

C.S.

INDUSTRIES

Freezing.

19 39.

No. 114/39.

AGR/AJG/1 # 9

26th July,

SUBJECT.

19 39.

PROPOSED ESTABLISHMENT OF A FREEZER

IN THE FALKLAND ISLANDS.

Previous Paper.

3/45

3/6/1/48

MINUTES.

1. Minute from H.C. the Gaoler of 25. 7. 39.  
letter to Secretary, Sleepers' Association of 26. 7. 39.

✓/h.

Submitted before issue.

Mr H  
CJ

27. 7. 39.

Thank you. I w. like four copies  
as I propose to let one or two of  
the local owners see the letter and  
wish to have them out a day later

27.7.39

Office,  
four more copies of letter  
please.

Mr H  
CJ

27. 7. 39

Subsequent Paper.

0588

Mr.  
Four copies pac up.

met  
cl  
28.1.39.

Thank you

~~11/11/28/39~~

Agre: Adviser.

To note.

met  
cl  
28.1.39.

Hon Col Lee.

noted

~~22/11/28/39~~

80  
3/1/39

ccd pm to Chairman, Sheepowners Assoc. of 11/8/39.

⑥

cc  
11/8/39.

letter from Falkland Islands Sheepowners' Association of 29/12/39. 7-9.

Mr.

Submitted.

met  
cl  
11.1.40

C.S.O. No.....114/59

Inside Minute Paper.

Sheet No.....

H.C.

Red annotations  
made by Governor  
Miles Clifford  
(the small red  
handwriting  
sometimes with  
"MC" after)

up saying that  
proposals for  
a limited  
and that  
er of any

1/40

Association, London of 13/3/40

(10.)

Enclosed  
13.8.40

Hon. Col. Sec.

Seen with interest

T. B.  
Offic As. D.  
13.8.40

P.X.  
14/3/40

11. Letter from Secretary, Sheepowners' Assoc. 18/11/40.

T.E. Submit to as req'd.

It is very important that this  
letter & w. be dealt with now. Much

H.C.I.

Please acknowledge, saying that I have read the proposals for pricing carcasses on a limited scale with interest and that will be glad to hear of any developments.

11/11/40

(10) Letter to Secretary, Sheepowners Association, London of 13/3/40

Mr. C. Ryrie: Dear.

To see.

the 11<sup>th</sup>

13. 3. 40

Hon. Col. See.

Seen with interest

T. B.  
O/C As. D.  
13. 3. 40

11. Letter from Secretary, Sheepowners' Assoc. 18/11/40.

T.E. Submitted as required.

It is very important that this letter should be dealt with now, much

valuable time may be saved  
2. I put up a draft for typng  
a draft from <sup>put up</sup> ~~Plan~~ ~~Business~~  
Suffitins

D. of A.

~~11/11/41~~

18/1/41

Please see H.E's minute, 5) + the draft  
letter submitted by H.E. + the draft  
comments as soon as possible. <sup>12-15.</sup>

H.C.B.

~~11/11/41~~

H.C.S.

~~11/11/41~~

16.

I have read D.A's minute with much  
interest. It embodies the stand taken up  
by all in the past who have watched  
the steady decline of the <sup>shipbuilding</sup> industry and  
have failed to recognize that the  
industry is doomed unless <sup>full</sup> utilization  
of its products is regarded as the  
prime requisite and only hope of salvation.

2. Also I have little doubt that  
had D. Gibbs had cognizance of more  
of the past history of the question than  
appears in these files and of the economic  
position of the Colony (I do not refer to its  
bank balances) he would have modified  
his attitude to this problem. I take  
below several points in his minute: —

## Economics

(1) The F.I.C. with as its managing Chairman an expert in shipping is responsible for the opinion that the expenditure on a new ship would be justified. As regards handling by an outside concern, agents in Punta Arenas left me in no doubt that the ships now carrying Patagonian carcasses could handle our small output on their regular voyages.

## Suitability

(2) Without exception every single visiting stock authority who has examined our sheep has decided that they are suitable for freezing.

cf. H. Hume p. 25 'I can only say that the local sheep would be accepted quite readily by freezing works in Australia and New Zealand' (1924)

Mr. Norris with his wide experience of raising sheep on the Coast for freezing said that there could be no two opinions of the suitability of our sheep (1933)

Mr. Weir (1936-1940) was most emphatic on the question of suitability repeatedly urging development by freezing.

Add to the above the very numerous  
of sheep selected for breeding in 1936  
from the rubbish sent to the Coast.

(3) This question was dealt with by me in England in 1937 Available Market  
The Dominions affected Aus Nal & New Zealand and South Africa are agreeable to our getting a free quota of up to 1000 tons in the U. K. market. We will always have preference over the Coast foreign sheep.

(4) This has been preached for years. We are dealing with Development of pastures and ranches and not farms. Mr. Davis made extensive fencing an essential for the improvement of pastures and no farms (except one which didn't do it) has the necessary capital. Every farmer knows that pastures can be improved and most have had regular demonstrations at P/Harrow. Given 25 Poles Leans' and the capital he could command and there might be some found for hope, but even after 15 years of concentrated effort he has scarcely solved his own problems - think of there being no outlet for carcasses.

(5) For 16 years every farmer has <sup>nothing</sup> accepted Mr. Kinnaird's statement without denial that 20 acres of

Outside man  
interests

turnips and feed 1000 sheep  
for a month — not a turnip  
has been planted

(6) Victoria's have been trying for  
several years to my knowledge to  
get a porting law. For more than  
a generation the T.L.C. has  
determinedly fought against any  
outside interests coming in and they  
always will do so. Only insurance  
would make light of their blocking  
power.

3. I would preface my conclusions  
by saying that the Colony is  
very fortunate in having secured  
the services of Dr. Gibbs. He is  
exactly the man whom Mr.  
Davies had in view in his  
report as invaluable for the  
development of our pastures and  
great advances will be made if  
farmers can and will follow his  
advice. My conclusions are that  
I am aghast at the prospect of  
his advice being taken in so  
far only as the policy of the  
Government is concerned in

the master of the ~~introduction~~ establishment  
a freezer. He may I repeat  
modify his views after reading  
this minute. If not - and the  
minuti of the 16 January determines  
the policy of Government the whole  
of the work for closer settlement  
must be abandoned together  
with the hope of any future for  
the rising lawless generation. Let  
no mistake be made - closer  
settlement will never succeed  
while farmers are dependent on  
the fraction of the value of  
an animal represented by  
the wool.

~~11/11/41~~ 20/1/41

~~11/11/41~~ <sup>arrivable</sup>  
There should be no delay  
in replying to the Shef owner letter  
of 10/1/40. It is not the case  
that nothing can be done until  
after the war. The ground can  
at least be cleared. I cannot  
concur in the 8wt when on the  
point of departure so modify the  
drap if you have ~~11/11/41~~  
Doubt



think as we'd make enquiries about  
this gentleman.

3. I shd. like to speak at 11.12.46  
please, about (26).

ABL

(28)

11.12.46

As to 24 the reply is most certainly "necess"  
anglicised "nuts".

As to 26 it would have to be a venture in  
which both Govt + S.O.A. might contribute and there  
should be provision for local citizens to obtain  
a share in the equity. Let us discuss. I am by no means  
opposed to the project, but M.C. see particularly R 17. Ø  
11/XII

Ø

M. Young told me that the proposal had  
been turned down by the C.O.'s advisers. 9 Dec.  
R 23, presumably, their view M.C. was that it is a case of  
putting the cart before the horse. 11/XII

Letter from L. W. H. Young, Esq. of 12.12.46

29

3.

This fee is needed for <sup>an</sup> extract from the record of  
the F.I.C. conference last Sunday.

ABL  
21.12

Excerpt from "Notes of Govt. House Meeting - 16.12.46

31.

32

This question is referred to in H.E.S.  
D. in another question which  
is issuing to now. When it  
has gone, extract of the same  
will be the relevant paper.

Abd  
2/11

33. Extract from H.E.S Conf. Dispatch to  
S. of S. of 22.1.47.

PA Abd  
2/11

34. Extract from Meeting of Sheep Owner's Association of 9.3.47.

35

~~Abd~~ (24) x 'knee'  
(23) is the second time. P. after  
the first time. Abd  
2/11

36:

~~Abd~~ (23) would appear to be the first time?  
Mr. Young's grants covers the second?  
P. 2/11

37. Letter to A. O. A. of 5.4.47

PA Abd 38 Extract from Ex. Co. Minutes of 26.5.47.  
(Original filed in 0040 - Development Policy).

PA Abd

Letter from Sec. S.O.A. of 15.9.47.  
(40)

39

EXTRACT FROM 0040 (Development Policy).

Category.	Serial No.	Project.	Estimated Cost.	Source.	Year.	Remarks.
V. INDUSTRY.	-	Freezer	--	Loan.	--	As under.

It is not possible to do more than note this project for future consideration. There is agreement on the view that some means must be found to dispose economically of surplus sheep but while many (including Mr. Young, Managing Director of the Falkland Islands Company) have urged the merits of a freezing plant, others (including Mr. Dean, the Chairman of the Falkland Islands Company), oppose it and my own view is that it is useless to consider such a proposition unless the Colony can count on a minimum of 50,000 carcases annually; this it cannot do at present. The introduction of a freezer for the export of mutton must in my opinion form part and parcel of a re-orientation of farming policy. An assured market would also be necessary.

41

YE.

(39) with 11 in 0288 when YE sug-  
gested that a Freezer might be an ap-  
propriate object for Colonial Development  
Corporation funds.

2. Consider in Ex. 6. when hi-

✓ Balon returns. Mr. YE may wish  
to discuss with Mr. Young?

3. 14/15,000 carcases is only half  
the 30,000 which considers a minimum,  
less than  $\frac{1}{3}$  of the 50,000 + 40  
shown. A re-orientation in breeding is  
necessary.

C. Bl

42

S. x

As indicated in an earlier minute it will necessitate a  
complete re-orientation of policy.

MC. 9/

Feb 1948 22/1  
(for 7th Dec 5/3/48)

C.S.

43

## Freezer

I would be grateful if all Farm Managers would inform me a firm estimate of the number of surplus sheep p.a. they would expect to produce

- (a) As now organised
- (b) Within 3 years of establishment of a Freezer.

P. A. B.

M.C. 15/X

1940

A.C.S.

44

By telegram to all concerned, ~, as far as F.I.C. are concerned, by phone asking for statement & list of all F.I.C. farms.

C. B. L.  
17.10

45

Minute from H. E. the Governor of 20. 10. 47.

46

Telegram to Western Fox Bay of 21. 10. 47.  
46.

Hon. Mr. A. B. Barton, J.P.

K.W. pens  
Letters to basis  
not on phone

47.

2 su, pl.

Hon. C. S.

Seen thank you

23/10/47.

O.  
22.X.

Letter to managers, Johnson's Hbr, Rincon Grande  
& Salvador of 27.10.47 48

1. Telegram from Mr. Harding, Hill Care of 24.10.47. 49.

" Mr. Lupton, Chastres .. 23.10.47. 50.

" Mr. Robertson Fox Bay West of 26.10.47. 51

Reply to 46 shd. be scheduled.

MC

Please see draft letter immediate at cover whch. should go out  
early; how do such communications reach the individual  
sheep farmer? If there is any risk that they do not reach him as and we  
shd. anticipate. MC. 1/11

Letter from Mr. Pole Evans of 3/11/47.

53

Conf'd Despatch No. 43 to S. 87 S. 87 17.10.47. 54

Letter to Sheep Owners' Association of 4/11/47. 55

Letter from W. Clement, Esq. of 9/11/47.

56

Telephone message from J. F. Sommer, Esq.

57

Letter from Manager, Johnson's Harbour. of 25.11.47.

58

59

Mr.

I explained at the time to H.E.  
that I had arranged with Pres. S.O.A.  
to cyclostyle documents of the nature  
mentioned, for him (if necessary) to  
circulate.

B.

16/11/47  
A.R.B.  
6.12

Replies to 46 and 48

Station	Reply at	(a)	(b)
Weddell Is.			
Port San Carlos	48	<del>Falling too</del> actions.	
Hill Cove	49	2,500	3,000
Pebble Island			
Roy Cove			
Port Stephens	51	nil	nil
Fitzroy, South			
Douglas Station			
Johnson's Harbour	58	No surplus sheep for freezing.	
New Island			
Lively Island			
Bleaker Island			
Speedwell Island			
Fox Bay, East	56	Period of 3 years too short to increase flocks	
Fox Bay, West	51	400	600
Port Howard	53	2,000	will endeavour to increase numbers.
Spring Point			
Chartres	50	1,800	3,000
Darwin			
North Arm			
Walker Creek			
Bluff Cove			
San Carlos	57	3,000	4,000
Teal Inlet			
Rincon Grande			
Salvador			
Port Louis			
Saunders Island			
Carcass Island			

From His Excellency the Governor

to the Honourable the Colonial Secretary.

---

Will you please open a new  
file with attached appeal to  
Sheepowners to establish a  
freeze

ttttt 26/7/38

26th July,

39.

Sir,

I am directed to address you in the matter of the desirability of establishing freezing works in the Colony and to request that the Sheepowners Association will take the question into early consideration.

2. As the members of the Association are aware the farming industry in the Falkland Islands is faced with a critical situation having regard to the serious competition from wool substitutes, the decreasing carrying capacity of the land and the decline in the quantity of wool exported.

3. The exports of wool for 1930 reached the lowest figure for forty years, and for the five yearly period ending with that year were three quarters of a million lbs below the quantity produced in the years 1909 to 1

4. Owing presumably to good management, a number of stations showed an increase in the wool produced in the 1934 to 1938 period over the 1929 to 1933 results. This was however counteracted by the low prices received.

5. The total value of the wool exported in quinquennial periods since the war is given in the official figures as :-

<u>Period.</u>	<u>Value.</u> £.
1919 to 1923	914,332
1924 to 1928	1,296,712
1929 to 1933	765,048
1934 to 1938	661,724.

6./

George Bonner, Esq., Q.B.E.,  
Chairman,

Falkland Islands Sheepowners' Association,  
c/o Packe Bros & Company, Limited,  
3 Laurence Pountney Lane,  
LONDON, E.C. 4.

*But it could not  
be assumed?*

6. If it may be assumed that the chief cause of the decline in values is competition from wool substitutes, it becomes, I am to suggest, the more imperative to raise sheep for freezing as well as for wool. That competition is not only a permanent factor but is, as you are aware, rapidly growing.

7. His Excellency believes that it has been established by recent exports to the Coast as well as by the opinion of all visitors and advisers with a knowledge of freezing sheep that animals suitable for freezing can be bred locally.

8. The report of Mr. William Davies lays paramount importance on the necessity for the subdivision of camps on an extensive scale, if improvement is to be made in the pastures. Managers and owners alike have long recognized the importance of smaller paddocks, but the cost has been prohibitive in the past and is very much more so now with decreasing profits. I am to suggest that the sole hope for the future lies in turning to freezing sheep for such profits as will enable pasture improvements to be effected and the industry to regain its value for sheep owners.

9. If the Sheepowners Association is prepared to adopt the policy that a freezing establishment is essential to the future of the industry and it is considered that there are outstanding difficulties in financing the venture I am to state that the Governor is prepared to recommend to the Secretary of State that public funds should be made available for a part share in the undertaking.

10. The position of the finances of the Colony at the end of 1938 was that the amount to the credit of the Land Sales Fund was £265,265 and cash surplus balances amounted to £21,000. There is in addition a reserve in cash and investments of £50,000.

11. I am to draw your attention to the fact that it is not possible to disassociate the economic position of the Colony and farming problems from the position of labour in Stanley. A steady growth of population surplus to requirements and without the former outlet to the Coast has brought the labour bill to serious proportions. Work has now to be found for 162 men on an average throughout the year, though 60 would suffice for essentials. It is not possible to meet the consequential expenditure without paying wages in part from capital. Surplus balances suffice for a time to carry the charge, but it is obvious that the burden will have eventually to be met from taxation if no remedy is found.

12. The Governor does not at present know of any other outlet for the surplus population than by getting as many as possible back to the land. Any such measure would have to be experimental in the first place and could be effected only by purchasing land when opportunity occurs and dividing it up into economic blocks of 6 to 12,000 acres. It would take several years at least to determine the effect of any such measure and the number of men affected would not be great.

13. The Government realizes that there must be obstacles in the way of getting men back to the land and preventing the drift here as elsewhere to a town. The employment of men in a factory for four to five months in the year would not present the same difficulties.

14. In conclusion I am to say that His Excellency quite appreciates that you and other farmers have for many years strenuously advocated the establishment of freezing/

*50,000 carcasses in  
the economic minimum processing  
wt. have to be of the order of  
10,000 a month*

*\* The figure given by you was 30/40,000;  
S.O.A. at 9 hours yields 70,000.  
50,000 might justify a start*

freezing works. He earnestly trusts that it may be realized that the time has come for practical measures to that end being taken.

I am,

Sir,

Your obedient servant,

W.H.

Colonial Secretary.



(6)

FALKLAND ISLANDS.

The Colonial Secretary of the Falkland Islands presents his compliments to the Chairman, Falkland Islands Sheepowners' Association, and with reference to his letter No. 114/39 of the 26th of July, 1939, has the honour to request that the figures '1938' may be substituted for the figures '1930' which appear in line 1 of paragraph 3.

Colonial Secretary's Office,  
STANLEY.  
11th August, 1939.

(9)

# The Falkland Islands Sheepowners Association

PB/CS

Secretary :  
P. BRADDON.

Telephone: Chancery 8016



4, Field Court,  
Gray's Inn,  
London, W.C.I.

29th December, 1939.

Sir,

*Rebs:* I am instructed by my Committee to refer to your letter No. 114/39 dated 26th July 1939, which expressed the view that it was desirable that a freezing plant should be established in the Colony and requested that this Association should take the matter into early consideration.

Some delay in dealing with your letter has been unavoidable owing to the War, but my Committee has now had an opportunity of discussing the matter and has set on foot certain enquiries which will assist it in its further discussions.

I am instructed to inform you that my Committee does not propose at the moment to comment on the statements and implications contained in paragraphs 2, 8, 11, 12 and 13 of your letter. These and other relevant matters have been under consideration for some time past and representations would have already been made had not the War intervened. For the present the comments and views of my Committee are restricted to the subject of freezing.

It is understood that some 15 years ago a proposal to erect a freezing plant in the Falkland Islands was considered and discussed with a firm already in the trade. The advice received was to the effect that a plant capable of handling 70,000 carcasses was the minimum economical unit. Having regard to this advice and to other factors the matter was allowed to be shelved.

I have no record of mutton prices then prevailing, but it is common knowledge that up to about 1930 both mutton and lamb commanded excellent prices. The demand for and price of mutton in the open market in England immediately prior to the War was not encouraging. Quotations on 21st August 1939 at Smithfield per 8 lbs. were:-

New Zealand Wethers	2. 4d	to	3. 6d.
do. Ewes	2. 0d	"	2. 8d.
Australian Wethers	2. 4d	"	3. 0d.
do. Ewes	2. 0d	"	2.10d.
Patagonian Wethers	2. 4d	"	3. 0d.

The Colonial Secretary.

Lambs.

New Zealand	4. 4d.	to	5. 6d.
Australian	3.10.d.	"	4. 10d.
Argentine	4. 4d	"	5. 4d
Patagonian	3.10d.	"	4. 8d.

Falkland Islands pelts and  $\frac{1}{4}$  Woolled Sheepskins were then selling in London at about  $3\frac{3}{4}$ d and 5d to  $6\frac{1}{2}$ d per lb; Tallow was about 18/6d per cwt, and difficult to sell.

Apart from the probable difficulty of securing anything like 70,000 sheep, the prospects of the meat and skin markets are not encouraging, and my Committee would not be prepared to support a scheme which included provision for handling and holding so large a number of carcasses. It was, however, agreed that a modified scheme should be investigated and this investigation is now being made. As the matter may be delayed owing to the pressure under which makers of the required plant are now working, I am instructed to inform you of the details of the scheme.

*Port San Carlos?*  
(1) A freezing plant could 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.

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

(3) Assuming that the killing season would be from 1st March to 15th May each year, the vessel should make as many voyages between the freezing plant and Montevideo (where the meat would be trans-shipped to Europe) as was necessitated by the quantity of frozen mutton awaiting shipment and sheep awaiting delivery to the plant.

It was considered that, although the total tonnage to be handled would probably at first not exceed 350 to 500 tons, 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 the number of sheep offered to the freezing plant up to a total output of as much as 1,000 tons and possible 1,250 tons.

My Committee consider that whilst they do not desire to express their views at the present time on the possibility of economically

increasing the sheep carrying capacity of the Falkland Islands they do contend that if Farmers find it profitable to sell to the freezing plant it must surely follow that they will do all they can to increase the numbers suitable for freezing; the stimulus to and development of the farming industry should therefore be automatic and in ratio to the development of the freezing industry.

These are in brief the lines on which the investigation is being undertaken. Discussions are being carried on with Refrigerating Plant Engineers and others and a more detailed report will be made when these have been completed.

It is feared that even assuming the scheme is approved by all the interested parties, it is very doubtful whether it could be carried out during the War in view of the rise in prices, the difficulty of securing reasonable deliveries of plant, and the shipping position.

However, my Committee trust that the Government will kindly favour them with their comments on these proposals. It will be a definite step forward if some agreement can be reached as the matter will then resolve itself into one of ways and means.

There is one important point which my Committee desires to make. Any development along the lines suggested should be carried out independently of the big meat interests which combine freezing, carrying, and marketing, as it is considered that the interests of the Falkland Islands might be a great disadvantage, especially at times of depression, if the Farmers were dependent on a powerful meat company to carry and market their products.

The allusion is to submit the F.I.C. but this also has disadvantage.

The solution is a co-operative venture.

I am, Sir,  
Your obedient Servant,

*Paul Braddon*

Secretary.

The Colonial Secretary,  
The Secretariat,  
Stanley.  
FALKLAND ISLANDS.

114/39.

10

13th March,

40.

Sir,

I am directed by the Governor to acknowledge the receipt of your letter of the 29th December, 1939, regarding the establishment of a freezing plant in this Colony, and to inform you that His Excellency has read the proposals for freezing carcases on a limited scale with interest.

2. I am to add that His Excellency will be glad to hear of any developments.

I am,

Sir,

Your obedient servant,

W.H.

Colonial Secretary.

P. Braddon, Esq.,  
Secretary,  
Falkland Islands Sheepowners Association,  
4, Field Court,  
Gray's Inn,  
LONDON, W.C. 1.

(11)

FALKLAND ISLANDS SHEEP OWNERS' ASSOCIATION

"Southernhay",  
Cavendish Road,  
WEYBRIDGE.  
Surrey.

18th November, 1940.



Sir,

*Red a*

I beg to revert to my letter dated 29th December, 1939, regarding the matter of the provision of a Freezing Plant in the Colony.

Refrigerating Plant Engineers have not yet been able to supply my Committee with the information called for and it is feared that there is little likelihood of it being available until the war is over.

In the meantime, my Committee would welcome Government's criticism of the proposals outlined in my letter referred to above.

I am, Sir,

Your obedient Servant,

A handwritten signature in black ink, appearing to read "W. J. ...".

Acting Secretary.

The Honourable  
The Colonial Secretary,  
STANLEY,  
Falkland Islands.

14th January, 1941.

Sir,

I have the honour to acknowledge the receipt of your letter of the 18th of November, 1940.

2. A statement of the view taken by the Government of the proposals outlined in your letter of the 29th of December, 1939, was deferred pending my hearing from you the result of the investigations the Association was making into the practicability of the establishment on economiclines of a freezing plant capable of dealing with up to 12,500 sheep.

3. I am directed to inform you in the first place that the Government welcome cordially concrete proposals for local freezing works. As intimated in my predecessors letter of the 26th of July, 1939, the Government believes that the sheep industry can now never be prosperous without remunerative prices being obtained for the meat. There can be no room for doubt that it will be the future policy of the Government to identify itself with measures to that end.

4. The scheme put forward by the Association appears admirably calculated to satisfy local requirements and to provide for expansion. The Government concurs that the plant should be erected on a suitable port in the Sound.

5. The one serious divergence of opinion which can arise is over the question of shipment. The point is taken in the concluding paragraph of your letter detailing the scheme.

Opportunity can it is to be hoped be taken of the enforced delay in procuring machinery to arrive at a settlement of this question.

6. It would on the face of it be an unjustifiable burden on the industry for the expense of building a steamer to carry the carcasses to Montevideo for transhipment, when steamers now in the trade could collect the cargo. The carrying trade is not

I feel quite  
as strongly  
about this today.

MC 30

XII  
47

as/

as is suggested in the same hands now as the freezing industry in the case of a number of the largest shippers.

7. I am to suggest that there is no sufficient ground for assuming that there exists any reasonable likelihood of the interests of the Falkland Islands being set at a disadvantage by dependence on outside shipping interests. The Colony has the particular advantage of its Imperial connections with a free quota in the United Kingdom market and eligibility for preferential treatment. There should be no difficulty in contracting for not less favourable shipping rates than coast suppliers are charged.

8. The Government appreciates fully that carriers of frozen meat would be in a position to take passengers and goods from the Colony to the detriment of a locally owned and subsidized vessel. The Government would be ready to consider a measure to deal with this aspect in the interests of the local shipowners.

9. Having regard to the very strong desirability of establishing a freezing plant in the Colony the Government trusts that the Sheepowners Association will not make shipment by local steamer to Montevideo an overriding consideration. I request therefore that the Association include in its investigations material for a report on (a) the difference between cost of shipment with transhipment at Montevideo and direct shipment - taking charges from Punta Arenas as a basis and (b) the opinions of the existing carrying trade on the facilities for direct shipment and the charges that would be made.

I am, etc.

16th January, 1941. (16)

MINUTE

From  
Director of Agriculture.  
STANLEY.

To  
The Honourable,  
The Colonial Secretary,  
STANLEY.

My comments in reply to your minute of 15/1/41 are submitted hereunder :-

I agree that some industry other than wool production is very desirable in the Islands, and that frozen meat for the London market would be one way of bringing about this end. The case from the Administration's point of view is well put in red 5, but may I respectfully suggest that the Colony is not yet in a position to support such an industry. This does not mean however that the frozen meat industry would not become a profitable venture sometime in the future.

The position has not altered materially from that pertaining in 1931 when it was summarised in red 15-18 of File CSO 121/31. The practicable aspects affecting the production of frozen mutton might be classified under the heads :

- (I) Economics of the Venture.
- (II) Suitability of Falkland Islands stock for freezing - quality and quantity.
- (III) Available Market.

(I) Economics of the Venture: Advice given some years ago intimated that a minimum of 50,000 to 70,000 carcasses should be available annually in order to make a freezer pay. At present we may expect a lambing of approximately 130,000 and if sheep are kept for five years this is just sufficient to maintain the sheep population of the Islands, leaving nothing except old sheep (which would not be accepted for export by New Zealand meat works) for freezing.

However in view of the rapid advances in refrigeration machinery during recent years it is possible that a modern plant may be worked economically with small numbers of sheep.

Supposing that 10,000 carcasses were available (approx. 250 tons) it would scarcely justify either the building of a special ship for our trade, or a visit by a boat specially fitted to handle frozen meat unless some other incentive such as wool was present. However I do not profess to be an expert in such matters and would recommend that the advice of the Low Temperature Research Station at Cambridge be sought before the Government commits itself to a policy.

(II) Suitability of Falkland Islands Stock for Freezing - Quality and Quantity : Falkland Islands sheep have been bred primarily for wool and do not possess the conformation required for the meat trade. The type of pasture prevailing in the Islands is not suitable for fattening stock, and without intending to criticise I may say it does not produce an animal with the flavour which one expects in prime mutton.

Old sheep are not desired in the meat trade, but they are all that would be available since the rate of reproduction is only just sufficient to maintain the sheep population of the Islands. Frozen beef is I think at present out of the question as it could not compare with chilled beef from the Argentine.

(III) Available Market : Britain is almost the only available market in the world for frozen mutton which it imports from the Argentine, Australia and New Zealand. These countries seem capable of supplying more mutton than Britain requires for between 1933 and 1938 Britain placed a quota on importations of New Zealand mutton.

(4) |   
Conclusions : I stated above that a frozen meat trade might be developed eventually. With this object in view I consider that the Government should encourage :

(1) The development of improved pastures based on Mr Davies' Report,

(2) To bring about an improvement in the vitality and strength of sheep during the winter and early spring by encouraging farmers to provide cheap and sufficient winter feed by sowing special crops on which animals may be folded when the natural grasses die down.

(1) Development of Pastures : At Port Howard it has been shown that foxtail, Timothy, Ryegrass, Fescue, cocksfoot and white clover combine to produce a rich productive pasture capable of maintaining a ewe to the acre throughout the year. There seems no valid reason why such pastures could not be developed into large areas on each station. Pastures of this type would produce mutton of better flavour and in better condition than is possible from the local native grasses, and would increase the carrying capacity of the Islands possibly two or three-fold.

In addition such pastures would enable the development of dairying for cheese or butter production (much more payable than sheep and better suited to smaller holdings). Finally these grasses and clovers would bring about an improvement in the soil and special crops such as kale, swedes and turnips for winter feed and rape or clover for fattening sheep could be relied on.

(5) | The planting of up to 150 acres of swedes and turnips on each station (averaging about 25 tons per acre) would provide the complete food for about 150,000 sheep for three months. Such an area in roots is not high for it is not uncommon to find this area sown on a farm of only 1,000 acres in New Zealand.

(6) | I feel confident that if this type of farming could be developed the Government would have several applications from the vested meat interests to erect a plant. If such interests could be encouraged to work in the Colony the matter of transporting frozen mutton need not be considered, *since they own the necessary facilities*

*J. G. Gill*  
Director of Agriculture

23rd January, 1941.

(17)

MINUTE

*Not apparently seen by Sir Hanmer Heath  
or Sir Alan Cardwell.*  
m.c.

From

Director of Agriculture,  
Stanley.

To

The Honourable,  
The Colonial Secretary,  
Stanley.

(14)

I am sorry that my comments of 16th January have been interpreted as throwing cold water on the scheme for establishing a freezing plant. They explain some aspects of the present position as it appears to me. My conclusions are naturally based on my experience in the Islands, my farming experience in New Zealand, and a small experience gained when assisting buyers of fat stock (for freezing) in New Zealand. I am fully prepared to modify my views if sufficient concrete evidence can be produced. In the meantime I would stress two points which I consider vital :-

(1) The number of sheep available.  
(2) That the Government should solicit the advice of the Low Temperature Research Station at Cambridge before committing itself to a policy.

May I respectfully submit that the primary cause of the 'decline of the sheep raising industry' is an annual, progressive diminution of natural forage. This has caused a reduction of approximately 200,000 sheep during the past forty years and is the most serious factor. There have been a canning industry which apparently did not pay, and a tallow and skin industry which are so sluggish that it does not pay, even in wartime, to handle the produce. It is in this respect probably that the ~~Low~~ Temperature Research Station might be able to advise whether frozen mutton could be produced locally with profit.

The price  
for fattening  
sheep  
this year  
was £136  
a ton!  
m.c. 20  
47

Suitability of Sheep. At present we must keep all the lambs we get for five years in order to maintain the sheep population of the Islands. In the Falklands only those which survive this period can be considered as surplus, and neither Mr Munro nor Mr Morris would consider these sheep suitable for freezing even though some few may be suitable for freezing in South America. This, supported by the fact that less than 25 per cent. of those exported in 1939 were accepted for freezing in Chile and less than 2 per cent. were passed as first grade mutton. Mr Morris in his report supports this view stating that animals should be killed at 16 months or less and commenting as follows :- "At the outset, therefore, we are met by the fact that the actual number of surplus sheep is entirely insufficient to warrant the establishment of a floating plant....." - "Right from the outset therefore the Government is confronted with the task of trying to convince the breeders that drastic, but at the same time a properly conducted change in the system (management), would eventually lead to much increased prosperity."

Alternatives. Mr Morris suggested an alternative method of producing the necessary sheep. At present the best country on each ranch is kept for ewes and it remains to be seen whether a satisfactory lambing would be produced on areas which are now considered suitable for dry sheep. The policy that I have suggested is I think more certain and lasting. Until sufficient stock is available to justify the establishment of a local freezing works, Government assistance might be directed to arranging (or subsidising) the freight of 5,000 sheep suitable for freezing to the Chilean Works.

*J. G. Gill*  
Director of Agriculture.

*Mr Roberts  
told me that  
the cost of  
transporting sheep  
to the coast would  
be about £1 per head minimum.*

P.S. The failure of farmers to grow roots might lie as much with the soil/

Soil as with themselves. I have not heard of a satisfactory demonstration crop of turnips on even two or three acre patches, and our results this year in Stanley suggest that a crop is not so readily grown here as experience in the United Kingdom or New Zealand would lead one to ~~suggest~~ expect. That it can be grown is evidenced by the crops which are secured in vegetable gardens or well worked ground.

In which  
our soils are  
notably deficient.

The swede and turnip crop does best in calcareous soils.

J. H.

(186)

8/6.

28th July, 1914.

Sir,

We gather from recent press reports that it is generally anticipated there is likely to be a world wide shortage of meat for a considerable length of time after the end of the war. Presuming that this view is correct we suggest that the possibility of developing the Falkland Islands as a producer of meat - even if only to a very limited extent - deserves serious consideration.

As it would probably that the Ministry of Food must continue for some time after the war ends we presume that they will be interested in developments in the production of food and unless they can be interested in the proposals tentatively outlined herein it would be useless pursuing them further.

We therefore request that the Secretary of State will kindly give them his consideration and if he sees fit inaugurate discussions with that Ministry.

There are several methods of dealing with the number of Falkland Islands Sheep which are available each year for food but which are not at present made full use of due to lack of a market and of the necessary facilities. These methods are -

Freezing. We cannot do better than quote from a letter addressed to the Under Secretary of State, Colonial Office, London, S.W.1.

/by

by the Falkland Islands Sheepowners' Association to the Falkland Islands Government in 1939 -

"I am instructed by my Committee to revert to your letter No. 114/39, dated 26th July, 1939, which expressed the view that it was desirable a freezing works should be established in the Colony and requested that this Association should take the matter into early consideration.

"The war has delayed this being done but my Committee has now discussed it and set on foot certain enquiries in connection therewith.

"It is understood that some 15 years ago a proposal to erect a freezing works in the Falkland Islands was considered and discussed with a firm already in the trade who advised that a plant capable of handling 70,000 carcasses was the minimum economical unit; this and other factors led to the matter being shelved. I have no record of mutton prices then but it is common knowledge that up to about 1938 both mutton and lamb commanded excellent prices. The demand for and price of mutton in the open market in England immediately prior to the war were not encouraging. Quotations on 21st August 1939 at Smithfield per 8 lbs. were -

	s. d	s. d
New Zealand Wethers	2. 4	to 3. 6
" " Ewes	2. 0	" 2. 8
Australian Wethers	2. 4	" 3. 0
" " Ewes	2. 0	" 2.10
Patagonian Wethers	2. 4	" 3. 0
<u>Lamb</u>		
New Zealand	4. 4	" 5. 6
Australian	3. 10	" 4.10
Argentine	4. 4	" 5. 4
Patagonian	3. 10	" 4. 0

"Falkland Islands Pelts and 1/4 Woolled Sheepskins were then selling in London at about 5/4d and 5d to 6d per lb. Tallow was about 18/6d per cwt. and hard to sell. Apart from the probable difficulty of securing anywhere near 70,000 sheep, the prospects of the meat and skin markets are not encouraging and my Committee would not be prepared to support a scheme which included provision for handling and holding approximately that number. It was, however, agreed that a modified scheme should be investigated which investigation is now in progress. As this may be delayed owing to the pressure under which makers of the required plant are now working, I am instructed to inform you of the details of the scheme.

"A freezing works to be erected on a suitable site, probably on East Falkland Islands, 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 1st March to

"13th May each year, the vessel should make an early 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 the number of sheep offered to the freezing works up to a total output of as much as 1000 tons and possibly 1250 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; the stimulus to and development of the farming industry should therefore be automatic and in ratio to the development of the freezing industry. These are in brief the lines on which the investigation is being undertaken. Discussions are being carried on with Refrigerating Plant Engineers and others and a more detailed report will be made when these have been completed.

"It is feared that even assuming the scheme is approved by all the interested parties, it is very doubtful whether it could be carried out during the war in view of the rise in prices, the difficulty of securing reasonable deliveries of plant and the shipping position.

"However, my Committee trust that Government will kindly favour them with their comments on these proposals as it will be a definite step forward if some agreement can be reached as the matter will then resolve itself into one of ways and means. There is one important point which my Committee desires to make which is that any development along these lines should be carried out independently of the big meat interests which controls freezing, carrying and marketing as it is considered that Falkland Islands interests might be at a great disadvantage, especially at times of depression, if they were dependent on a powerful meat company to carry and market their products."

The prolongation of the war has prevented further investigation.

We would also refer you to our Letter 8/6, dated 17th March, 1942 addressed to the Secretary of State and your reply 18052/9/42, dated 2nd April, 1942.

*To encl 8  
Smt/lns  
Wb*  
Canning. We operated a canning plant from 1912 to 1920. The greatest number of sheep handled in any one year was 61,181 in 1918 - this

/quantity

Quantity produced -

9,367 cases each containing 12 6 lbs. tins Mutton  
176 " Meat Extract each 56 lbs.  
184 " Tongues  
Skins, tallow and casings.

The demand ceased after the war and the plant has since been disposed of. Canned Mutton is an uninteresting food and we doubt whether a steady demand could be built up for it in peace time unless fresh or frozen meat was not available. It might however interest makers of meat rolls and other forms of cooked meats.

Dehydration. We know but little about this process but understand it is expensive, the fuel consumption being particularly high which alone would make it impracticable for use in a country where only a low grade fuel is available and all coal and oil has to be imported.

The two essentials to any development are interdependent and are an assured market which would justify the provision of the necessary plant for production.

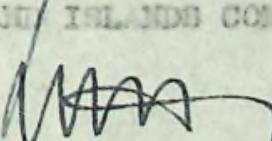
If the Ministry of Food is interested the most suitable method of preserving the meat can be investigated and when this has been agreed the Ministry would be requested to give their support by granting a long term contract covering the whole production for a term of years on an agreed price basis.

The Colonial Development Fund might be looked to for assistance for the plant required.

We are, Sir,

Your obedient Servants,

For THE FALKLAND ISLANDS COMPANY, LTD.

  
Managing Director.

COPY.

19889/54/44.

Dover House,  
Whitehall, S.W. 1.  
15th September, 1911

Sir,

I am directed by Colonel Oliver Stanley to refer to your letter of the 28th July regarding the possibility of establishing a plant for processing meat in the Falkland Islands, in view of the probable world shortage of meat in the post-war period and to inform you that he has consulted the Ministry of Food on the matter.

After a full review of the circumstances, however, Colonel Stanley regrets that he can hold no hope of there being any prospect of economic success for the processing of meat in the Colony. Of the various methods of processing referred to in your letter, he is advised that present world plant capacity both for canned and dehydrated meat is likely to exceed post-war demand, which probably will be far from high in respect of either variety. As regards the suggestion that a freezing plant should be set up in the Islands, he does not feel that a sufficient number of sheep, (even provided the quality of stock was suitable) would be available to allow of an economic unit being established. In reaching this decision he has taken note of the suggestion in your letter that the Islanders themselves would be given an incentive by the establishment of such a plant to increase their stocks, but he is advised that in view of the poor quality and limited extent of pasture available, it would hardly be practicable for such an increase to take place on a scale which would provide large quantities of mutton for export.

I am, Sir,  
Your obedient servant,

The Managing Director,  
The Falkland Islands Company, Ltd.,

COPY.

19889/54/44.

Dover House,  
Whitehall, S.W. 1.  
15th September, 1944  
(18a)

Sir,

I am directed by Colonel Oliver Stanley to refer to your letter of the 28th July regarding the possibility of establishing a plant for processing meat in the Falkland Islands, in view of the probable world shortage of meat in the post-war period and to inform you that he has consulted the Ministry of Food on the matter.

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I am, Sir,  
Your obedient servant,

The Managing Director,  
The Falkland Islands Company, Ltd.,

PORT STANLEY,  
FALKLAND ISLANDS.

28.12.44

Dear Governor

I enclose some copies of the letters from the Colonial Office regarding this subject. A copy of my letter & the reply has been sent to the Colonial Secretary.

Yours sincerely  
D. W. Young

(18.)

# The Falkland Islands Company, Limited.

(INCORPORATED BY ROYAL CHARTER 1851.)

REGISTERED 1902.

AGENTS FOR LLOYDS.

TELEGRAMS "FLEETWING PORTSTANLEY" VIA RADIO.

Stanley.

28th December, 1944.

sir,

*Reed's*  
With reference to your letter No. 114/39 dated 26th July, 1939 addressed to the Falkland Islands Sheepowners Association on the subject of the processing of mutton, I enclose copy of a letter dated 28th July last addressed to the Secretary of State, Colonial Office, by my Head Office and their reply dated 15th September.

The Colonial Office was approached direct in this case as it was thought desirable that some idea of the views of the Ministry of Food should be obtained before the matter was taken further.

I am,

Sir,

your obedient servant,

*Tom. Ross*  
Manager.

The Honourable  
The Colonial Secretary,  
Stanley.

Excerpt from letter from Man. Div. D. & G. Co. of 1. 1. 45

(P) (W)

original filed at Head in 3/45 "Proposed by Gov. Man. D. & G. Co.

9. SURPLUS STOCK. With reference to the Colonial Manager's letter to the Colonial Secretary dated 28<sup>th</sup> December 1944, an approximate estimate for the erection of a Freezing Works in the Colony outlined in our Head Office letter dated 28<sup>th</sup> July 1944 to the Secretary of State (para. ) is £15,650 exclusive of water supply and for refrigeration- the required space in a vessel £15,000.

*W.M.A. 1. 1. 45*

114/39.

114/39.

MINUTE BY HIS EXCELLENCY OF 3. 1. 45. ORIG. IN 3/45.

20

N. A. N. at present.

(22<sup>a</sup>)

COPY.

*Recd 18.*

SURPLUS STOCK. With reference to the Colonial Manager's letter to the Colonial Secretary dated 28th December, 1944, an approximate estimate for the erection of a Freezing Works in the Colony outlined in our Head Office letter *Recd 22.* dated 28th July, 1944 to the Secretary of State (para. ) is £ 15,650 exclusive of water supply and for refrigerating the required space in a vessel £ 15,000.

(22<sup>6</sup>)

FALKLAND ISLANDS SHEEP SHIPPED TO  
Straits of Magellan Frigorificos

	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>
Sheep shipped	27529	27420	23138	13088
Landed alive	27052	26895	22395	12985
of which from F. I. Co.'s Farms	5246	15725	12257	463
Frozen for Export	4130 (est.)	9392	5155	7644
	185850 lbs.	454379 lbs.	252042 lbs.	359185 lbs.
Average Weight	45 "	48 "	49 "	46,99 "
Proportion to total	15,3	35%	23,3	59%
Wethers	-	8992	3181	4704
Ewes	-	400	1959	2940
Lambs	-	-	15	-
Consumed locally	-	9653	3998	
	-	394013 lbs	155787 lbs	4980
Boiled down	-	6206	12976	192846
	-	263613 lbs	561608 lbs	
Condition of Sheep out of	<u>6174</u>	<u>17183</u>	not available	<u>12985</u>
Lymphadenitis	355	64	-	421
Icteric	949	297	-	-
Pleurisy	235	191	-	164
Peritonitis	168	52	-	64
Bruises	1022	854	-	584
Poverty	249 (ewes 159)	1441 (ewes 1016)	-	3293 (1251 from R. COVE (ewes 2344))
Other Causes	<u>459</u>	<u>903</u>	-	<u>290</u>
	<u>3437</u> =====	<u>3902</u> =====		<u>4816</u> =====

(22)

pt. early pe. close  
Freezer W.H.  
28.11

28th July, 1944.

8/6.

Sir,

We gather from recent press reports that it is generally anticipated there is likely to be a world wide shortage of meat for a considerable length of time after the end of the war. Presuming that this view is correct we suggest that the possibility of developing the Falkland Islands as a Producer of meat - even if only to a very limited extent - deserves serious consideration.

As it seems probable that the Ministry of Food must continue for some time after the war ends we presume that they will be interested in the proposals tentatively outlined herein it would be useless pursuing them further.

We therefore request that the Secretary of State will kindly give them his consideration and if he sees fit ~~fit~~ inaugurate discussion with that Ministry.

There are several methods of dealing with the number of Falkland Islands Sheep which are available each year for food but which are not at present made full use of due to lack of a market and of the necessary facilities. These methods are - Freezing. We cannot do better than quote from a letter addressed by the Falkland Islands Sheepowners' Association to the Falkland Islands Government in 1939 -

*Re 5.*  
"I am instructed by my Committee to revert to your letter No. 114/39 dated 26th July, 1939, which expressed the view that it was desirable a freezing works should be established in the Colony and requested that this Association should take the matter into early consideration.

"The war has delayed this being done but my Committee has now discussed it and set on foot certain enquiries in connection therewith".

"It is understood that some 15 years ago a proposal to erect a freezing works in the Falkland Islands was considered and discussed with a firm already in the trade who advised that a plant capable of handling 70,000 carcasses was

"the minimum economical unit; this and other factors led to the matter being "shelved. I have no record of mutton prices then but it is common knowledge "that up to about 1930 both mutton and lamb commanded excellent prices. The demand "for and price of mutton in the open market in England immediately prior to the war "were not encouraging. Quotations on 21st August, 1939 at Smithfield per 8 lbs

"were -

	s.	d.	s.	d.
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" " " Ewes	2.	-	"	2. 8.
" Australian Wethers	2.	4.	"	3. -
" " " Ewes	2.	-	"	2. 10.
" Patagonian Wethers	2.	4.	"	3. -
<u>Lambs.</u>				
" New Zealand	4.	4.	"	5. 6.
" Australian	3.	10.	"	4. 10.
" Argentine	4.	4.	"	5. 4.
" Patagonian	3.	10.	"	4. 8.

" Falkland Islands Pelts and  $\frac{1}{4}$  woollen sheepskins were then selling in London at "about  $3\frac{3}{4}$ d and 5d to  $5\frac{1}{2}$  per lb. Tallow was about 18/6 per cwt. and hard to sell. "Apart from the probable difficulty of securing anywhere near 70,000 sheep, the "prospects of the meat and skin markets are not encouraging and my Committee would "not be prepared to support a scheme which included provision for handling and "holding approximately that number. It was, however, agreed that a modified scheme "should be investigated which investigation is now in progress. As this may be "delayed owing to the pressure under which makers of the required plant are now "working, I am instructed to inform you of the details of the scheme.

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" Assuming that the killing season would be from 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 the number of sheep "offered to the freezing works up to a total output of as much as 1000 tons and "possibly 1250 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 just surely follow that they will do "all they can to increase the numbers suitable for freezing; the stimulus to "and development of the farming industry should therefore be automatic and in "ratio to the development of the freezing industry. These are in brief the lines "on which the investigation is being undertaken. Discussions are being carried "on with Refrigerating Plant Engineers and others and a more detailed report "will be made when these have been completed.

" It is feared that even assuming the scheme is approved by all the interested "parties, it is very doubtful whether it could be carried out during the war in

"view of the rise in prices, the difficulty of securing reasonable deliveries of plant and the shipping position.

"However, my Committee trust that Government will kindly favour them with their comments on these proposals as it will be a definite step forward if some agreement can be reached as the matter will then receive itself into one of ways and means. There is one important point which my Committee desires to make which is that any development along these lines should be carried out independently of the big meat interests which combine freezing, carrying and marketing as it is considered that Falkland Islands interests might be at a great disadvantage, especially at times of depression, if they were dependent on a powerful meat company to carry and market their products."

The prolongation of the war has prevented further investigation. We would also refer you to our letter 8/6, dated 17th March, 1942 addressed to the Secretary of State and your reply 18052/9/42, dated 2nd April, 1942.

Canning. We operated a canning plant from 1912 to 1920. The greatest number of sheep handled in any one year was 61,181 in 1918 - this quantity produced -

9,967 cases each containing 126 lbs tins mutton  
 176 " Meat Extract each 56 lbs.  
 184 " Tongues.  
 Skins, tallow and casings.

The demand ceased after the War and the plant has since been disposed of.

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Dehydration. We know but little about this process but understand it is expensive the fuel consumption being particularly high which alone would make it impracticable for use in a country where only a low grade fuel is available and all coal and oil has to be imported.

The two essentials to any development are interdependent and are an assured market which would justify the provisions of the necessary plant for production.

If the Ministry of Food is interested the most suitable method of preserving the meat can be investigated and when this has been agreed the Ministry would be requested to give their support by granting a long term contract covering the whole production for a term of years on an agreed price basis.

The Colonial Development Fund might be looked to for assistance for the plant required.

We are, Sir, Your obedient servants, For the F. I. Co. Ltd.  
 (sgd). L. W. H. Young.

(23)

Dover House,  
Whitehall, S.W. 1.  
15th September, 1944

19889/54/44.

Sir,

I am directed by Colonel Oliver Stanley to refer to your letter of the 28th July regarding the possibility of establishing a plant for processing meat in the Falkland Islands, in view of the probable world shortage of meat in the post-war period and to inform you that he has consulted the Ministry of Food on the matter.

After a full review of the circumstances, however, Colonel Stanley regrets that he can hold no hope of there being any prospect of economic success for the processing of meat in the Colony. Of the various methods of processing referred to in your letter, he is advised that present world plant capacity both for canned and dehydrated meat is likely to exceed post-war demand, which probably will be far from high in respect of either variety. As regards the suggestion that a freezing plant should be set up in the Islands, he does not feel that a sufficient number of sheep, (even provided the quality of stock was suitable) would be available to allow of an economic unit being established. In reaching this decision he has taken note of the suggestion in your letter that the Islanders themselves would be given an incentive by the establishment of such a plant to increase their stocks, but he is advised that in view of the poor quality and limited extent of pasturages available, it would hardly be practicable for such an increase to take place on a scale which would provide large quantities of mutton for export.

I am, Sir,  
Your obedient servant,

The Managing Director,  
The Falkland Islands Company, Ltd.,

(23a)

This matter has now been raised  
again with Col. officer but his  
attitude is unchanged.

24<sup>b</sup>

b.

Consulado General Britanico,  
Buenos Aires.  
6 de noviembre de 1945.

Señor Eduardo Sacriste,  
Calle Morelos 38,  
Buenos Aires.

De mi consideracion:

Me refiero a su carta del 5 de septiembre ultimo referente a su propuesta de iniciar un servicio de vapores entre puertos Argentinos y las Islas Falkland, y en contestacion a la misma debo comunicarle que las autoridades coloniales me informan que los vapores que efectuan escalas en ese territorio requieren los siguientes documentos.

1. Patente de sanidad.
2. Manifiesto de carga para Port Stanley.
3. Rol de tripulacion endosado por un funcionario consular britanico.
4. Lista de pasajeros tambien endosada por un funcionario consular britanico.

Espero que esta informacion sea la requerida por Ud. y aprovecho esta oportunidad para saludarle muy atentamente.

signed HUGH McLEAN

Consul de S.M. Britanica por Consul General de S.M. Britanica.

EDUARDO SACRISTE.  
Morelos 38

Buenos Aires, August 30 de 1946

24<sup>a</sup>

To FALKLAND ISLANDS COMPANY  
Port Stanley  
Islas Malvinas

Dear Sir:

As it is my sincere desire to establish an intercourse of great value between your island and my country, to create a normal current of commerce, and also to fulfill our mutual material and spiritual necessities, I look towards your company, as the means of being able to accomplish this auspicious future trade.

I have consulted my Government and the British Consul General, in Buenos Aires, re conditions upon which this exchange could be carried out; and these conditions are as contained in the instructions which I enclose.

Owing to my complete ignorance of the corresponding statistical figures, do I request your answer to the following questions.

The fundamental basis of this future trade, is in my opinion, the surplus sheep which you must have every year, and whose sale would greatly benefit your island producer.

1 : What is your average number of surplus ewes, during the past years, and can this average increase with the incentive of a prospective buyer ?.

2 : What is the average condition of these sheep, weight, health, mouth's etc., and which would be the adequate month for their removal.

3 : What proportion of these sheep would be fit for consumption, or canning, and also would any of these sheep be fit for breeding.

4 : Amount of sheep which you would be capable of having ready for each shipment, and also, how long would it take you to have ready the same number for a future ~~shipment~~ loading.

5 : Would you be interested in selling hoggets or lambs, and at what period of the year would these be ~~sellable~~, and what their number would be ?.

6 : According to your knowledge of the islands' sheep, How many ~~3~~ <sup>3</sup> skins? days do you think they could live without water ?.

7 : Would you be interested in selling your wool and skins in our market, considering the favourable reception that wool of similar quality from Tierra del Fuego receives ?.

8 : Indicate what variety of edible molluscs are produced in the islands, and whether their transport have to be effected under frozen conditions or water tanks, and if interest in this production would be stimulated by reasonable prices, what quantity of the same could we count on for every shipment ? Further more, what price you consider renumerative to this production. other

9 : Have you besides these former articles, any product which you would be interested in exporting, and of what nature would they be.

10: What are the most important products or manufactured foods that the islands consume, indicating average quantity

At the same time, I would appreciate a description of the physical or climatic factors that might indirectly influence our future trade.

The request for this previous information, answers to the sole object, of being able to ascertain to what extent would the population of the islands be interested in the developement of this project, an interest that would materialize once it shared the financing, directing and risks of same, with all its logical advantages.

The British Consul General, in Buenos Aires, was informid of my plans, but I am not aware of his having informed you of their nature.

My plan consists, in the forming of a Company, capitalized by your company, the producers of the islands and myself. Our company would acquire a fast steamer, adequate to the forseen service, including suitable accomodation for passengers, freezing chambers, and proper fittings for the transport of sheep. The main office of this company could be in Port Stanley, Bahia Blanca or Buenos Aires.

I have the pleasure of informing you, that the approval to this plan has been given by one of the largest British owned packing plants, who have a daily kill in their frigorifico in Cuatreros of 4 to 5000 sheep for day.

I offer as personal references the following firms: Banco de Galicia de Buenos Aires, Cangallo No 415; Mrs. A.G. Pruden S.R.L., Bouchard 680; Pedro y Antonio Lanusse, San Martin No 234, all in Buenos Aires. And also those that the British Consul General may give you.

Hoping that with your important cooperation, we may open a new era of commerce and trade, between those islands and rest of the continent, I remain as ever yours sincerely.

signed EDUARDO SACRISTE (BARKER)

*Eduardo Lacoste*  
Mendoza 38

Buenos Aires, September 13 1946.

To His Excellency Sir Allen Wolsey Cardinal, K.B.E., C.M.G.  
Governor and Commander-in-Chief  
Port Stanley, Falkland Islands.

Sir,

I beg His Excellency to excuse me disturbing His Excellency's very occupied time to inform re my correspondence with Messrs. Falkland Islands Co., because said correspondence comprises a proposal of exchange between those Islands and This Country, and which I believe could develop into a normal and constant exchange between us.

This officious determination on my part towards Your Excellency's high authority is due to the conviction that the development of the concern which I wish to create, must have, first of all, Your Excellency's complete moral approval.

I have written the Falkland Islands Co. requesting them to inform Your Excellency of all the antecedents that I have forwarded to them with respect to this matter. I would be greatly pleased could I bring closer together the people of those Islands and ourselves.

Respectfully,

Eduardo SACRISTE (BARKER)

EXCERPT FROM LETTER FROM MANAGING DIRECTOR OF F. IS. CO., LTD.  
OF 2. 12. 46 (original filed in 3/45 "Proposals by General  
Manager, F. Is. Co.")

(25)

11/29.

*Rec'd 24* The enclosed letter addressed to Sir Allan Wolsey Cardinall  
came by last mail, together in an envelope covering one to us.

*Rec'd 24* I enclose a copy of the latter and of a letter from the  
British Consul at Buenos Aires.

The official Argentine decree referred to is being translated,

*Rec'd 29* and we will send you a copy later.

I will try to see Senor Sacriste on my way Home, but doubt  
whether his proposals will lead us anywhere. In the meantime  
I have asked our Buenos Aires Agents to make enquiries as to  
his position and standing.

X | Yours sincerely,

*AMW*

EXCERPT FROM LETTER FROM MANAGING DIRECTOR OF F. IS. CO., LTD  
OF 2. 12. 46 (original filed in 3/45 "Proposals by General  
Manager, F. Is. Co., Ltd.")

114/39

21

3

FREEZING OF MUTTON

22-23 The papers handed you make the present position clear. In view of its importance to the Colony, the matter deserves re-consideration.

The cost of the experiment should not be excessive - I estimate it at about £ 40,000 providing the existing buildings at Goose Green are used. The Home Government's assistance might be necessary to ensure onward space at Montevideo, and a market in the U.K.

Not  
particularly  
suitable?

TRANSLATION

(29<sup>a</sup>)

SACRISTE EDUARDO It is declared that there are no restrictions for trading with the Falkland Islands.

Buenos Aires, 17th July, 1946.

3.107/46 - 126 - 756. File on despatch No. 216. D 1945

Seen and considering:

That Señor Eduaruo Sacriste regarding the possibility of establishing a maritime traffic to the Falkland Islands, solicits the Director General of Customs that he may be informed what restrictions are in force for the introduction to other parts of this country (Argentine) of natural (or primary) products, manufactured products and animals on the hoof from thence (i.e. The Falkland Islands).

That the Argentine Republic has sustained at all times that the Falkland Islands are an integral part of its territory.

That Article No. 10 of the National Constitution expressly declares 'In the interior of the Republic the circulation of natural or fabricated Argentine products as well as goods and merchandise of all classes are free of duties.

That in conformity with the said article no impediment exists for the introduction into the various ports of the country of natural or manufactured products coming from those Islands without prior payment of import duties, provided that they comply with the same conditions as those of any other part of Argentine territory.

That also by Decree No. 3824 of the 20th February, 1945, the introduction has been declared free of duties by the Customs and Marine receivers (or Treasury) with territories situated South of the 42nd South parallel of latitude, all materials and foreign goods necessary for the clothing, nutrition, health and feeding and the work of the population, from whence in the supposition to treat the materials and foreign merchandise which proceed from the Falkland Islands, a territory which for obvious reasons is unable to pay the duties on the introduction thereof, the circulation by the territories South of Lat. 42° should not be subjected to the requirement, assuming that they are always treated as goods included in the lists opportunely approved by Decree No. 18,633 of the 13th August 1945.

That, with regard to the nature of such operations such as discussed, they are without doubt governed by the Coasting law by Decree No. 19492 of 1944.

Therefore, in conformity with the reasons expressed by the Treasury Attorney.

The President of the Argentine Republic:

"Decrees"

Art. 1. It is declared that no restrictions exist against the introduction into other ports of the Republic of produce or manufactures of Falkland Islands origin; and that foreign materials and merchandise proceeding from these Islands may be freely introduced by the Customs and Maritime Receivors - of territories situated South of 42° Lat. S. provided they are treated as those included in the list approved by Decree No. 18,633 of the 13th August 1945.

Art. 2. The operations to be effected from and for the said Islands - will be governed by the conditions of coasting navigation and commerce. Decree No. 19,492 of 25th July 1944.

Art. 3. The present decree will be countersigned by the Secretaries of State in the departments of the Treasury, Foreign Affairs and Marine.

Art. 4. Communicate and pass to the General Director of Customs, etc.

PERON - R.A. Cereijo - Juan A. Bramuglia - F.L. Anadon.

From: "Boletin Oficial", Wednesday, 14th August, 1946.

See (25)

S. S. Iapponia (29)

12. 12. 46

Dear Mr. Mathews

Rec 29<sup>o</sup> I enclose a  
translation of the  
Decree published in  
the Argentine law  
Gazette referred to in  
my letter Dr. 2nd Dec.

Yours sincerely  
W. W. Young

W. W. Young  
17<sup>th</sup>

114/39.

Excerpt from "Notes  
on a Meeting held  
at Govt. House on  
16/12/46."

FREEZER. His Excellency observed that the project rested with the Colonial Office whose view was that the farmers were in fact putting the cart before the horse: it was necessary in their view to first increase the stock of breeding ewes. Sheep could not now be killed off until 5 years old and were not then very suitable for mutton.

Mr. Young said that it would be possible to kill and freeze for export 30,000 sheep between March/ May as a beginning and Mr. Roberts said that in Patagonia freezers came first and changed the outlook regarding mutton production.

His Excellency replied that the whole question must be linked up with a re-s�eculation of and improvement of pastures; the two were indissoluble.

## 9. INDUSTRIAL DEVELOPMENT:

33

34

I have given careful consideration to the possibility of developing secondary industries in the Colony and, including those mentioned in the Memorandum under reference, they are as follows:-

EXTRACT FROM H. E.'S  
CONFIDENTIAL DESPATCH TO  
S. OF S. OF 22. 1. 47.

Original filed in

8/42 "Policy General  
& Comprehensive"  
0040 "Development  
Policy"

(a) Meat. The canning of mutton was tried out in the Colony after the 1918 war, it failed and the plant was disposed of; it is doubtful if dehydration would prove any more successful. The sheep-farmers themselves are much more interested in the establishment of a refrigeration factory and provided that it can be started on a modest scale and goes hand in hand with a re-orientation of farming policy there is, in my opinion a good deal to be said for it. There is some enthusiasm for the project and it should I think be explored. It would be a joint venture with the Government putting up a proportion of the capital required and it has been suggested to me that the factory could count in the early stages on about 30,000 carcasses; it might also be possible to find a market for Upland Geese which, as you are doubtless aware, breed here in great quantities (they are regarded as a pest) and are extremely good eating. I am personally more interested in the beneficial effect that such an innovation might be expected to have on farming policy and should be glad if your advisers would consider the matter from this point of view. When approached some time ago by Mr. Young, of the Falkland Islands Company they were, I believe, of the opinion, that it was putting the cart before the horse but Mr. Robert Blake and others with whom I have discussed the suggestion tell me that this is contrary to experience in Patagonia.

EXTRACT FROM H. E.'S Confidential Despatch of 22. 1. 47.

35

10. The above represents a comprehensive survey of development needs and possibilities in the Falklands most, if not all, of which will require assistance either under the Colonial Development and Welfare Act or from loan funds; they are summarised below for convenience with a note, where required, as to urgency:-

## VIII INDUSTRIAL DEVELOPMENT.

- (a) Refrigeration plant
- (b) . . . . .
- (c) . . . . .
- (d) . . . . .

Notes. Subject to the views of your Advisers and not a first priority; it will be some time, presumably, before equipment of this nature is freely available. Can be provisionally set down for 1949.

FAKELAND ISLANDS SHEEP OWNERS ASSOCIATION (LOCAL COMMITTEE)

NOTES TAKEN AT A GENERAL MEETING OF THE SHEEP OWNERS ASSOCIATION HELD AT STANLEY HOUSE, STANLEY, ON SUNDAY, 9th March, 1947, AT WHICH HIS EXCELLENCY G. MILES. CLIFFORD, C. M. G., O. B. E., AND THE HONOURABLE A. B. MATHEWS, COLONIAL SECRETARY, WERE PRESENT.

The Hon. D. W. Roberts, Joint Chairman of the Association, introduced His Excellency to the Meeting and thanked him for honouring them with his presence.

His Excellency stated that owing to the short time he had been in the Colony he was not prepared to address the Meeting on Agricultural Policy but he would be pleased to answer any questions which members might put to him.

COLONIAL DEVELOPMENT & WELFARE FUND. The Governor stated that the grant of £150,000 to the Colony from the above fund would be devoted mainly to Social Services, hospitals, education, health services, communications and the balance together with insurance recovered from the loss of the Town Hall by fire, towards the erection of a new one. He also had in mind a subsidy for road making between stations. The East/West Falkland road proposed by his predecessor had been definitely ruled out. Air transport would take a large bite out of the grant as he estimated that a helicopter would cost possibly up to £60,000. £30,000 had been allocated to the building of a new hospital. He had hopes that the grant might be raised beyond the original £150,000. Under the heading of ' Hospital ' H. E. stated that £30,000 would be largely spent in Stanley. He had also in mind an improved dispensary on West Falkland and two district nurses for Camp work.

*Original filed in 267/46.*

X Market for surplus sheep - although the proposal to start a freezer in the Colony had twice been turned down by the Colonial Office, the Governor assured the Meeting that he would be prepared to take up the matter again with the C. O. providing there was unanimity among Farmers. He understood that the maximum number of carcasses likely to be available at first was approximately 30,000; was this sufficient to support a freezer? It was decided to obtain numbers from each farm. H. E. stated that the Colonial Secretary would forward a précis of the Colonial Office views on this matter to the Association. *in connection*

114/39.

5th April,

47-

Sir,

I am directed by the Governor to refer to the notes of the meeting of the Sheep Owners' Association with His Excellency on the 9th of March, 1947, in which it is recorded that I should forward a précis of the views of the Colonial Office regarding a "freezer", and to express regret that owing to a lengthy search for papers I have not hitherto been able to address you.

2. I have now informed your Chairman verbally that apart from a letter dated the 28th of July, 1944, from the Managing Director, Falkland Islands Company, to the Colonial Office, and a reply to that letter dated the 15th of September, 1944, copies of which were handed to me by Mr. L.W.H. Young, with the following note:

"This matter has since been raised again with Col. Office, but their attitude is unchanged."

no trace of correspondence on the subject can be found.

3. It may therefore be taken that the views of the Colonial Office remain as stated in that letter, and in the circumstances no précis is being sent to you since a copy of the letter is presumably available in the files of the Falkland Islands Company.

I am,

Sir,

Your obedient servant,

The Honorary Secretary,  
Sheep Owners' Association,  
STANLEY.

EXTRACT FROM MINUTES OF EXECUTIVE COUNCIL MEETING HELD ON  
26th MAY 1947.

38

(Original filed in 0040 - Development Policy)

.....

(VI) FREEZER Until the Sheepowners' Association could unanimously agree to its desirability, no further action could be taken by Government.

(sgd) J. Bound.  
Ag. Clerk of the Executive Council.

10 | 40.

39

The Falkland Islands Sheepowners Association,  
(LOCAL COMMITTEE)  
STANLEY, FALKLAND ISLANDS.



15th September, 1947.

Sir,

SURPLUS STOCK.

The Association are in agreement with the idea of starting a Freezer.

2. The estimated annual surplus is 45/50,000 sheep but under the present system of breeding probably not more than 14/15,000 would be suitable for freezing. Some further information as to the number required to begin operations appears to be necessary. It is presumed that a Freezer could be run on Co-operative lines with Government having a financial interest.

I am,

Sir,

your obedient servant,

A handwritten signature in blue ink that reads "J. G. Green".

Secretary.

The Honourable

The Colonial Secretary,  
Stanley.

A handwritten signature in blue ink that reads "J. H. 19/9/47".

"Waverley House"

Stanley

16th Oct. 1947

Sir,

I have been thinking about the matter of 'freezer' and in relation to that world wide problem 'fuel and power'.

In my day the (freezers) on the Argentine Patagonian Coast were all dependent on imported Welsh coal. This was brought out by the same refrigerator ships that took the mutton carcasses away, involving a lot of work - discharging to lighters and scows, towing to jetty hoisting onto jetty and railing or trucking up to the works.

However the main requirements of a freezer are compressors and pumps and these can be worked by electricity. Would it be possible to put a dam across the San Carlos river and generate electricity from water power?

I have just spoken to one ex-shepherd who knows the San Carlos and he assures me that there are narrow places with banks of 20 or 30 feet high within 3 or 4 miles of Cameron's settlement.

The subject might be worth further investigation.

Unfortunately I do not know anything about water-power. I have never even seen an ordinary mill-wheel, or a Pelton wheel, much less a hydraulic turbine.

But from a book I gather that an ordinary undershot water-wheel can operate from as low a fall as 6 feet. An overshot wheel needs at least 10 feet fall.

Actually I believe there is a small "Pelton Wheel" in use at Cameron's settlement. I have never seen it but I understand that the water is collected from a small reservoir up the hillside and has nothing to do with the river itself.

But if there is a suitable place along the river where it could be dammed and a small modern turbine installed generating lots of cheap electrical power, all sorts of developments could be envisaged for the future - not only a freezer ?

Yours sincerely,

Depends upon how far  
it has to be carried?

V. doubtful if it would be  
of any use except for the Freezer.

MC.

C O P Y .GOVERNMENT HOUSE,  
FALKLAND ISLANDS.

20th October, 1947.

Dear Rowe,

Thank you very much for the literature about the freezer (which I will hang on to for a bit, if I may) and for your letters. In view of the modest capital investment then involved it is a pity the Administration didn't take its courage in both hands and have a crack at the venture years ago. To-day, in view of the scarcity and increased cost of such equipment it becomes a more expensive proposition but must, nevertheless, in my opinion be pursued to the point where it is demonstrably impracticable, for it is quite obvious that failing the discovery of other natural and exploitable resources, sheep-ranching is and must remain the staple industry. That being so, some means must be discovered of disposing economically of our surplus sheep; no other solution than a Freezer presents itself and its adoption must necessarily lead to a re-orientation of our farming economy from wool to wool-and-meat. From this must follow, also, a concerted effort by farmers and Government alike to improve pastures and put a halt to the progressive deterioration which has been remarked by all competent observers.

The first consideration is the minimum number of available carcases which would justify a beginning. As to this Young, when I discussed the possibility with him in January, spoke of a possible 30,000 but the S.O.A. writing in 1939 to Henniker-Heaton quoted a firm in the Freezing industry as stipulating a plant capable of handling 70,000 carcases as the minimum economic unit. Such a figure was regarded by the S.O.A. as impossible of achievement at present and a recent "estimate" by the local organisation puts the figure at from 14 to 15,000 which doesn't look too hopeful; but experience on the mainland suggests that the establishment of a freezer will very soon supply, itself, the necessary stimulus to increased production. I have asked farmers to let me know, individually, the number p.a. they can confidently count upon (a) now, and (b) within three years of the establishment of a Freezer.

The second point is size and quality which while not, perhaps, of immediate importance in view of the serious shortage of meat is nevertheless to be reckoned with in future.

The next point is transportation which can be met in one of two ways (a) provision of refrigerated space in the Company's steamers, or (b) persuading the Blue Star line to call here twice a year to collect thus effecting a saving in overheads. As an alternative, you have suggested that Vestey's might be sufficiently interested to both instal the Freezer and undertake transport (via Blue Star) and marketing; I suspect that such a proposal would be very strongly opposed by F.I.C. on the grounds that the industry would be entirely at the mercy of Vestey's. Indeed, without mentioning the latter by name, they have I see already commented on the dangers of such a development. I am inclined to think that the best solution might lie with the newly created Colonial Development Corporation? Whatever is done must give equal opportunity to all and priority of consideration to none.

As/

As to the site of the factory this must clearly be on the Falkland Sound and only two stations suggest themselves viz. Goose Green, as commended by F.I.C. in earlier correspondence, or Port San Carlos which has manifest advantages from a shipping aspect together with abundant fresh water. In either event some farmers are going to have a pretty long drive.

You may, or may not know, that the proposal was put to the Ministry of Food in 1944 at the instance of the F.I.C. and that the S. of S. informed the latter that "no hope could be entertained of the economic success of any form of processing of meat in the Colony and, in regard to a Freezer, that he did not feel that a sufficient number of sheep (even provided the quality of stock was suitable) would be available to justify such a venture". Dean has told me, most emphatically, that he shares this view but conditions now vary substantially from prospects as contemplated when the S. of S. thus delivered himself; and I am by no means convinced and am fully prepared to return to the attack. In the meantime I am addressing the S.O.A. (local) and shall be very interested to see their estimated figures; Gibbs, if I recall aright (it was I think in his report), stated categorically that we must keep all our lambs up to the age of five in order to maintain the present population.

Yours sincerely,

(Sgd) MILES CLIFFORD.

"Waverley House"

Stanley

21st Oct. 1947

Sir,

Many thanks for Y/E's note of 20th.

May I make a few comments as follows.

Age of sheep. On the Patagonian Coast sheep have to be discarded earlier as due to the gritty nature of the feeding grounds (the grass itself is almost imperceptible) they grind down their incisors in the bottom jaw (they only have a pad in the front of the top jaw) at a relatively early age.

Here, on soft ground, the sheep retain their incisors for a good many years, hence there has never been much urge to slaughter sheep in the same manner as on the Coast.

However, most farmers can tell from their shearing tallies and weights at what age each particular flock begins to give decreasing returns in the matter of wool.

The ideal economy is to take as many good clips of wool as possible and then slaughter for meat when the sheep will still

give a good freezer carcass and a good pelt.

Driving. The length of the drive cannot influence the matter in any way. Sheep are driven down from the foothills of the Andes right down to the Atlantic Coast.

From the Lago Argentino to Rio Gallegos it is at least 150 miles, and most of the way the sheep are driven along a wide 'street'. I have been along it but cannot say how wide that 'street' is, perhaps 100 yards, but on the whole there is very little feed on it.

There are, of course, holding paddocks every so many miles where the sheep and men rest at nights.

Driving in the Falklands is child's play in comparison.

As for bringing West Falklands and Island sheep to the freezer by boat, this is merely a matter of a suitable vessel and organization.

If it paid the Rio Seco (Punta Arenas) freezer to collect surplus sheep from sundry ports in the Falklands (8 trips in 1939, 6 in 1940) and carry them all the way to Punta Arenas, surely the short hauls to a

local freezor should present small difficulty.

Holding paddocks close to freezor.

This is probably of importance. Perhaps Goose Green would have some advantages over San Carlos on this point. It can be easily investigated and decided on.

Crossing the San Carlos river.

This may also be of importance. In times of flood it might entail a long detour, but I do not know. On the other hand a suitable bridge would solve any difficulty and be of permanent benefit for traffic at all times of year.

IMPROVEMENT OF PASTURES.

It would appear to me that the last word will never be written on this subject. I know very little about it excepting that anyone can see that where sheep are concentrated over long periods in paddocks, the grasses become automatically refined, and the ground consolidated. I also know that both Annual Meadow Grass and Brown Top do well in such paddocks.

If it were possible to get

some suitable strain of white clover to intermix, it would more or less solve a great deal of the problem, but for clover to seed itself and spread brings me back to the subject of 'bees'.

I think it has been proved that clover does well when raised from innoculated seed, but does not spread or spreads very slowly due to lack of fertilization.

I have a friend (an old fellow whom I have never seen but who asked me for stamps) who is connected with a seed cleaning works on the Thames. He very kindly sent me a lot of odd samples of grass seed I gave these to Robbie Greenshield for him to try out at Douglas St. I never heard another word about it.

I got a second lot of grass seeds from him, and gave them to Weir (Ag. Adviser) and he simply mixed them all together and planted them in those two plots flanking the Cross of Sacrifice in front of the Cemetery. Again I never heard another word about them, and since then those plots have been dug up and used for other purposes.

In spite of these set-backs I yet again asked by friend to send me some cl ver seed. I think he sent me

two further samples of clover seed and these I sent out to Barton, but I do not think he has planted same yet. I had already persuaded Barton to invest in a hive of bees and told him how to keep them going through the winter and I think the said hive is still in prime condition

If he is willing to carry out further experiments with clover (plus bees) I am willing to get out more samples of seed - but Barton will probably appreciate some official help.

Progressive deterioration of Pastures

Is this a proved fact or is it merely theory ? I think a lot of theory is based on the assumption that over 700,000 head of sheep were carried many years ago, whereas flocks are down to 600,000 now.

Can any reliance be placed on the old figures ? Are the sheep tallies ever checked and verified by the Stock Dept. ? Have they ever been verified and the Government satisfied that the 700,000 and over figure was reasonably correct ?

I cannot reconcile the idea of pasture deteriorating due to stocking

or overstocking. Anyone can see that where small paddocks are heavily overstocked the grasses become refined automatically.

Norman Cameron has a very interesting theory, - an idea which I believe he has put into practice but with negative results as I shall relate.

He says that sheep feed on short grass, whereas cattle (which pull longer grass with the tongue) cannot touch the short stuff. So he says that it is possible to intermix a quantity of cattle with sheep on the same ground, without in any way having to cut down the numbers of sheep carried.

But he could not get a market for his surplus cattle. At the commencement of the war he offered me 100 or more head of cattle for a ridiculously small sum of money. I could do nothin about it. He had to slaughter the cattle merely for their pelts, and left the carcasses on his oats field as manure. I believe he has had to do this more than once.

Cobalt. Not long ago I read about an experiment on the matter of traces of cobalt being necessary for the quick fattening and development of young sheep.

The experiment was carried out in Scotland and I sent the paper to Barton, and have told him I would get a cwt. of cobalt from U.K. if he wished to try it out here.

The ~~experiment~~ is very simple. An infinitesimal amount of powdered cobalt is mixed with a large quantity of sand (or other suitable dilutant) and strown widely over a paddock. Young sheep put into the paddock and an equivalent lot of sheep are penned in an adjacent paddock. According to the paper there is marked difference in the growth shewn by the two adjacent flocks.

Another experiment is to strew the mixture only over half the paddock and leave the other half untreated. The paper said that it was found that all the sheep in the paddock grazed continually over the treated half of the paddock and left the remainder severely alone.

Breeding from Gimmers. *Can we go to experimental with breeding from gimmers this year.*

This brings me back to the matter of matter of getting more suitable carcasses for the prospective freezer. On the Coast all farmers breed from gimmers - that is ewes in their first year.

Here no breeding is done until the ewes are in the second year.

Farmers will be able to tell you much better than I can what strong reasons they have for this, but some of those reasons would disappear if they were breeding to supply carcasses for a breezer.

If traces of cobalt are lacking in the ground and grasses here perhaps the young ewes would develop more rapidly if cobalt were provided. Would there be 50,000 extra lambs per annum if gimmers were used for breeding purposes ?

Yours sincerely,

106000 111000  
75000  
136000

*Thompson*

6 | 76339  
36000  
+ 2725  
-----  
9 | 76339  
8

45  
~~45~~

01

45a Please have a copy  
of letter below made for  
this file and then return  
letter to me after sending  
letter to Reeve.

MC. 20/  
~~X~~

I believe there is other  
correspondence with E.L.W. on  
this project.

MR. C. M. L.

OS

In one of the Development  
or Agricultural Policy files  
Saw a letter containing the  
reactions of the C.O. (Economic  
Branch) to a proposal for the  
establishment of a 'Freeze'. May  
it be looked up?

MC 16/X

Y.E.

(18a) in 114/39 9  
A.B.H.  
12/28

## GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

46

SENT.

Number	Office of Origin	Words	Handed in at	Date
				21. 10. 47.

To

WESTERS FOX BAY

File box

Grateful if you would give firm estimate of numbers of surplus sheep per annum you would expect to produce bracket a bracket as now organised bracket b bracket within three years of establishment of freezer

COLONIAL SECRETARY.

U.F.S. S.E.T.

Copy sent to Exchange to be phoned to Managers, East Falkland excluding F. J. Company firms.

Time

VP.

Reply at 50, 51, 53

114/59.

colonial Secretary's Office,  
Stanley, Falkland Islands.

27th October, 1947.

Sir,

I am directed by the Governor to ask you to be good enough to furnish me with a firm estimate of numbers of surplus sheep per annum you would expect to produce, as under:-

(a) as now organised;

(b) within three years of establishment of a freezer.

I am,

Sir,

Your obedient servant,

(Sgd.) A. B. MATHEWS

The Managers,  
Johnson's Harbour, *Reply at 58*  
Rincon Grande,  
Salvador.

Colonial Secretary.

W.H.



## GOVERNMENT TELEGRAPH SERVICE.

49

FALKLAND ISLANDS AND DEPENDENCIES.

## RECEIVED.

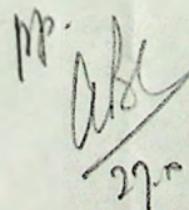
Number	Office of Origin	Words	Handed in at	Date
284	Fox Bay Etat	23	18.30	24.10.47

To

Colonial Secretary      Stanley

(A) 2500 (B) 3000 under present conditions could only guarantee 50 percent of these would be suitable for freezing.

Harding



Time

## GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

50

## RECEIVED.

Number	Office of Origin	Words	Handed in at	Date
273	Fox Bay Ftat	24	18.15	23.10.4
To	Colonial Secretary Stanley			

46 Reference your telegram re surplus stock (A) 1800 (B) 3000 would not guarantee more than 50 percent suitable for freezing.

Luxton.

Time

P.P.  
W.B.

## GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES.

## RECEIVED.

114/39.

Number	Office of Origin	Words	Handed in at	Date
301	Fox Bay	39	1800	26.10.47.

To

Colonial Secretary      Stanley

*4/10*  
 Referring to your wire regarding surplus freezing sheep foxbay west  
 could probably dispose of 400 rising to 600 grown sheep fit for freezing  
 no lambs Port Stephens can dispose of no sheep fit for freezing

Robertson.

Time



114/39

53.

Port Howard,

West Falkland Islands.

October 27th. 1947.

Sir,

46. We beg to acknowledge receipt of your telegram of 22nd. regards Freezer. Working as we are at present we could guarantee about 2,000 fit for the above. We will make every endeavour to increase this provided we can obtain more labour, erect more fences and also if the Government could subsidize us to a certain extent regards artificial fertilisers, grass seeds and fencing.

Purchase of Caterpillar Tractor. <sup>For info see M.P. 0201</sup> This will be another important item towards the freezer and also towards the improvement of the farm. We estimate this will cost 5,000 U. S. dollars c.i.f. Stanley, payment to be made in Montevideo through the F. I. Co. Ltd.

As this is a very important matter we trust you will authorise this money and let us know as soon as possible as we wish to place the order.

We are

Sir,

Your obedient servants,

General Manager J. L. Waldron Ltd.

Extracted to 10057 Vol. II.  
for reference & general applications  
Import & Export Department  
No.

The Colonial Secretary,  
Stanley.

GOVERNMENT OF THE  
FALKLAND ISLANDS.

17th October, 1947.

Copy filed in 0588  
 "Proposed Establishment  
 of a Freezer in F.I.S."

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 no little concern.

1. 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 800 adult males, only some 292 are in a position to pay income tax at all and indirect taxation is not to be established (see my Confidential telegram saving No. 72 of 22nd 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.

2. 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 2,237 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.

3. 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  
 Expenditure"

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

See 51 in 0588

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 (1,215,106 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 dividends 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 workers in the Camp is generally sub-standard and only in the case of the Falkland Islands Company and four other firms is there any Provident Fund. These circumstances, doubtless, combined with the inevitable feeling of isolation which I am now endeavouring to overcome discourage 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 reorganization. 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.

8. The essentials of any agricultural policy must be:

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

9. (d) is already being cared for within my development plan which provides for an inter-island vessel, an 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 13th 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. B. 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. Bildemeister of Treu-untes, Chile) had shown that the Falkland Islands carcass though larger than the conventional and therefore less suited to the home trade could, nevertheless, count on finding a market. Your Despatch No. 45 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.

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. H. Dean) opposed it and I was anxious that the farmers should reach agreement between themselves before I made any 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. 19297/63/47 of the 10th of July.

10 in 0288

"Col. Dev. +  
Overseas Food  
Corporations"

46-48

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 thus, initially, run at a loss. Suitable sites are at Port Darwin where buildings exist and can doubtless be acquired (they are Falkland Island 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 trans-shipment which, if Darwin were decided upon, would involve two lots of overland charges; consideration should therefore be given to the possibility of persuading the Blue Star Line 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/

(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 obedient,  
humble servant,

(Sgd.) MILES CLIFFORD.

Colonial Secretary's Office,  
Stanley.  
4th November, 1947.

Sir,

I am directed by the Governor to acknowledge receipt of your letter of the 15th of September, 1947, and to append for the Association's information a Minute by His Excellency.

" I commended the project of a Freezer to the Colonial Office in principle earlier in the year and have made provision for it in my Development Plan but was awaiting the Sheepowners' Association to reach agreement amongst themselves before pressing the matter further. My main concern at the time was the opposition of Mr. Dean, Chairman of the Falkland Islands Company who was clearly opposed to the idea and considered that the Economic advisers to the Secretary of State were entirely justified in rejecting it finally in 1944; their view, you may recall (and there is much substance in it), was that we could not produce enough carcases to run the plant economically while they also expressed doubt on the question of the suitability and condition of the Falkland product. These apprehensions cannot be lightly set aside and there is no doubt - as the Association itself appreciates - that initially at least the venture must run at a loss and there is as little doubt that to reach an economic minimum (which I have seen put at 70,000 carcases), and the right type, will entail a re-orientation of our farming policy; i.e. the mere installation of a Freezer will not, of itself, serve our purpose and must be part of an overall long-term plan. We must breed for both wool and meat and pasture improvement becomes even more important.

I have supported the project to the Colonial Office, with my eyes open to the possibility of failure, because I believe that it will give new life to the Industry which I am anxious to assist in every way possible but before I go further I must have a reliable estimate from each farmer as to the number of exportable sheep he expects to produce (a) now and (b) within three years of the setting up of a Freezer.

Two other points which I would like them to consider are mutually relevant (i) location and (ii) transportation. As to (i) when I discussed this with Mr. Young last December, Goose Green was suggested; it is geographically convenient and there are buildings there which I presume could be acquired at an economic figure? An objection is that a ship cannot get alongside and this will entail double handling charges (i.e. at Goose Green and at Montevideo). The only other possibility which suggests itself is Port San Carlos where this difficulty does not arise and where also it might be possible (perhaps Mr. Cameron will advise me on this point) to obtain hydro-electric power which would secure an important long-term economy. As to (ii) capital outlay - in any event considerable - must presumably include the provision of refrigerated space in either "Lafonia" or "Fitzroy" or both unless one of the meat-shipping interests can be persuaded to call here, say twice a year, and load direct. If this could be done at Port San Carlos, handling charges would be reduced to a minimum and farmers would thus secure better prices. (In either event "holding paddocks" would be required adjacent to the Freezer). I should be obliged if the Sheepowners' Association will consider these points and let me have their views and the estimated figures for which I have asked, at their early convenience.

(intd) M.C."

I am,  
Sir,  
Your obedient servant,

The Secretary,  
Sheepowners' Association,  
STANLEY.

(Sd) A. B. MATHEWS  
Colonial Secretary.

114/39

56

# PACKE BROS. & COMPANY, LIMITED.

(HEAD OFFICE: 3 LAURENCE POUNTNEY HILL, LONDON, E.C.4.)

BENTLEY'S CODE.



FOX BAY, FALKLAND ISLANDS.

9th November, 1947.

Sir,

*H.6* With reference to your telegram re Freezer, in my opinion a period of three years would be too short a space of time to effect any material difference in the flocks.

I have the honour to be,

Sir,

Your obedient servant,

*W.L. Clement*

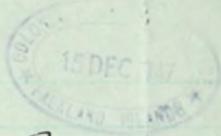
The Hon. The Colonial Secretary  
Stanley.

100/39  
Mr. J. Bonner's (San Carlos) figures for freezer.

57

3,000 sheep now and 4,000 sheep in 3-5 years.

58



Johnson's Harbour  
25 November 1917

The Colonial Secretary  
Stanley

Dear Sir.

48

in reply to your letter  
dated 27 October 1917, I beg to  
inform you Sir. that we are  
not prepared at present to guarantee  
any number of sheep for him.  
for Tracing purposes. because all  
the surplus sheep that are not suitable  
for Market. we usually sell to  
the local Butcher,

I am Dear Sir  
Yours faithfully  
The Smith Brothers

D. Smith  
J.

15.11

60

letter from N. K. Cameron, Esq. of 12.12.47  
(60) referred to 0588/A (Same table + factory s)

OS

The reply to 43 appear to be very  
incomplete and should have been chased up  
but it is too late to do this now.

A copy of 52 shd have been enclosed  
to 0588 as p. 1. ?

Please ex J  
JG  
ADM  
S/5

PA:W  
6/1/48

MC. 23.

Close when schedule of replies at left