxpayers money are being found to finance FIDS. Frozen meat from the Falklands will at least help to fill hungry bellies in Europe, whereas FIDS profits nothing visible that I can see.

Yours sincerely,

A. G. Barton

→ While I sympathise with this point of view it is highly irrelevant as the Colony makes no contribution to the cost of these operations. We are doing what we can to divert some of Dependence Revenue to the needs of the Colony.

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
78	Fox Bay	25	0900	9.4.48

To Colonial Secretary,
Stanley.

Kindly advise H E that we have asked Mr Roberts to furnish information
asked for in his ³⁰telegram of 3rd April

Westers

*The trouble is that the replies
won't be coming who has taken
them with him.*

YE

M.C. 9/iv

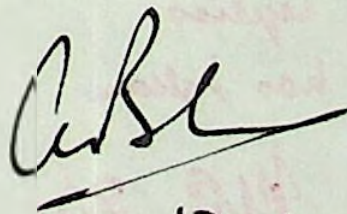
Abc
9.4

Time

YE.

37

Mr. Roberts informs me that he has
 had a letter from London today
 that they are in favor of Frezer
 project as suggested by Mr.
 Young. It is sending a
 copy.



12-4

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
94	Fox Bay	14	0930	11

To

Roberts Stanley House Stanley

Reference your telegram we are in favour of freezer

Westers

Time

copy of a/o letter to Mr A.J. Barton. sent 21.IV.48

Dear Barton

Thank you for your letter of 6th April about the Freezer project which is most helpful — 'Waters' telegraphed that they approve ~~the scheme~~ in principle and on the strength of this my own ^{firm} convictions in the matter I shall support the scheme. Differences of opinion over details can be thrashed out later — the important thing is to get it on the stocks as soon as maybe.

Danner raises the question of 'canning' ^(additional) in respect of carcasses which for an account of bruising etc. may not be up to 'Freezer' standard but I gather it (canned mutton) is not a particularly attractive proposition in ~~normal~~ times and it hardly seems worth going to the expense of this refinement if it will merely die on our hands in a few years time; skins and more particularly tallow at present prices skinned represent a fair 'offset' for sheep that can't be frozen?

I agree with Goose Green as the site; my only qualms were (from personal recollection) lest the ship should not be able to get alongside there and confront us with additional overheads as I want to get the maximum available profit for the producer; Yang has, however, reassured me on this point and other considerations apart it is entirely reasonable that, as far as the biggest producers, their ~~views~~ ^(for the plant itself) on the site should be met if possible. Water ^(for the plant itself) was also bothering me but the manufacturers have suggested a condenser of the atmospheric type which ~~will~~ ^{may} solve that problem?

Labor may be a difficulty, as you say, but I think we must leave that bridge till we get to it.

As to finance there will be no difficulty so far as the Government's contribution is concerned. I note your remarks about FIDS but you are proceeding to the small. I have been humming away at this ever since I came here but none of the Department's resources were null

41

devoted to that H.M.G. wouldn't let us have it as
the Research and Development Ordinance gave an implicit
undertaking ^{to the Whalers} that the proceeds of the tax should be devoted
to the furtherance of the industry. I have continued to
nag however and think you will find that we shall get
a bit more.

We did; from
£4,000 to
£19,000 p.a.!!

How soon can you get your landing field ready?
I am going ahead with this scheme (as an Auster and
not a Gemini basis as few of our fields are big enough
for the latter, despite Macleod) at once and hope to
have 'plane, pilot and mechanic here before the end
of the year.

I hope you enjoyed Thomson's visit - he is a nice
lad.

Yours sincerely,

MC.

ESTATE
GEORGE BONNER.

SAN CARLOS,
FALKLAND ISLANDS,

42

Proposals re Freezing of Meat.

4th March 19 48.

Dear Young,

Many thanks for your letter enclosing copy of our correspondence from the Colonial Office further to our Meeting there with Sir Frank Stockdale on the 30th Sept. last, together with your proposals for the establishment of a Meat Freezing Works in the Islands.

I append herewith my remarks and comments on the above as requested.

With kind regards,
Yours sincerely,

L.W.H.Young Esq.
Stanley House, Stanley.

(sgd.) J.F.Bonner.

Freezing Proposals.

Firstly I wish to record my general concurrence and approval of the scheme as laid down.

1.Numbers Available.

I consider the estimate of numbers immediately available for freezing very conservative, but this is probably desirable in the first instance.

2.& 3. Plant Capacity, & Site - Water Supply.

These proposals are agreed to with particular emphasis on the paragraph referring to the effect of "stimulus to and development of the Farming Industry. "

4.Plant required and estimated Cost.

As it appears evident that the Plant and Equipment cannot be supplied for 24 - 27 months, I would emphasise the importance of the scheme being agreed to and the necessary Company formed at the earliest possible date, so that the time lag from inception to operation may be reduced to a minimum.

In the meantime, other markets for the disposal of surplus should not be ignored, such as the possibility of shipment to the mainland or the proposal of the use of a Floating Freezer as suggested to Cameron by letter from Buenos Aires.

5. Labour. 6. Sheep Weights - Quality - Inspection.

In addition to the permanent staff suggested it would be necessary for the Freezer to employ a man qualified to approve sheep selected by Farms prior to the animals being driven to the Freezer.

This could be avoided by the employment by the Government of a qualified Stockman as Stock Inspector, in which case he should be capable of this duty.

In any case Meat Inspection at Freezing Works in other countries and Dominions is a primary Government responsibility

Further to para.6, regarding "all Falkland Islands Company's sheep would be dealt with as at present", does this imply that the Company are not prepared to supply sheep to the Freezer?

43
.....4th March 1948.Continuation to L.W.H.Young Esq. re Freezing Proposals.
-----8. Shipment & Marketing.

Regarding the cost of £20,000 - £25,000 for refrigerated space on an existing local vessel, can it be estimated how much of this cost would be a charge on the Freezing Company?

9. Handling Company & Financial Arrangements.

With regard to Financial Arrangements I consider that the Government should have a financial interest as proposal (2) with Shares not to exceed 40% of the total, and that a separate Falkland Island Company for Freezing should be formed as primarily suggested, with local Farming and Governmental Directors, and the Falkland Islands Co. Ltd. to act as managers and secretaries.

As Canning does not appear to be a practical suggestion I propose that the Freezing Company should undertake to "try out" all sheep (besides Falkland Islands Company's sheep) unfit in any way for freezing.

Further to para.10, the above appears to me to be the only other alternative means of disposal.

In conclusion I wish to state my entire agreement of the two final paragraphs of Section 8 on page 10, regarding possible benefits to the developments and resources of the Colony as a general result of these proposals, which is re-emphasised in Section 10 (c). (emphasised)

The result of more fencing being undertaken should also mean that farmers could fence off the most suitable sections of their Ewe grounds for the tupping and lambing seasons, resulting in more concentrated supervision and improvements (such as opening of ditches, re-grassing etc.) than is at present possible.

In my opinion this would produce a general improvement in lambing with the possibility of a lamb trade being developed.

To my mind the most important factor is that the general proposals should be agreed to as soon as possible in order that the scheme may be put into operation with the minimum delay.

WLL
SAN CARLOS,

EAST FALKLANDS,

FALKLAND ISLANDS.

13th April 1948.

My Excellency,

As suggested in our most
telephone conversation I am forwarding
you herewith (by Mr. Thompson)
the copy of my reply to the freezing
project, in which you will note my
general concurrence to the scheme.

I sincerely hope that there may
be general agreement to the broad
outlines of the proposal, for I am
convinced that, once the outlet for
surplus is established, surplus will
forthcoming in sheep & cattle &
will increase yearly as the most
sceptical farmers will see that it will
pay them to change out of date methods
in order to meet the demand & secure

The trouble is that canned mutton
has no market in normal times and
that money invested in it would be
money wasted.

Subsidiary

an additional source of income apart
from wool production.

I am rather surprised that a small
canning plant is not considered practicable
to take animals which from a blemish or
other small defect are unfit for freezing
as an entire carcass. However I am
quite prepared to abide by expert opinion
if "boiling down" provides the answer, but
it must be borne in mind that it is
essential for the whole surplus to be dealt
with, not only prime animals for
freezing purposes ~~only~~.

I have been very glad to see
Thomson here - he is a very pleasant
going man & we have found him
very agreeable & interesting.

He seemed to like the appearance
the two new strips that I have under
construction, & this morning Christopher
is taking him round existing pens
paddocks to see what possibilities
already lie to hand. However I will

122
not enlarge on this here as he will
doubtless be making you a full
report. I greatly regret that the
appalling weather this season has
made it impossible for ~~me~~ me to "graze
down" the two new strips as I had
hoped, but they will be sown at the
earliest possible opportunity next Spring
& in the meantime I hope that
existing grass fields may be practicable.

My wife joins me in kindest
personal regards to Mrs. Clifford &
yourself, & believe me, Sir,
Yours very sincerely

J. H. Sturges

His Excellency
G. Miles Clifford Esq. C.M.G. O.B.E.
Stanley.

L. W. H. Young Esq.
Stanley.

1st. March, 1948.

Dear Mr. Young,

I have looked through the papers dealing with the proposed Freezer.

Had time permitted it would have been far better if we over here could have met and discussed the project but unfortunately this was not possible.

My suggestions are as follows:-

A Grant from the Colonial Development Fund.

The freezer to be a separate company.

Our sheep bought off the jetty.

The last suggestion applies to the West only, we are going to be at a disadvantage over here no matter how carefully sheep are loaded onto a vessel we tend to lose more than those who can get their sheep on the hoof to the freezer.

With regard to Government interest, this must be curtailed as much as possible, we certainly do not want them to have any sort of control.

I note that they expect to appoint directors and that one of them is to be a farmer, while I recognise that if Government funds are used they will certainly want to ~~xxx~~ be represented on the board, I certainly do not agree that they appoint a man from the farming community, that is our job, and we will appoint a man whom we all think competent.

Yours sincerely,

Who said so?

They may
but we shall
still appoint
one of our own.

W. H. Young

COMMENTS FROM S. MILLER ESQ.

Para. 1. I think these estimates are wrongly typed as the East can probably supply more sheep than the West Falklands. I do not follow the meaning of the deduction of 3000 for "re-stocking".

" 6. It would appear that the Falkland Islands Co. intend to carry on boiling down. Does that mean they will not supply any "freezer" sheep at all? I imagine the final works will include plant for boiling down for tallow all sheep not suitable for freezing as there are certain to be some such in every Farmer's shipment.

" 9. If the Government are to assist financially they will expect some control in the administration of the Works; I do not think this is altogether desirable but the whole thing will need detailed discussion at some future meeting. I do not follow the reasoning re shares on a Co-operative basis. If Farmers are to be allotted shares in proportion to the numbers of total stock carried these figures are not necessarily relative to the numbers and quality they may be able to supply to the Works. For instance a farm running 30,000 sheep does not necessarily send twice as many sheep as a farm running 15,000 sheep but under the dividend that the smaller farm will receive. Let the shares be allotted as suggested but in that case the Works should buy all sheep, irrespective as to whether the seller is a large, small or non-shareholder.

Supply. If stock are to be delivered to the works it will be the business of West Farmers to provide transport across the Sound. Unless a special suitable craft be obtained for this a large proportion of W.F. Sheep will inevitably leave the West as freezer sheep but on the killing floor will be graded down to trying out. Both the loss and the craft will be expensive to W.F. Farmers and that is where I suggest the Government contribution might come in if such contribution be forthcoming. There are no further comments called for in the circular as far as I am concerned, beyond the general discussion that will have to take place eventually to get the scheme drawn up.

We shall have to consider this and I think the big-works would be included.

Yes

How they do record
Aunt's arrangement under
the scheme.

I think so

LCT.?

49

C8.

44-48 f.i.

2. Despatch at cover with copy (copies if we have more than one) of Milham's memo. (viii) is better but I am still not entirely happy about it. The difficulty is that if we say too much about the trampal issue it tends to swamp the Proeger project.

3. We may have to consider raising the money by loan. (I don't want to but would do that rather than risk jeopardizing the scheme); what ~~is the~~ would be the annual charges for interest on money fund over 20 years @ 3% for £50,000.

M.C. 24/IV

I rather think that none of the despatches referred to in the draft are included in the list of unanswered despatches produced recently? Please check and confirm that these have not been acknowledged before the draft is fared.

They are, I
suppose. The
list is not
yet? by

YE.

All opinions have been sought & noted.

2. Before printing the D. (Ch. 1 has discussed with YE.) may I suggest:-

\$ prefer this.

p. 5 § v re-draft, etc.

6 (viii) minor pencilled addition to emphasize technical character of F.I. communications.

6 new § 4

3. As for the cover. I don't think we should use the D. with a piece about modification of breeding policy.

ABH
26.4

Thank you

26th April, 1948.

FALKLAND ISLANDS.

No. 30.

CONFIDENTIAL.

Sir,

I have the honour to invite attention to my despatch No. 43, confidential, of the 17th October 1947 (of which I have received no acknowledgement) and to your telegram, saving, No. 103 of 17th November 1947 which forwarded the minutes of a meeting held with representatives of the Sheep Owners' Association on 30th September of that year, together with copies of letters exchanged with Mr. Young of the Falkland Islands Company.

2. Following discussions with the letter he has, at my request, prepared a memorandum on his proposal for the establishment of a Freezer (copy enclosed) which has been seen by farmers outside the Falkland Islands Company and its associates and has been approved in principle by them. I have seen only a few of their replies to Mr. Young and gather that criticism is confined mainly to operational detail which can be argued later.

3. While I do not anticipate that the project will do more than pay its way for some years (there may well be a small loss to begin with) I am wholly in favour of it and, indeed, believe it to be an essential stimulus to the development of a sound farming policy. Although farmers have done well enough during the war years, with a guaranteed market for their wool, and have reason to be more than content with present prices, the economics of the industry are basically unsound; my views on this aspect of the matter were reflected in the above despatch and I will confine myself therefore to comments on Mr. Young's scheme and to suggestions for implementing it.

(A) PRACTICAL ASPECTS:

(i) Stock returns reveal that the average number of sheep slaughtered annually is approximately 77,000 of which some 23,000 are butchered for local consumption while, of the remainder, a relatively small proportion is sold to the Falkland Islands Company for conversion to tallow and the balance thrown on to the land.

(ii) Mr. Young estimates that from this surplus some 17,000 should be immediately suitable for freezing but I think it would be prudent to work initially, on the more conservative figure of 15,000. I base this comment on the results of shipments to "frigerifices" on the mainland before the war, when the proportion of sheep

found/

THE RIGHT HONOURABLE
ARTHUR CHURCH JONES, P.C., M.P.,
SECRETARY OF STATE FOR THE COLONIES.

found fit for freezing to sheep delivered at the factory was, over the four years of operation, substantially less than one third; it is true to say however that the carcasses which reached Smithfields were well reported upon and that, but for the war, a growing market might have been anticipated. Freight charges render any resumption of this trade quite out of the question. To this potential of 15,000 sheep can be added 500 beef carcasses.

- (iii) The scheme suggests (a) the installation of a freezing plant at Goose Green utilising, by arrangement, existing buildings (a former canning factory) belonging to the Falkland Islands Company, which would be capable of processing and storing from 200-250 tons or approximately 10,000 carcasses at a time; and (b) the provision of equivalent refrigerated storage capacity in one of the Company's steamers so that the total output of the freezer could be cleared in one shipment. I regard this as a sound arrangement and provided that the ship can get alongside at Goose Green, which Mr. Young assures me will be possible by extending the present jetty, I do not think the proposal is open to criticism. I had been worried, too, about the inadequacy of the fresh water supply but by employment of a condenser of the atmospheric type this difficulty can also be overcome.

- (iv) Several farmers have been exercised about the disposal of sheep delivered to the factory and found to be unfit for freezing and it is clearly necessary, and I think intended by Mr. Young that the company's try-works should be taken over and form part of the venture; this is implied on p. 11 of the scheme but not mentioned elsewhere. Tallow at present prices is very remunerative. One farmer, at least, has suggested a small canning plant in addition but previous experience suggests that canned mutton offers little attraction in normal times and it is doubtful if the further outlay would be justified. Tallow, offal, skins and hides should provide a reasonable offset, and these must be marketed by the undertaking.

- (v) Provide that a fair profit can be secured to the producers (as to which see (ii) and (vi) below) it is reasonable to expect that they will in a very few years step up production to 50,000 mutton and 1,000 beef carcasses and be thereby persuaded, or rather impelled, to devote more attention to the improvement of pastures since it will pay them to do so.

- (vi) I should not be disposed to attach too much importance to the labour problem for this work is seasonal; the farms are already short-handed and even with their present make-shift economy must import labour if they are to make any progress at all.
- (vii) Majority of opinion appears to favour the establishment of a separate company buying direct from the farmer, rather than that of a "co-operative" and in the particular circumstances I am inclined to agree. The highly individualistic nature of the local farmer is, I fear, inimical to prospects of success in a co-operative venture.

(B) FINANCIAL ASPECTS:

- (i) The cost of installing the refrigerating plant is estimated at £30,000 and
- (ii) of equivalent refrigerating space in a company's ship, at £20-25000.
- (iii) The estimate of expenses (p. 9 of the memorandum) to show a net return of 14/1 per sheep does not include shipping charges which it is suggested should be assisted either by a grant towards first cost of the refrigerated space or by way of annual subsidy. The Colonial Manager has shown me figures which suggest that if the Falkland Islands Company have to bear the cost of providing refrigerated space in one of their steamers freight from the freezer to Montevideo, where the product is to be transhipped, will work out at 2/1d per carcass. When onward freight, delivery and other charges have been met the final profit is likely to be substantially less than 10/- a head.
- (iv) This Administration certainly cannot afford any additional subsidies and is already finding the mail subsidy more onerous than it can reasonably afford to bear.
- (v) My despatch under reference dealt with this project as one which might command itself to the Colonial Development Corporation. On further consideration, however, I doubt if its speculative character would commend itself to the Corporation, for at first at all events, it would not be an economically justifiable venture. For similar reasons it cannot be financed by the colony, which, with an annual deficit, cannot afford to sacrifice its revenue from investments which may not be recouped, at any rate for some years, by profits from the refrigerating scheme.

The alternative might be to raise a loan: but here again the essentially speculative character of the venture appears to debar a legitimate issue backed by Colony credit: though I remain personally convinced of the ultimate success of the project and of its consequent benefit to the industry and to local prosperity.

(vi) This is, in fact, essentially a "developmental" rather than a commercial proposition and I beg, therefore, to refer to my Despatch No. 19 of 14th February 1947 (to which I have as yet had no reply) and to suggest the grant of an additional £50,000 from the Colonial Development & Welfare Fund. If this could be made I would propose to appropriate £12,500 to a 40% holding in the factory and to defray the whole cost of installing refrigerated space in the Company's ship, thus relieving the Refrigerating Company of charges which it would be unable to carry without making serious inroads in the farmers' profits which must hamper the development of the project and might indeed kill it altogether.

17 in 287/46

(vii) I have suggested a 40% holding in the factory as I think it is important that the latter should not appear to be dominated by the Falkland Islands Company.

(viii) It may be argued that the suggestion in my (vi) above represents assistance to a commercial undertaking and not to the Colony's economy but you are aware from my Confidential Despatch No. 24 of 5th July, 1947, that our communications problem is most acute and that there appears to be no practical solution to it. In return for the assistance rendered I should require the Falkland Islands Company who are the sole carriers to stabilise the mail subsidy at £6,000 per annum and the proposal would thus have the dual effect of fostering the Freezer project and of removing present uncertainties and recurrent difficulties in regard to communications with the River Plate and the outside world.

10 in 0327
"mail contract"

4. In commending this project for your consideration I do believe that its introduction will materially improve the Colony's farming economy, this being indispensable to its future development; it will also provide a small but growing contribution of meat from a sterling source. I remain of the opinion however that it must be regarded as only the first step in the general programme outlined in my despatch of the 17th October.

54 in 114/39

5. I should welcome an early reply to this despatch so that, in the event of its being favourably received an application may be prepared for assistance from the Colonial Development and Welfare Fund.

I have the honour to be,
Sir,
Your most obedient,
humble servant,

(Sgd.) NILES CLIFFORD.

YE

49 f 3

£ 1650

h
28.4

Thankyou. Mc
Pul by. 28 iv

29/7/48
29.4

Budget 29/4/48.

Letter from Mr. Cameron?

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

~~5877~~
55A

Number	Office of Origin	Words	Handed in at	Date
25	Port San Carlos	20	09.30	19.4.48

To GOVERNOR
STANLEY

REFERENCE YOUR WIRE OF APRIL 3rd AM IN GENERAL AGREEMENT WITH THE LINES OF YOUNGS
LETTER WRITING

CADRON

M. ABC

Time

Port San Carlos,

Falkland Islands, I. A.

April 18

1948

Dear Mr. Clifford,

There has been no opportunity of getting a mail away since the arrival of your wire so today I answered by wire to say that I was in agreement with the general lines of Young's letter concerning the freezer. I have no copy of it so I cannot give, nor would you want, a detailed commentary.

Precisely.
About the desirability of a freezer there can be no argument. In the native grasses lies the whole wealth of this colony; on them we must all depend for a living. The grasses can be converted into wool and skins, mutton, beef and hides, but of these only the wool, skins and hides can at present be marketed.

As I think I mentioned to you in Stanley I am by no means convinced that the project must prove successful, but I believe it is worth trying because in that direction, and so far as one can see in that direction only, lies any hope of a substantial improvement in the colony's economy. On the Coast as we know the effect of the freezers on the sheepfarming industry was revolutionary, and so it may well prove here.

Goose Green, because it already has a number of facilities not to be found elsewhere and is at the same time accessible to the bulk of the sheep, would seem to be the most suitable site and the Government, farmers and the FIC should have a voice in the control.

I am afraid that this letter contains nothing novel or helpful in the way of criticism or suggestion but I am assuming that you only want to know the general outline of my views.

I hear a rumour, perhaps quite unfounded, that you are shortly to ride round the farms. I hope it is true and we would look forward to seeing you.

Yours sincerely,

Norman Keith Cameron.

*Freager and put by. NCSA
Inc. 27. 74*

KIV. 57

57

Des from 11/4/39 to be ext. hndts.

Private

Mr. 23

Private and hnd hnd

A. E.
The Governor,
Government House,
Stanley.

DOUGLAS STATION,
SAN SALVADOR.

18/4/48.

57

Sir,

I apologize for the delay in answering your telegram, but until I received it I had heard nothing of Young's report on the Freezer project. I have now acquired a copy of same from Mr. Barton, and herewith submit my criticisms and suggestions.

I agree in principle to the scheme, and I am sure that a Freezer here would be beneficial to the Colony generally, and I should like to see one established as soon as possible.

Gosse Green is in my opinion, the obvious situation for one, subject to satisfactory agreements with the Falkland Island Co. Ltd. I consider that

1. The Company formed should be a Co-operative Society, each member having equal control in management, however few sheep he may be able to contribute to the works. *Impracticable?*

2. That the secretarial work should be undertaken by clerical staff supplied to the Works Manager for the season.

3. That Government should be asked as an outside party (i.e. not a supplier) to audit accounts, to supply meat inspectors and to settle any legal disputes. *Yes.*

4. That Government, in view of the necessary financial aid, should have a representative official in the Co-op., who would be able to advise the Co-op. re the aid and suggestions given by the Colonial Corporation, the Meat Control Board, etc..

5. That experienced butchers should be employed by the Co-op. for the killing season. Also a small experienced staff for drafting and classing the sheep. In view of the labour shortage in the Colony it would be impossible for farm managers to send men for any length of time at the killing period.

6. That shipment of sheep from the West Falklands should be at the expense of the Co-op., so that all farms share equally in the benefits. Also an agreement made with the shipping company before the season commences to ensure the prompt delivery of the West Falkland sheep.

7. That in view of the necessity to keep as low as possible the initial outlay, would it not be possible to enter into a contract with a freezer boat company operating down the Patagonian coast and the Straits of Magellan, to call at regular periods to collect the mutton. This would mean a larger storage chamber, but would save the considerable expense of converting either the S.S. "Fitzroy" or "Lafonia", and all the expense and difficulties of transshipment in Montevideo.

8. That the proposal for supplying frozen mutton for local consumption would not be beneficial to anyone. I doubt whether the people generally would accept frozen mutton for six months of each year when they have always enjoyed fresh. Local butchers would definitely be losers, as they augment their profits considerably by the sale of skins, hides etc.. The extra expense of a storage chamber in Stanley would depreciate any benefits obtained by the Co-op. I consider also that the comparatively small number of sheep consumed over the winter months would make very little difference to the farm supplies of fat mutton at the freezing period.

I have been accustomed on the Coast to farm both for wool and mutton and I see no reason at all why the project should not be as successful here as it proved to be over there.

I remain, Sir,

Your Faithfully,

W. H. McLeish
Manager,

Douglas Station Ltd.

*A lot of sense in this; I was not
impressed with the "cold store" proposal
but it may have to come nevertheless!*

P.P.

MC 29 iv

Y.E.

See (PB)

*but BU for my full
loan. MC 1/4*

58

YE

51

In view of 37 in 0288 in the
inform the C.D. Corporation that it
is not intended to submit the
further project for their consideration? (By
letter?).

4.5

Yes.

inc.

4

(I sent Storkdale who is Dy. Chairman
of the C.D.C. a copy of the Despatch
so he knows all about it.)

Done by
4/11

Don't know in this; in the same P.W.A.
"Surrender" with the other state properties
! and it is not to be used for the same purpose!

.99

inc. 88

(99) 200

Don't know in this; in the same P.W.A.
"Surrender" with the other state properties
! and it is not to be used for the same purpose!

12th May, 48.

Sir,

I am directed by the Governor to refer to His Excellency's telegram of the 10th of April, 1948, regarding the submission of a scheme for the establishment of a Freezer in the Falkland Islands and to say that it has now been decided that this project is more appropriate for assistance by the Colonial Development and Welfare Fund than consideration by the Colonial Development Corporation.

I am,
Sir,
Your obedient servant.

(Sgd.) A. B. MATHEWS

Colonial Secretary.

Secretary,
Colonial Development Corporation,
33 Dover Street,
LONDON, W.1.

BU 13/7/48

(Sgd) 13/7/48

DECODE.

TELEGRAM SENT.

No. 22.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 2. 5. 48 Time: 10.30 Received: 3. 5. 48. Time: 09.30.

51 No. 172. CONFIDENTIAL. Your Despatch No. 30 Confidential of April 26th. Export of meat. Proposals read with great interest but it is felt in the first place they must be considered by Colonial Development Corporation. The fact that scheme is speculative does not necessarily mean that Corporation would not undertake it. Section 15 of Overseas Resources Development Act requires Corporation's revenue and expenditure should balance, taking 1 year with another but since there are good grounds believing in ultimate success of this scheme, the possibility that it may incur an initial loss does not invalidate the proposals. Accordingly I would be grateful if you would submit proposals for transmission to C.D.C. on the lines indicated in my Despatch 17th December Circular.

15 un 0211-
Qd Des 2
Overseas
Corporation
2. In submitting your proposals the following points should be more fully explained (a) estimated price which farmer will expect for his sheep at Goose Green (b) particulars of onward freight delivery and other charges at Montevideo (c) an explanation of cost of freight charges from Falkland Islands to Montevideo quoted at 3s/1d per carcase (d) as it is most unlikely Ministry of Food would be prepared or even able to enter into a long term guarantee of 10 years purchase an amplification your views regarding need for a long term agreement is required.

16-27 3. In the meantime the proposals in your Despatch No. 30 and Young's memorandum are being passed to Corporation who are being warned to expect your further proposals.

?
(L.H. done)
4. I regret ^{despatches} details mentioned in your Despatch under reference have not been acknowledged before and am looking into matter.

see 73

SECRETARY OF STATE.

G.T.C.
L.H.

pp (Intld) A.B.M.

... to see nothing further ...
... Department Policy ...
... report.

back up ...
about ...
110

28

Very early action please on X and on para 2 of reverse;
I wish to discuss with Morris Roberts & Barker as joint
Chairman of the SOA.

2. I shall require the following information to take him into account:

- | | <u>Farm</u> | <u>Acres</u> | <u>Total sheep carried</u> | <u>Total cattle</u> |
|-------|--|--------------|----------------------------|---------------------|
| (i) | Name (+ proprietor) | " | " | " |
| (ii) | Total of sheep slaughtered each year over the period 53 | | | |
| | (a) for consumption (b) culling & throwing on the land (c) rendering down for tallow | | | |
| (iii) | Total of cattle slaughtered each year over the period 3 | | | |
| | (a) for consumption (b) culling & throwing on the land. | | | |
| (iv) | Total of wool shopped each year 45-46-47-48 (est) and aggregate price. | | | |
| (v) | Total of hides returns similarly. | | | |

MC 6vi

From 1947 Stock Returns.

<u>Name of Station.</u>	<u>Owner.</u>	<u>Total sheep</u>	<u>Total cattle.</u>	<u>Acreage.</u>
Moody Valley.	C.P.Bender.	1,372.	25	7,775
San Carlos.	Estate G.Bonner.	24,402	603	90,504
Salvador.	Pitaluga Brothers	16,051	195	81,951
Darwin & Lafonia.	F.I.Company Ltd.	163,685	3,861	764,501
Fitzroy	" "	37,104	932	152,446
Berkley Sound	Smith Brothers	15,400	243	52,578
Peninsula.	J.W.McGill.	120	---	1,800
Mullet Creek	" " &			
	Mrs N.S.Browning.	1,250	24	4,521
Bluff Cove.	Mrs F.O.Yonge.	3,155	8	30,628
Port Louis.	Estate T.Robson.	11,795	166	39,500
Douglas Station.	Douglas Station Ltd	22,931	274	153,295
Port San Carlos.	Port San Carlos Co.			
	Ltd.	27,258	600	82,880
Evelyn.	Estate J.J.Felton.	24,427	232	141,701
Rincon Grande.	Estate H.J.Pitaluga	9,905	79	24,479
Port Howard.	J.L.Waldron Ltd.	33,454	738	180,000
Hill Cove	Holmstead & Blake			
	& Co. Ltd.	28,562	341	143,124
Port Stephens.	F.I.Company Ltd.	30,898	757	234,910
Fox Bay East.	Packe Bros. & Co			
	Ltd.	27,430	308	177,839
Chartres.	Luxton & Anson.	23,953	480	131,147
Fox Bay West & Spring Point	F.I.Company Ltd,	27,202	295	168,665
Roy Cove	Bertrand & Felton			
	Ltd.	15,082	205	77,628
Weddell Island	John Hamilton Ltd.	5,153	50	65,748
Beaver "	" "	955	25	13,480
Passage "	" "	358	5	6,480
Hummock "	J.J.Davis	270	---	---
Pebble & Keppel Island	Dean Brothers.	20,368	260	47,847
Jason Islands.	J.J.Davis	2,223	---	---
Saunders "	John Hamilton Ltd.	8,046	40	32,000
Carcass "	J.Hansen.	2,502	16	---
New Island.	Geo. Scott	2,341	20	5,946
Sea Lion Island	W.J.Hutchinson.	1,686	31	2,548
West Point Island	Mrs Napier	2,683	20	2,700
Speedwell Group	F.I.Company Ltd.	12,115	364	24,755
<u>Total</u>		<u>604,136</u>	<u>11,197</u>	<u>2,943,371</u>

Totals sheep slaughtered.

	<u>Mutton.</u>	<u>Tallow.</u>	<u>Skins.</u>	<u>Total.</u>
1944-45	22,501	16,734	28,959	68,194
1945-46	23,066	15,534	30,347	68,947
1946-47	23,960	17,135	31,744	72,839

Little - no statistics other than above available

7E.

51 with 60 herein and (54) in
114/39 whose existence was brought
to the notice of the C.D.C. at 37
in 0288 [cf. also 60 §3].

2. I have ~~not~~ ^{asked} ~~for~~ ^{him} ~~to~~ ^{for} the ~~with~~
regards in 60 §2 ~~at~~ (a) (b) (c),
in the meanwhile submit them for
H. E. will wish to see before the
discussion with the Hon. Robert Barker

9.6

(Action in 61 §2 later).

A.C.

H.E. saw the Hon. Robert Barker
yest. No for. process
with 61 §2 early.

9.6

Just looking for the...
 Question of...
 Other...

63
YE

61 A given information required is
61 § 2 (i) - (ii).

2. As to (iii), it appears that
no record of cattle slaughter is
kept. But this remark is typical
of approx. figures.

3. (iv) Re. see 0542/3. This
remark is furnishing me with 1946/47
figures.

4. (v) And also of lice - skin.

5. I have made (v. rough) outline
on the basis of § 13 of 23 in 0288.
of an 'application'. Re. C.D.C.
has this 'jump' memo. - E's D.
(§ 3 of 66) - we need not to v.
elaborate?

22.6

(Missing figures shd. be available
to day).

This should save but we must also include
provision for getting sheep over from the West - a
Tacklandy Craft would save admirably?

No - I shall be
discussing with
Sir F. Stockdale.

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" RADIO.

Stanley

22nd June

1948.

The Honourable,
The Colonial Secretary,
STANLEY.

Sir,

F R E E Z E R

With reference to your verbal request for certain figures regarding (a) Price Farmers would expect to receive at the Freezer at Goose Green. (b) Estimated freight and charges to Montevideo. (c) Explanation of the figure of 3/0 per head freight?

(a) West Falkland Farmers prefer to have their sheep priced on their Farms and would expect at present 15/- per head for Wethers and 12/- for Ewes.

To this must be added the cost of getting them to Goose Green. In the Canning days 1914/1919 West Falkland sheep used to be shipped from Port Howard to Egg Harbour for 1/- per head. This is the present rate by Cutter for short journeys.

As Freezer sheep would need careful handling and substantial pens, it would be safe to assume 2/- per head, especially as West Falkland Farmers are undecided as to the best method of shipping.

This means :- 17/- for Wethers and 14/- for Ewes.

Punta Arenas quote Farmers as having been paid an average price per head for Lambs \$110, Hoggets Wethers and Ewes \$130 at exchange \$145 to the £. This is equivalent to Lambs 15/2, Hoggets Wethers and Ewes 17/11 at the Freezer. Practically no sales have been effected on a weight basis.

b. Freight to Montevideo. At present rates to Montevideo of 48/- per ton weight/measurement the rate per carcass would be 3/0 $\frac{3}{4}$ per head calculated on a basis of 47 carcasses per ton weight stowing at 120 cubic feet per ton. If telescoped and stowing at 85 cubic feet per ton, 2/2 per head.

Transshipment Charges at Montevideo. Should not be more than 3/- per ton or say 3d. per carcass provided direct discharge ship to ship is arranged.

c. Details of the figure of 3/0 per head given to His Excellency.

This was not strictly freight but represented overhead charges which would have to be included in freight if the carrying vessel paid the cost of installing Refrigerated space and machinery.

The figure given by Mr Young was £20,000 to £25,000. I used the mean figure of £22,500, making allowance of 5% each for interest and on Capital and Depreciation, that is, a sum of £2,250 as an annual charge, which, assuming an output of 15,000 carcasses per annum represents 3/- per head making a total of 6/1 $\frac{1}{2}$ per carcass freight and charges, as follows :-

Overhead charges	3/-	per head
Freight at present rates		
on ordinary cargo	3/0 $\frac{3}{4}$	"
Transshipment at M.V.	-/0 $\frac{3}{4}$	"
	6/1 $\frac{1}{2}$	per head.

There remains the question of Marine insurance on the installation, which at £4.4.0 per cent per annum, the current rate, should be a charge included in Freight, making a further 1/3 per carcass.

The above is probably too conservative as it takes into account the lowest output and takes no account of cattle or offals.

FIG of head
Kum 6/- at
Goose Green
for better
They would be
happy to
accept 10/-
or I can much
montevideo.

see 23

66

24

Taking Mr Young's figures on page nine of his paper we have :

18,000 sheep averaging 47½ lbs	=	855,000 lbs
500 cattle		300,000 "
Offal	say	2,050 "
		<u>1,157,050 lbs</u>

1,157,050 lbs meat + 47½
= say 24,360 carcasses at 47½ lbs average.

This presents a different picture as regards cost of overheads and of Marine insurance per sheep weight. Using the figure 24,360 gives an overhead charge for interest and depreciation of 1/10&1/6th d. which would become smaller as production increased. This would also reduce the charge for Marine insurance of ship's installation to 9 7/24 d. per head to be added to freight and transshipment charges which would otherwise remain constant as above at 3/1½.

In the event however of the Government bearing the whole cost of the ship's installation interest charge would disappear, depreciation could be deferred until it could be seen what the whole venture could bear, there would remain the insurance charge of 9 7/24 d. This might be borne by the venture as a whole but would be the same in the long run.

Hides. Shipped in 1945 1946 1947 1948 to June.
nil. 1172 1998 695

an average over the 3½ years of 1104 hides.

Sheep Skins. Shipped in 1945 1946 1947 1948 to June.
72,790 86,674 63,582 36,313

an average over the three years of 74,102 skins.

No explanation can be offered as to why no hides were shipped in 1945 except that during the war years hides were in little demand and prices were unattractive.

The average number of sheep killed per annum during the years 1941/6 inclusive was 77,675 and for every animal killed there is usually a skin exported less a very small number used locally.

The annual figures as taken from the Stock returns are shown on page three of Mr Young's letter.

I have not taken the year 1940 into account as some sheep were shipped to Punta Arenas and it is not clear whether these have been included in the number killed for that year.

Wool. The amount of wool shipped for the 1946/7 clip was 4,419,089 lbs.

If any further clarification of figures should be required, I shall be happy to assist.

It should be understood that the freight rate given is the present rate for ordinary cargo. My Company may wish to add something for maintenance of the installation as well as the Marine insurance charge, and may also consider giving a rebate.

I have the honour to be,
Sir,
your obedient servant,

John Robert
Manager.

with thanks

Ackd. 22/6/48

U.

Q.

with 248 248 248 248 248 248 248 248 248 248

67

YE.

65-66 - furnish figures for Shick Ceph.
Robert has been awaiting some material
from P. Amos.

2. Cattle There is no record of
numbers slaughtered but at 66
"Hides" shows that we may require
a 1200 +. Ceph. R. is looking
up pre-19⁴⁵~~39~~ figures.

In M. Young's
memo possibility.

3. 60 § 2(a) with ϕ a 23. I can
find no specific reference to the
10-year guarantee in YE's D.

4. Now type the figures asked for
at 61?

by
23.6

P.S.

<u>§ 2 Survey</u>	1939	754
	40	1468
	1	724
	2	we
	3	1743
	4	1692

Average 1083. It is clear

that 1000 beef carcasses are used

in weight. (per annum) by

But they may
not all be
Freyer quality?

500 w. I think, Young's figure? MC 23.6

68

A

Complete figures at 61st pt. also.

I will discuss 65-67 with SOA.

M.C. 23
Viacc
for each
✓
61 54 (see
67 54) ✓

B

yes.

- (61) (i) complete
 (ii) ~ to ~
 (iii) cattle statistics not available - shall we
 show (vide yr. 67 para 2) ?
 "cattle available annually = 1200 approx" ?
 (iv) wool shipped annually invariably differs with
 sales due to overlapping years. What reliable
 figures to quote wd. be as typed on page
 2 1/2 under ?
 (v) hides & skins - prices not available.
 Wo. shipped are shown as supplied
 by Capt. R. (see 66)

P.

246.

A

C.

- i Tallow ? (already reported but to be shown separately).
- ii Hides & Skins ?

3. Have we details of exports of these? And of market value?

inc. 27
vi

DBS.

B.

H.B.'s note Yunder:-

- (i) Tallow. Shipment figures are available & have been typed on p. 2. Price realised not available - but last quotation from B/AA was £95 per ton wh. has been quoted.
- (ii) Hides & Skins. Shipment figures shown on p 2 (from Capt. R's 66). Prices are again not available.

296.

X X

DBS.

Re see 69-70 herein

Re see 69-70 herein (Hides & Skins) 296

COLONIAL DEVELOPMENT CORPORATION

33, DOVER STREET,
LONDON, W.1.

19th May, 1948.

My dear Clifford,

no copy?
51-55

Thank you for your letter of 26th April which related to the proposal to establish a freezer in the Colony. I also received a copy of your despatch of the same date to the Colonial Office. This despatch came in a few days before I saw Mr. Young of the Falkland Islands Company, but your personal letter did not reach me until after I had had my discussions with him.

16-27

At our meeting Mr. Young handed to me a copy of his memorandum, and he said that the Falkland Islands Company would be prepared to agree to the erection of a small freezer at Goose Green, and would act, if required, as the agent of the Falkland Islands Government or of any Company which might be formed to operate the freezer.

He also said that the Falkland Islands Company were seriously considering the building of a new ship for service between the Falklands and Montevideo, and that they would be prepared to have this ship equipped with refrigeration space for 250 tons of meat if arrangements could be made to cover the interest and amortization of the additional expenditure which would be involved if this refrigerating space were made available. This he estimated at between £20,000 and £25,000.

From your despatch to the Colonial Office it would seem that the freezer project may have to be regarded as developmental rather than commercial during the first few years. I always expected that

His Excellency G. Miles Clifford, C.M.G., O.B.E.

-2-

this would be the case, but I anticipated that once the freezer was erected, the number of animals put through it would rapidly increase. Mr. Young, however, in his discussion said that whilst he was personally very keen to see the freezer erected, he could not see that it would become commercially profitable for the first few years, and he doubted whether the other Directors on his Board would be as desirous as he was of seeing the freezer installed. He did, however, intend to try and persuade them that in the interests of the Island and of his Company, the establishment of a freezer was essential.

see HP 9
71

The next step in these proposals is for the Colonial Office to determine to what extent Colonial Development and Welfare monies can be made available for this freezer project for the Falklands and for the refrigeration shipping space. If we hear nothing from them in the course of the next month or so we will ring them up and try and stimulate them to action. Possibly you could do something from your end by sending a cable asking that the matter receive early attention.

It might interest you to know that this Corporation places meat processing plants in a high category, and we would be quite prepared to discuss the question with the Colonial Office should they invite us to do so.

With kind regards,

Yours sincerely,

F. A. Stockdale

F. A. Stockdale.

71
C2

There seems to be a slight disharmony between 60 and 69 while the despatch in 0040 reminds us that such schemes cannot be assisted both from the CDC + from COW.

Let us now send application as requested in 60 and supply the additional information sought and I will take the file (with figures at foot cases) home for discussion with Sir Frank Stockdale and Mr Young et al.

It will be desirable to ascertain how much capital FIC and others are prepared to put up.

MC. 1 VII

Y.E.

At core:-

Int D. to Hs for com. pr

2. Lp requires a 61 — to be
amended as in pencil w.r. to
cable.

3. ? mention Salomon's in Int
D?

✓
S.7

I don't think so
as we have no
firm indication of
these intentions. I
will mention —
discussion.

mc.

STANLEY.

5th July, 1948.

FALKLAND ISLANDS.No. 64.

Sir,

60
76477
I have the honour to refer to your telegram No. 172 of 2nd May, 1948, and to enclose herewith for the consideration of the Colonial Development Corporation proposals for the establishment of a freezer in this Colony.

65
2. With regard to the points raised at (a) (b) and (c) of the second paragraph of your telegram I append an extract from a letter from the Colonial Manager of the Falkland Islands Company:-

"(a) West Falkland Farmers prefer to have their sheep priced on their farms and would expect at present 15/- per head for Wethers and 12/- for Ewes.

To this must be added the cost of getting them to Goose Green. In the Canning Days 1914/1919 West Falkland sheep used to be shipped from Port Howard to Egg Harbour for 1/- per head. This is the present rate by Cutter for short journeys.

As Freezer sheep would need careful handling and substantial pens, it would be safe to assume 2/- per head, especially as West Falkland Farmers are undecided as to the best method of shipping.

This means:- 17/- for Wethers and 14/- for Ewes.

Punta Arenas quote Farmers as having been paid an average price per head for Lambs £110, Hoggets Wethers and Ewes £150 at exchange \$145 to the £. This is equivalent to Lambs 15/2, Hoggets Wethers and Ewes 17/11 at the Freezer. Practically no sales have been effected on a weight basis.

(b) Freight to Montevideo. At present rates to Montevideo of 45/- per ton weight/measurement the rate per carcass would be 5/0³ per head calculated on a basis of 47 carcasses per ton weight stowing at 120 cubic feet per ton. If telescoped and stowing at 85 cubic feet per ton, 2/2 per head.

Transshipment Charges at Montevideo. Should not be more than 3/- per ton or say 1d per carcass provided direct discharge ship to ship is arranged.

(c) Details of the figure of 5/- per head given to His Excellency. This was not strictly freight but represented overhead charges which would have to be included in freight if the carrying vessel paid the cost of installing refrigerated space and/

and machinery.

The figure given by Mr. Young was \$20,000 to \$25,000. I used the mean figure of \$22,500 making allowance of 5% each for interest on Capital and Depreciation, that is, a sum of \$2,250 as an annual charge, which, assuming an output of 15,000 carcasses per annum represents 3/- per head making a total of 6/1 1/2 per carcass freight and charges, as follows:-

Overhead charges	3/- per head
Freight at present rates	
on ordinary cargo	3/- 4 "
Transshipment at N.V.	-/0 1 "
	6/1 1/2 per head.

There remains the question of Marine Insurance on the installation, which at 24. 4. % per cent per annum, the current rate, should be a charge included in freight, making a further 1/3 per carcass.

The above is probably too conservative as it takes into account the lowest output and takes no account of cattle or offals.

24

Taking Mr. Young's figures on page nine of his paper we have:

15,000 sheep averaging 47 1/2 lbs	= 855,000 lbs
500 cattle	300,000 lbs
offal	2,050 lbs
	<u>1,157,050</u>

1,157,050 lbs meat @ 47 1/2
= say 24,360 carcasses at 47 1/2 lbs average.

This presents a different picture as regards cost of overheads and of Marine insurance per sheep weight. Using the figure 24,360 gives an overhead charge for interest and depreciation of 1/10 and 1/6th d. which would become smaller as production increased. This would also reduce the charge for Marine insurance of ship's installation to 9 7/24 d. per head to be added to freight and transshipment charges which would otherwise remain constant as above at 3/1 1/2.

In the event however of the Government bearing the whole cost of the ship's installation interest charge would disappear, depreciation could be deferred until it could be seen what the whole venture could bear, there would remain the insurance charge of 9 7/24 d. This might be borne by the venture as a whole but would be the same in the long run."

3. As to (a) I would remark that the Falkland Islands Company last season offered only 6/- per head for sheep for tallow at Goose Green. I consider that

the/

the figures of 15/- and 12/- might be materially reduced and that farmers would not be ill-content with an appreciably lower figure - say to an average of 10/- per head.

4. as to (c) "conservative" in the fourth paragraph should I think read "liberal".

I have the honour to be,
Sir,
Your most obedient,
humble servant,

(Sgd.) MILES CLIFFORD.

(a) Brief description of Project.

- (a) The installation of a freezing plant at Goose Green utilising, by arrangement, existing buildings (a former canning factory) belonging to the Falkland Islands Company, which would be capable of processing and storing from 200-250 tons or approximately 10,000 carcasses at a time; and
- (b) the provision of equivalent refrigerated storage capacity in one of the Company's steamers so that the total output of the freezer could be cleared in one shipment.

It is further intended to take over the Falkland Islands Company's try-works to render down for tallow carcasses found to be unfit for freezing.

For further details please see Memorandum by Mr. L.W.H. Young, Managing Director, Falkland Islands Company, which it is understood has been passed to the Corporation by the Colonial Office.

(b) Time Expected to take for Execution.

2 years - but it is very desirable to reduce this period if possible.

(c) Estimated productivity of project.

15,000 sheep and 500 beef carcasses initially rising to 50,000 and 1,000 beef carcasses.

(d) Availability and quality of Labour.
(including housing and necessary services therefor).

Present Falkland Islands Company staff employed at Goose Green would require augmentation for the killing season. This should not present difficulty and accommodation could be arranged.

(e) Requirements and local availability of supervisory and technically qualified staff.

The plant would need to be installed by an engineer experienced in the erection of Freezers and could thereafter be maintained by the Falkland Islands Company's engineer at Goose Green.

(f) Nature of plant and equipment required, and amount available in colour.

See (3) and (h) of Mr. Young's memorandum.

The existing building (former canning works) would be converted; they would need virtual reconstruction. The try-works would probably require extensive overhauling and refit, the buildings being in a poor state of preservation.

(g) Preliminary Estimate of capital costs.

See (4) of Mr. Young's memorandum: total expenditure on conversion and plant generally £30,850.

Installation/

Installation of refrigerated space on carrying vessel
£20,000 - 25,000.

(See (8) of Mr. Young's memorandum. Allocation of cost awaits consideration).

(h) Transport, Power and Water Supplies.

See (8) (4) and (5) of Mr. Young's memorandum.

(i) Whether Colonial Government is prepared to participate in management or finance it.

Yes. It is suggested that the Colonial Development Corporation should grant £50,000.

(j) The Falkland Islands Company will assist in management and in finance, and the general co-operation of the sheep farmers is assured.

(k) Market - United Kingdom. See also (8) of Mr. Young's memorandum.

(l) Principal obstacles, risks and difficulties.

The project is necessarily speculative in character but there are good grounds for believing in its ultimate success.

In conclusion I consider it would be most desirable to obtain the services of an expert to visit the Colony during the next killing season and render an impartial report on the possibilities.

Q.

I had 3 discussions with the Chief Planning Officer
his technical assistant, the last attended also by Mr Young.

2. At first blush the reaction was a little tepid
but gradually 'warmed up' and by the end of the
2nd meeting things began to look very hopeful.

3. I have suggested that the Corporation send out
an expert towards the end of January, who should
tour the farms during the shearing and killing seasons.
He will also investigate the question of suitable sites
for the Freezer.

4. Meanwhile alternative methods of lifting the
product are being investigated.

5. Mr. Young pressed the point that F.I. farmers
would expect equivalent prices to those now being paid
on the Coast but I felt that they would be prepared
to accept something less in the earlier stage of the scheme
in view of the fact that F.I.C. at present only offers
6/- on the hoof in which they get both fallow returns.

6. He also emphasised the need for a guaranteed market
but with the present and prospective world shortage of
meat this appeared to be somewhat academic.

2. Take possibilities of increased ^{supply of} carcasses around inland-
the 21x

A.

79

YE

B. in acc. with 18p 7 78.

B.

6.7

Circulate in Ex. Co. f.i.

MC 6
X 4

C.

Hon. Shuo

Hon. Dr. J. C. Hamilton 13-4-48

Hon. Mr. D. W. Roberts. 14/10/48

Hon. Mr. R. H. S. Winter. Rk. 15/10.

Hon. Mr. A. G. Barton. 2.3B. 13/10/48.

Circulated for your
information, pl.

Notes, with much in (hand).

14/10/48.

W. J. C.
9. X. 48

Bu.

18.12

19.7

Extract from "Matters for discussion by H.E. at the Col. Off."

(Original filed in 0762 Official visit by H.E. to U.K.)

Blind
25X

IV. Freezer

0583
(to acc. H.E.)

Proposal for establishment
of a Freezer with Col. Rev.
Corp. assistance.

Discussions
were encourag-
ing.

Discussed with Weekes; Exec-
utive Officer (Plans) C.D.C.
Much interested. To send
expert out in Feb-Apr. 51%
holding shipping.

Ans

Re. attach paper by Li-Ton

Normis Sh 14-12-48 and Dec. 1948.

Re see app below 8.8/48.

18/12

YE.

This is all relevant to the
paper by Mr. Tom Norris. See
see pp. below. $\frac{L}{20.12}$

Vary.

See below.

Inc. $\frac{20}{21}$

details.

YE.

para. 3 of 78.

spoke of attack on the line.
 $\frac{L}{21.12}$

Issue. Inc. $\frac{21}{22}$

DECODE.

TELEGRAM.

From His Excellency the Governor.

To Colonial Development Corporation.

Despatched : December 21st 19 48 Time : 16.15.

Received : 19 .. Time :

Freezer. Glad learn when expert expected to tour farms during shearing and killing seasons will arrive Montevideo whence no repeat no opportunity southward for at least one month after mid-January.

2. Suggest he fly out to catch latter.

GOVERNOR OF THE FALKLAND ISLANDS

G.T.C.

LJH

By 10/11/48
L
23

freight 0588
Copy filed in 0497
whaling in Port Tilbury
82

PERSONAL AND CONFIDENTIAL.

GOVERNMENT HOUSE,
STANLEY, FALKLAND ISLANDS.

4th January, 1949.

My dear Stockdale,

I was sorry to miss you during my brief visit to England last summer, but shall look forward to seeing you when I go on leave in June. You will have heard that I had talks with Weekes and the Corporation has recently sponsored Tilbury's sealing venture. Tilbury père created so unfavourable an impression with my Colonial Office colleagues and myself, it never occurred to me that the Corporation would entertain assistance to the venture; the son is of very different calibre and since you are to retain full financial control the affair should prosper. Incidentally, this unforeseen intervention has cost the Colony a £½ million investment by Ryan of Pesca who was prepared to establish a British company here to carry on both sealing and whaling.

1933 I am myself a good deal more concerned about the Freezer project and am awaiting news of the visit of your expert; he ought to be here by February at the latest. Meanwhile, looking through a pile of old papers (left by one of my predecessors in a cupboard) I found the enclosed which will interest you and which has an important bearing on this matter. Morris, its author (he wrote a book called "Practical Sheep Farming" which you may have read), was brought down here to judge at the Centenary Livestock Show in 1933 and although he was here only two or three weeks and his views may have been a little coloured, perhaps, by the show specimens he saw, his paper contains by general consent a lot of common sense. That the Colony is capable of producing mutton and beef carcasses in progressively greater quantities I have no doubt whatever, but that will depend on long-term improvements and a radical re-orientation of farming methods which must take time; the establishment of a Freezer is in my view a pre-requisite to the introduction of such improvements, i.e. the farmer must have, as incentive, an assured outlet for his surplus.

I don't think that Morris's suggestion of a peripatetic Freezer, attractive as it may sound, is commercially feasible, but what does appear equally attractive and much more practicable is to combine freezing with whaling from a shore station at Albemarle in the West Falkland; both factories could be on the one site (Albemarle is a Government Reserve and ample holding ground can be made available) or, alternatively, the Freezer could be at Darwin and the whaling venture at Albemarle could provide the shipping for the former. Darwin, as you may recall, was suggested by Young of the Falkland Islands Company because - as he claimed - it was central and the F.I.C., who own getting on for 2/3rds of the surplus of the East Falkland, have an old canning factory there which he proposed to convert. There are, however, certain objections to it - lack of water for operating the plant (not insuperable) and the fact that no ship could get alongside; it would be necessary to load from scows and this would add to the "overheads". My own view is that whatever the plant is established farmers (including the F.I.C.) will take their surplus to it provided the price is sufficiently remunerative. If, therefore, the Corporation were to pursue the whaling proposition in which it has expressed interest it would be in the interest of economy to concentrate both operations at Albemarle. I think, too, that a small canning factory should be incorporated to dispose of bruised carcasses unfit for freezing; animals unfit for canning could be rendered down for tallow - the F.I.C. has small "try works" at Port Stephens close at hand which is not used and which could doubtless be acquired at a reasonable figure. The important thing is to

Sir Frank Stockdale, K.C.M.G.,
The Colonial Development Corporation,
Rover Street,
LONDON, W. 1.

exploit/

Reply at 129

83

exploit the whole of the available surplus?

As to whaling, which ceased in these waters in 1915 because pelagic whaling in the Antarctic offered greater scope, my analysis of such records as were kept indicates that at present prices a resumption would prove to be a very profitable undertaking. All the evidence tends to suggest that the whale population around these coasts has increased considerably while even in those far-off days Salvessens' must have been averaging at the very least 1,000 tons of oil in the season and in those days, too, no attention was paid to the valuable by-products. Our most numerous species is the "Sei" which was highly esteemed by the old whaling men for the quality of its meat. An additional advantage for the Colony is that the whaling factory would provide a readily accessible source of fertilizer for the sheep farms.

If this project should materialise the Administration could then justifiably introduce a Land Tax, not as a revenue measure but returnable in full against the completion of approved schemes of land betterment (fencing, ditching, new housing, etc.) so as to compel absentee owners to put money back into the industry. Then, too, it could return to the question of an Experimental Farm which is at present unacceptable to the farmers. The latter appear to have got hold of the idea (an F.I.C.-inspired rumour, it is said) that the Corporation is no longer "interested" and they are somewhat downcast; I have, of course, contradicted it.

Yours very sincerely,

(Sgd) MILES CLIFFORD.

Copy to 0497

84

Whaling F.I. Tisbury

PERSONAL & CONFIDENTIAL.

6th January, 1949.

My dear Bennett,

I enclose for your information a copy of a letter and enclosure which I have recently addressed to Stockdale. I trust there is nothing in the rumour to which I have referred at the end.

Yours sincerely,

(Sgd) MILAS CLIFFORD.

See 108

J. S. Bennett, Esq.,
The Colonial Office.

WM.

Ch.
1/1

ca
H
H

DECODE.

TELEGRAM.

0588.

From Mr. Weekes, Colonial Development Corporation.

To The Colonial Secretary.

<i>Despatched :</i>	10th January,	1949.	<i>Time :</i>
<i>Received :</i>	11th "	19	<i>Time :</i> 1000

No. 656. Mr. Tinker left by air on 10th to investigate Freezer project. Arrives Montevideo on 12th (r) 12th to catch first available boat. Grateful if you would afford him every assistance and guidance in his investigations.

WEEKES.

See 86-88

P/L.
WH.

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

86

Number

Office of Origin

Words

Handed in at

Date

11.1.49.

To

BRITAIN MONTVIDEO

Following for Captain, H.M.S. "Sparrow" Montevideo

Request you bring Mr. Tinker who arrives air 12th stop Priority

over (En

COLONIAL SECRETARY.

see 85
KJ

Time

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

87

Number

Office of Origin

Words

Handed in at

Date

11.1.49

To

MACSTAPLE MONTEVIDEO

Please arrange accommodation "A" Class Mr. Pinker arriving
air twelfth and contact him with Captain R.M.S. "Sparrow"

See 85

COLONIAL SECRETARY.

H.
M.

Time

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

Number

Office of Origin

Words

Handed in at

Date

11.1.49.

To

BRITAIN MONTEVIDEO

Following for Mr. Tinker begins

His Excellency would like you to stop at Government House
on first arrival ends

COLONIAL SECRETARY.

Time

0588 89

The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851)

REGISTERED 1902.

INLAND & FOREIGN TELEGRAMS:
"FLEETWING" WEYBRIDGE.

TELEPHONE No.: WEYBRIDGE 2100.

AIR MAIL.



"SOUTHERNHAY,"
AVENDISH ROAD,
WEYBRIDGE,
SURREY.

Dear Governor,

19th November, 1948.

Thank you for your letter dated 12th September and enclosure. We are very sorry to hear that Mrs. Clifford is not well.

"Fitzroy" is making slow progress but should complete by the end of the month. I hope she will sail not later than 11th December. I am joining her at Montevideo but shall only be able to make a short stay in the Colony this season.

Yes | I have not seen Barton. With regard to the Freezing project, Mr. T.P. Jones, who has been Manager of the Rio Seco Frigorifico for many years is Home, and I arranged for him to meet Sir Frank Stockdale as I felt that his special knowledge and the fact that he had purchased and frozen Falkland Islands sheep would be of interest. I quote from Sir F. Stockdale's letter written to me after they had met :-

"You suggested in the middle of October that I should see Mr. T.P. Jones, who has been Manager of the Rio Seco Frigorifico for several years. Mr. Weeks, our Controller of Plans, and I saw Mr. Jones on 28th October and we had a most interesting talk with him. There is no doubt that he has had most valuable experience in the freezing of mutton and that what he told us was of great interest. He said he was convinced that the erection of a freezer in the Falkland Islands could be a sound proposition, and that it might lead to a considerable advancement of the sheep industry of that Colony. I am most grateful to you for suggesting that I should see him and am also grateful to Mr. Jones himself for all the useful information he gave us."

90 With regard to the shipping of frozen meat, I enclose copy of a letter which I wrote to the Colonial Development Corporation after I had discussed these matters with the New Zealand Conference and the Royal Mail Lines.

Mrs. Young joins me in sending you both our kindest regards and all good wishes for 1949.

Yours sincerely,

His Excellency
G. Miles Clifford, C.M.G., O.B.E., E.D.,
Port Stanley,
Falkland Islands.

10/1

Colonial Development Corporation,
33, Dover Street,
London, W.1.

19th November, 1948.

Dear Sirs,

Falkland Islands
Project to freeze Mutton

It will be recollected that I undertook to go into the possibility of refrigerated vessels calling at the Falkland Islands to lift frozen meat.

This has been discussed with the New Zealand Conference and the Royal Mail Lines.

Useless. The New Zealand Conference are not very interested. They would not consider sending their vessels into Choiseul Sound to load but would only load in Port William. This would necessitate a haul of about 60 miles if the freezer was located at Goose Green. Their idea of freight was a little higher than the New Zealand - U.K. rate on the grounds that the space reserved for the Falkland Islands could be filled in New Zealand.

The Royal Mail Lines were definitely interested and were not opposed to Choiseul Sound loading. They would utilise vessels loading meat at Patagonian and Straits Frigorificos. They might wish to load a whole production in one shipment. Rates of freight were not discussed.

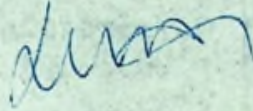
It would probably be necessary to provide insulated lighters to work between the shore and ship.

I arranged for Captain White of s.s. "FITZROY", at present in England to meet the Marine Superintendents of the New Zealand and Royal Mail Lines and discuss with them matters pertaining to navigation around the

91
Falkland Islands and his assistance has been most useful.

I am leaving for the Falkland Islands about 21st December and expect to be back in England at the end of March.

Yours faithfully,



Managing Director.

BU 9/1/49
2/13/1

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

92

0588

Number	Office of Origin	Words	Handed in at	Date
				18.1.49
To				
WESTERS				

Colonial Development Corporation representative arriving in "Titazoy" and it is hoped depending on time available that he will make extended tour of Camp returning to Darwin for killing season stop if agreeable to you Governor contemplates sending him first to West Falkland stations starting at Fox Bay and proceeding via Port Stephens around west coast finishing at Port Howard thence to Lefonia Darwin northern stations and so back to Darwin stop Grateful your observations and for any assistance you can afford him.

COLONIAL SECRETARY

Reply at 93

FAWK 224

Time REL

93

GOVERNMENT TELEGRAPH SERVICE.
FALKLAND ISLANDS AND DEPENDENCIES.
RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
210	Fox Bay Stat	40	20.30	20.1.49
To	Colonial Secretary	Stanley		

92

Your telegram re CDC representative we suggest best port at which to start the West tour would be Portstephens to avoid retracing route stop We shall be very pleased to assist this gentleman during his tour.

Westers

*Leahy. commencing
leave for Stephens introduction. Collecting sick
case booklet for Fox Bay to connect Japania.*

see 94

C.J.

Time

0588
GOVERNMENT TELEGRAPH SERVICE.

94

FALKLAND ISLANDS AND DEPENDENCIES

S E N T.

Number

Office of Origin

Words

Handed in at

Date

0588

22.1.49

To

WESTERS

H.C.A.C.

Regret commencing Iuri Stephens impossible stop collecting
sick case Weddell for Fox Bay to connect "Lafonia"

COLONIAL SECRETARY.

see 93

10/11
K.H.
25/1

WL.

Time

.....

It is good news that the freezer expert is on his way, I am sure managers will give him every possible assistance. Much will depend on the impression he gets of the country and the stock. An excellent summer has largely offset the effects of a hard winter and spring - only so far as the condition of the sheep is concerned - and he should see some good flocks on his way round. We shipped two thousand wethers to Punta Arenas, big, strong sheep but they must have had a rough passage and I fear some will have been lost. We pay 10/- freight on them and I am told that they may be worth 20/- over there.

.....

FA
Kth
4/2

0588

DECODE.

Copy to Mr Tinker under complimentary slip.

TELEGRAM.

96

From His Excellency the Governor.

To Colonial Development Corporation.

Despatched : February 21st 19 49 Time : 16.20

Received : 19 .. Time :

Following from Tinker for Fowler begins:-

Have now completed detailed itinerary principal farms on West Falkland and propose undertake similar tour East Falkland 25th return here about end March having seen part of killing.

2. Owing dearth communications travelling is very slow process confers benefit of seeing farmers individually which most necessary view their independence outlook and suspicion "big interests".

3. Preliminary report in mail should reach you next week. End

G.T.C.
LJH.

GOVERNOR.

COLONIAL DEVELOPMENT CORPORATION

33. DOOR STREET
LONDON, W. 1

PLS/8

19th January 1949.

H.E. G. Miles Clifford, C.M.G., O.B.E., E.D.,
The Falkland Islands.*Dear Mr Clifford*85 I confirm my cable sent to you on the 10th
reading as follows :-

" Mr. Tinker left by air 10th to investigate
freezer project. Arrives Monte Video 12th. Will catch
first available boat. Grateful if you would afford
him every assistance and guidance in his investigation."

Mr. Tinker has been instructed to contact
you upon his arrival in the Falkland Islands.98 For your information I attach a copy of the
Questionnaire which has been handed to him.

Yours sincerely,

Hyge Weeks
H. T. WEEKS.
Controller of Plans.

F&BU fr. discussion with Mr. T.

inc. 23/2

77/2

FALKLAND ISLAND FREEZER.QUESTIONNAIRE.

- ✓ 1. Number of Farms with an approximate number of sheep held by each concern?
- ✓ 2. Proportion of male to breeding sheep on the Islands?
- V. doubtful if you know.* 3. Percentage lamb drop? Percentage marked?
- ✓ 4. Number slaughtered annually? Number utilised annually and for what purpose?
- ✓ 5. Dressed weights and liveweight?
- ✓ 6. Your personal opinion on the possibilities for improvement of the sheep themselves, or by the introduction of improved males for mutton production.
- N Zealand.* 7. Enquire of the type for mutton in Montevideo or would they have to come from elsewhere?
- Indirectly possible* 8. What about an increase in the possible number of cattle? 500 are mentioned - what possible maximum increase might be expected?
- ✓ 9. It is suggested that the Sheep Farmers' Association might participate. Can we still expect them to do so, and, if so, to what extent?
- ✓ 10. Would they still be prepared to guarantee a certain number of carcasses suitable for slaughter annually?
- Yes.* 11. Would the Falkland Islands Government participate, and, if so, to what extent?
- Q. Dual purpose?* 12. Could we get the opinion of the sheep owners as to whether they would be prepared to turn over to mutton type and have wool as secondary product?
13. Provided that only one load of frozen cargo is to be uplifted what storage accommodation would be required to be provided?
- Yes.* 14. What are the possibilities for a more extended killing season? Would we have to shut down the Abattoir for months at a time?
- Unlikely.* 15. If so, what about seasonal labour at the site of the Abattoir?
16. What size Abattoir would we require to erect? Cost of local building, availability of building materials, water, electricity, etc.?
17. Ascertain anchorages and pier for loading to ship capable of coming to this country.
- Value for use?* 18. What coastal shipping available for bringing sheep to the Abattoir from outlying Islands?
19. What processing machinery would be required for utilisation of by-products, or would they have to be sent frozen to the U.K.?
20. Ascertain cost of land; whether there are any land tenure problems; and on what basis land would be made available to us?

/Continued....

21. At what price can the sheep be purchased? It may well be that we will have to do two things :-

- (1) Buy sheep capable of freezing, or
- (2) Buy sheep for tallow for a year or two until such time as there is an improvement in quality.

22. It is stated that approximately 77,000 are slaughtered annually; 23,000 for local consumption. What is the possibility of our having to store for local consumption?

23. Contact Mr. Young of the Falkland Islands Company; also Mr. Evans.

A. B. FOWLER.
Manager, Animal Products Division.

F100

Y.E.

97/99. his license with me. on what do
do?

Khr
24/2

I will discuss with him in return

Meanwhile please have letter at once typed - All papers. Special case.

me
24/2

107
24th February, 1949.

Dear Weekes,

A line to let you know that your Mr. Tinker is covering the ground satisfactorily. I sent him initially to the West as being the harder nut to crack - they are apt to regard themselves as imperium in imperio and it was important to get them lined up first. Our communications being what they are (or aren't) his itinerary suffered a good deal of inevitable delay and readjustment but it enabled him in the end to see all the leading farm managers and some of the outlying islands which produce the best mutton and I am sure this was very useful to him. With such obvious expertise in the meat line he himself has gone down well and I congratulate you on your choice.

He is now off to the West Falkland where I have no doubt that he will be equally welcome and successful.

Shipping of the product is going to be our main headache and here it is useless to rely on the Falkland Islands Company who have now got a favourable offer for their "Jafonia" which goes home next month to be sold and they have no intention of building another until prices come down (about 5 years according to Young). This leaves only the "Fitzroy" and there would be no possibility of freeing her for refrigeration use as we would be left without any communication with the main-

Mr. H. T. Weekes, C.M.G.,
Controller of Plans,
Colonial Development Corporation,
33, Dover Street, LONDON, W. 1.

land/

102

land and would be unable to clear the wool clip, so that we must look elsewhere. And looking elsewhere it would seem prudent to select a site which will enable a ship to load alongside and so out out the overhead and possible risk to cargo associated with transshipment in lighters.

I hope to be home in June and shall look forward to renewing our acquaintance.

Yours sincerely,

(sg) HILLES CLIFFORD

Reply at 113

Copy of Mr. Linkens report.

(Copy) A
102

Stanley,
Falkland Islands.
25th March, 1949.

*This should go into
the Fraga file*

I have inspected 5 sites in the Colony and recommend that Port Sussex situated on the west coast of the East Falklands the most suitable for a freezer.

The site itself is the small peninsula immediately west of the word "Port" in lot 28 on the official map of the Colony.

It has an excellent harbour with deep water which ~~is~~ ^{is being} arranging to have sounded by a Naval Officer Hydrographer on his return from the south in the near future.

The ground is good and solid for building and an adequate supply of fresh water is available.

It will also be economical in fencing - an item to be considered here.

I am arranging for photographs of the site.

2. The site has the advantage of being convenient for all camps on the East Falklands and is well situated as regards Port Howard, which has a good harbour and jetty for shipping from the West Falklands, being approximately 20 miles away.

It will be necessary to have a small holding paddock at Port Howard but I can arrange this work in London.

3. Mr. J. Bonner, Manager and part owner of Port Sussex, will be in London in July and so available at any time to discuss terms.

4. Communications and transport in the Colony particularly for our purpose are very bad: there is no reliable shipping available for sheep shifting.

I would therefore suggest this difficulty could be overcome by operating tank landing craft, either one large one or preferably two smaller type in the event of a breakdown as engineering facilities are very limited.

5. Good labour is also very short. I consider labour for building the freezer and accommodation for employees would have to be imported: also it is highly probable that importation of labour would be essential in the initial stages, at least, of operation.

I am however making enquiries as to the labour situation in Montevideo on my way home as it would appear that labour imported from either Uruguay or Chile would be the solution.

6. I have been informed by a farm manager that in the event of a freezer being established here a private company may set up a tannery.

I have been given an introduction - not in connection with the tannery - to Sir Christopher Gibson, Managing Director of Liebig's in Montevideo who, I understand, have a patent method of tanning hides and skins in climates similar to the Falklands and propose to see him when in Montevideo.

123

- 2 -

No copies

7. I am enclosing two lists "A" and "B": "A" covers all estates in the East Falklands except Lafonia (Falkland Islands Company) where I am going, immediately after I have posted this letter, to see the killing. I expect the figures to be substantial.

"B" gives sheep mortality rate on Port San Carlos farm and an approximate average for the Colony.

I am confident this rate will be considerably reduced with the advent of the freezer, if for no other reason, the farms will be able to afford more labour.

*BU
30/5/49
LL
27/5/49.*

1888

CS. f.i.

Frazier file 103
mc.Tour of East Falklands as proposed.

Leave Stanley 9 a.m. Friday 25 February 1949.

Arrive Johnsons Harbour 12 a.m.

Leave Johnsons Harbour 9 to 10 a.m. 26th February, 1949.

Port Louis for Lunch then ride on to Horse Shoe Bay. M. Lewis will be there not at Douglas.

By boat to Teal Inlet, 27th February. Oliver returning to Stanley.

Stay there or if like arrange to go to Salvador from there by horse till March 2nd. when Philomel will pick Mr. Tinker up and take him on to Port San Carlos.

Port San Carlos to San Carlos on 6th. Mr. Tinker to fix means of transport with Mr. Cameron.

Philomel to pick him up on 8th. at San Carlos to call at Port Sussex and leave him at Darwin that is Brenton Lock.

Darwin to North Arm say 10th to 11th.

Darwin to Lively by Speedwell

both to be arranged between Mr. Tinker and Mr. Gilruth.

CS. Filzroy is omitted from this itinerary and should be
filled in somewhere. MC. 23/2

H. appeared
Lizy may be visited
after Darwin.

LW.
28/2

RA 1/3/50

104
2nd

EXTRACT FROM LETTER TO HIS EXCELLENCY FROM MR. N. CAMERON dd. 22.2.49.

I am told Tinker has been favourably impressed by what he has seen so far which is excellent news. I am hoping he will be on board Lafonia when she calls. We will show him some fat lambs. I would like to show him some fat beef but that would involve a ride. The stock everywhere now must be in good order, it's a splendid summer for grass.

105

MC 25/5
Fitzroy is omitted from this inventory and should be added in summary.

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

SENT.

Number

Office of Origin

Words

Handed In at

Date

28. 2. 49.

To

CAMERON PORT SAN CARLOS.

104
Thank you for your letter 22nd stop ~~MISSISSIPPI~~
~~in my opinion it is better to stop at St. George's~~
~~on the 21st of the month~~ para 3 Most anxious Tinker should see ~~XXXXXX~~
some of your fat beef; try to arrange this.

GOVERNOR.

CHASED

See Vol. II

Time

GOVERNMENT TELEGRAPH SERVICE
FALKLAND ISLANDS AND DEPENDENCIES
SENT

Number

Office of Origin

Words

Handed in at

Office

CROSSED
See Vol II