

BRITISH AMERICAN KELP COMPANY

478/28	Exploitation of Kelp.
17/46	Seaweed Required by the Colonial Office.
52/46	Forestal Land Timber Co., Kelp Industry in the Falkland Islands
0004/A	British American Kelp Company. - Power Supply.
0004/B	" " " " Housing.
0004/c	" " " " Labour.

NECODE.

TELEGRAM.

S 67

From The Secretary of State for the Colonies

To His Excellency the Governor

Despatched : December 27th 1946 Time : 13.55

Received : December 28th 1946 Time : 05.30

No. 280 Confidential. Your telegram 393 Kelp. Text of your reply has been read to promoters who have decided to proceed with preliminary investigations as stated paragraph 2 my telegram No. 257, Confidential December 9th. Red 46.

Accordingly Messrs. F. Jones and G. M. Bargoynne technical representatives will leave United Kingdom about December 24th expected time of arrival in Falkland Islands January 1st. They will be followed later by Merton, Director British American Kelp Company who should be reaching Falkland Islands about middle of February. He will have full powers of negotiation for Company.

(a). Weed Rights. Company accept that if 99 years lease is granted such a lease would include any previous period over exclusive rights which have been granted.

Regarding (b) of paragraph 4 my telegram referred to above they feel provision therein would not be a satisfactory arrangement for ensuring question of regeneration is adequately safeguarded. They have proposed terms of agreement regarding cutting, programme would be arranged in consultation with Government of Falkland Islands due regard being given to the regeneration. This appears satisfactory to me.

(b). Rentals and Royalties Company accepts rentals proposed but cannot be persuaded to accept royalty for full scale production period outlined in second part paragraph 6 my telegram. They state that if forced to abide to such an agreement they would be unable to compete world market, that annuity demanded by Government would deprive them of the requisite safety margin needed for flexibility in competing with world price and that they would be forced to go elsewhere. They will accept as a preliminary basis a royalty of 2/6 per ton dried milled weed for say first 10 years; after that a specific royalty based on a percentage selling price with maximum 1 1/2%: actual rate would be subject to periodical revision. Their view is that assuming cutting programme reaches eventual one million tons of weed per annum 1 1/2% royalty would bring in an annual revenue of over £12,000 to Colony. I will telegraph further on this before Merton arrives.

3. Your estimate in paragraph 2 your telegram under reference regarding cost of road construction appears to arise from misunderstanding of my telegram No. 257. Company are acquiring a lease of Admiralty site Camber and necessity for concrete road from Port Stanley does not therefore arise. I am hoping to bring negotiations with Admiralty to satisfactory conclusion and every effort will be made to obtain their concurrence in regard Black-stone generators as an interim measure. I am also hoping to secure through Colonial Office an option on two 400 Kilowatt generators which may be available here in March 1947. These should preferably be sited nearest to area of greatest load namely at Camber but transmission line could be laid to Port Stanley. Consulting Engineer had endorsed before receipt of your telegram No. 393 that unit plant would be required by 1948 in addition to 400 Kilowatt referred to above two further sets of 600 Kilowatts and 400 Kilowatts respectively. Initial installation all these sets was estimated to cost £95,000. The Company agrees authorise amount required to finance electricity project i.e. principal and interest over the period say 14 years subject however to reduction in respect supplies to Port Stanley from this plant.

They/

From

To

Despatched : 19 Time :

Received : 19 Time :

- 2 -

They stress however that unless initial capital for installation this plant is provided by Government they would be forced to abandon whole project.

4. As regards housing I understand supplies of Admiralty timber suitable for house construction are available in Naval Stores in Colony and might be acquired.

5. Your statement in paragraph 4 your telegram under reference regarding shortage manpower refers I presume to skilled manpower of technical and foreman classes. The Company suggest this could be met by importing skilled personnel from Uruguay on a short-term contract. Such matters are however best left for discussion with Merton who will be in a better position to consider alternative suggestions in paragraph 5 your telegram under reference.

SECRETARY OF STATE.

52.

Telegram No. 280 from Secretary of State of 27. 12. 46

53

AE saw Messrs. Jones & Burzyne of B.A.K.C. today with C.S. E.E. & S.E.T. Power, Housing & Transport of labour to the Centre was discussed: & the question of importing labour for construction and take on for running the plant was touched on. Rev. 6.11.46 for H.E. to see Messrs. J. B. again.

AE
31.4.47
for 6.11.47

Saw Messrs J & B with Messrs Woodgate stressed in attendance 6/1.

1. ELECTRIC POWER. (a) Provided we are able to take over the 3 W.T. Blackstones we can provide sufficient power for the immediate (i.e. 'pilot' stage) needs of B.A.K.C. MERCER to make up instead of additional slaves required, power line, poles, ~~equipment~~, hiring accessories etc. (b) Additional power will be required for 1948 and the two 400 K.W. generators in respect of which an option has been sought will not be sufficient to meet ^{full} requirements of B.A.K.C., Slanagh and W.T. station. (c) If Admiralty agree to contribution of power we should aim at being able to acquire W.T. station needs and then take over and incorporate each of their existing plant as can be fitted, in to the new station. i.e.

Excerpted to 004/A
"B.A.K.C. Power Supply"

150 K.W. required
3 x 50 K.W.
1st 11.2
2nd 11.2
3rd 11.2

4
The question that Mr. Mason and now comes, on this assumption is whether with the 2 additional 400 kva he will have sufficient power to meet the needs of B.A.K.C. (pilot stage).

Stanley.

W.T. and have necessary reserves in hand

If that is so, is there now at W.T. sufficient ^{generating} power if transferred incorporated to meet future needs of B.A.K.C. without ordering additional plant from U.K.

(d) Question of site of power house to be decided upon.

(e) In what is it proposed to build the power house and are materials labour ~~available~~? If not available would it be wise to avoid ourselves of the Uruguay an firm ^{of contractors} mentioned this morning? They might find 2 jobs more attractive than are?

2. HOUSING.

(a) Sites for B.A.K.C. staff ^{houses} / are available

(b) Meanwhile we must arrange for temporary accommodation and suggestions are (i) Stanley Cottage and (ii) Rose Hotel. You will consider further with EE. I should like a decision by Thursday next.

(c) We have also to decide on method of construction for permanent or semi-permanent housing, and I remain of the opinion that ~~provision~~ provides the answer

Excerpted to
0004/A
B.A.K.C.
"Power
Supply"

Excerpted to
0004/B
"B.A.K.C."

Excerpted to
0004/B.
"B.A.K.C.
Housing"

(d) There remains the question of housing of temporary labour required to erect the factory until the machinery and this turns to some extent on whether the old Camp Anama could be utilized and its contents safely housed elsewhere. EE will advise.

3. LABOUR.

It seems unlikely that BAKC will be able to complete their working requirements from local sources; there are in fact only 2 - EE's fluid reserve (a high % age of whom wd. be regarded as unemployable by any commercial standards) and Camp labour wh. is out of the question - they have quite enough problems to contend with without BAKC adding to them. It looks ∴ as though they may have to import. Meanwhile I want (a) an analysis from EE of available labour (b) a precise requirement from BAKC. We must then reconcile (a) and (b) as

Excerpted to
0004/c
"B.A.K.C.
Labour"

50 of
university...
to me...
with...
and...

Excerpted to
0004/c
"B.A.K.C.
Lovers"

far as we can, the irreconcilable balance
representing the numbers they will have to
input. (c) We must then consider source
of imputation and enquire as to possibilities.
The imputations will create a further housing
problem and the old Army Camps shd. be
K.I.V. in re. Imputed labour shd.
be of the best available type and married
if possible.

4. There is a misconception in the
C.O. about the labour question we must
explain.

M.C. 6/4/48.

I must send a reply to 52 p. 1
on Thursday. The ? of financial provisions
will require most careful ans. I am at
present p 33 favour a plan with B.A.K.C.

(9) ... of power

HR

The B.A.K.C. representatives want to send the term now in draft at the back of his file.

2. Y.E.'s minute on 3-6 has been extracted to 0004/A-C. ~~0004~~ 0004 B-C are below: 0004/A is still with S.E.T. for a report on §1 of 3. I hope to bring it up later. But meanwhile Y.E. shd. see the Mrs; though I had not mentioned them.

ABL
8.1.46

HR

he spoke. The term drafted by Y.E. is now codes except for §6 which was left over pending Y.E.'s further instructions. Sh. I shd. now be glad to receive.

2. The B.A.K.C. representatives term is at back of file. It follows closely the draft submitted at X above. Any of issue? I have re-drafted portions.

3. Y.E.'s note on the original B.A.K.C. draft — Mr. Jones said he inadvertently agreed with this view just. but he believes that whatever the 25 cinema is taken down & re-created at the Centre or not will make little difference to the labour question

ABL
9.1

copy at back

It concludes reference to disputes given which had significantly concluded. The
I explained HR. how it was intended by the B.A.K.C.'s
ABL



the

DECODE.

TELEGRAM.

From The Secretary of State for the Colonies

To His Excellency the Governor

Despatched: 8 Jan. 1946 Time: 2149
Received: January 8th 1947 Time: 09.30

IMMEDIATE.

Recd 1

No. 8. Confidential. My telegram No. 280 Kelp.
I would be grateful to learn by January 15th, repeat January
15th, whether you would be prepared to negotiate British American
Kelp Company on basis outlined by telegram.

To maintain option on the two 400 Kilowatt plants, Crown
agents must make offer without delay.

See 9/57

SECRETARY OF STATE.

Price

*like to be early - before term was
being used to S/S.*

*abd
17.*

DECODE.

TELEGRAM.

9

From His Excellency the Governor

To The Secretary of State for the Colonies

Despatched : January 10th 19 47 Time : 16.30

Received : 1 19 Time :

No. 11. Confidential. Your telegram 280. Same paragraph references.

1. Jones and Burgoyne arrived 2nd and I have had full discussions with them.

2. (a) and (b) left for discussion with Merton.

x insertion (see telegram No 36 to S. A. S. at 15th and 8th in 0004/A. BAKC Pass supply)

3. Everything hinges on acquisition Admiralty Blackstones which will provide sufficient power pilot stage with 100 Kilowatt only in reserve and could be erected by October when British American Kelp Company wish commence operations. With additional two 400 kilowatts, on which Crown Agents hope exercise option we could provide for needs British American Kelp Company with adequate reserve and also for Stanley. In my opinion essential that new generating station should be built in Stanley and not, repeat not at Camber. British American Kelp Company representatives agree. Central generating station could also be planned to accommodate additional plant for:-

(first stage of 350 k.w.)

- (a) Further needs British American Kelp Company, and
- (b) W.T. station.

4. Housing. Was aware existence timber Admiralty store but informed useless for purpose proposed. Can provide temporary accommodation (i.e. lodgings) for technical management staff. Long-term alternatives are imported Uni-Secco units, for which shipment cannot be obtained under three months, or local construction which can commence at once. In either event, internal, sanitary, electrical and service fittings, for which indent will be cabled, must be sent out from United Kingdom utmost despatch and I would ask for your assistance accordingly.

5. Presumption correct but there is also shortage employable unskilled labour and clearly undesirable that British American Kelp Company activities should attract farm labour from Camp where there is already acute shortage. There is, I think, a certain misconception regarding "unemployed problem" on which I am addressing you separately. I should, in circumstances, have no objection to British American Kelp Company suggestion to import Uruguayan labour for erection stage. Anticipate that they will also need to import labour from United Kingdom or other agreed source, during operational stage.

6. While accepting in principle liability for electric power, housing and water supply, subject of course to concurrence Legislative Council, I must observe that commitment is considerable and the Colony must be insured against loss in event of project failing. I should welcome further information as to :-

(a) Financial standing of British American Kelp Company and who is backing them, and

(b) Whether Stockdale's suggestion that Company should avail themselves of facilities of Barclays (D.C. and O) Development Corporation has been pursued and if not, why not? Immediate tangible return to Colony during pilot stage appears to be in neighbourhood \$650 per annum; inconsiderable in relation to capital commitment which, as forecast in my minute your files 26th September, may well approach \$125,000. Loss of this sum in event failure would cripple Colony's finances.

*Extracted to 0004/A
BAKC - Power Supply*

*Extracted to 0004/B
BAKC - Housing*

*Extracted to 0004/C
BAKC - Labour*

DECODE.

TELEGRAM.

From

To

Despatched : 19 Time :

Received : 19 Time :

-2-

7. Since coding this telegram, have received your telegram, immediate, No. 8 and am prepared negotiate on above lines.

Red 8

GOVERNOR.

G.T.C.

See Red 5 in File 0004 "Labour"

Reply at (22)

GOVERNMENT TELEGRAPH SERVICE.

179

FALKLAND ISLANDS AND DEPENDENCIES.

11

SENT.

Number	Office of Origin	Words	Handed in at	Date
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See X on 7 as subsequently

To BRITISH AMERICAN KELP COMPANY FOUR MOORGATE LONDON 10.1.47.-

amended with this approval.

ICOLS	GOVERNOR	CRIRI	CAN BE
SKOEL	ACCEPTS RESPONSIBILITY FOR	LEICV	MADE
FZAOF	EIE CTRIC POWER	AVYIA	AVAILABLE
IRUEL	IN	ZSEFY	UP TO
OYTAH	PRINCIPLE	LYIYG	300
PFOKA	PROVIDED	JSUEY	K/W/
WITVI	THREE	CECIN	BUT
AGEAN	ADMIRALTY	WERIA	THERE WILL BE
KRAUL	150	OMJMY	PERIODS
JSUEY	K/W/	FVAXU	DURING
LEGCI	MACHINES	YFRMY	WHICH
ALZGE	ALREADY	MHYDI	350
IJRAJ	HERE	JSUEY	K/W/
AUDOJ	AT	EWNYO	DEMAND
USZJA	STANLEY HARBOUR	CRIRI	CAN
ARAFI	ARE	LYUVY	BE MET
LEICV	MADE	XEUOM	TWO
AVYIA	AVAILABLE	IMBZE	HOUSES
ANCBU	AND	ICMAB	GOVERNMENT
XEUOM	TWO	SKOEL	ACCEPT RESPONSIBILITY
MULUM	400	IRUEL	IN PRINCIPLE
JSUEY	K/W/	ANCBU	AND
NYAGT	ON WHICH	BUARK	BOTH
EPBOO	CROWN	IPOMJ	IMMEDIATE
AJLIX	AGENTS	ANCBU	AND
TOOEK	HOPE TO SECURE	HYHHU	FUTURE
OAGEF	OPTION	USSCI	STAFF
ARAFI	ARE	SIGBE	REQUIREMENTS
TOPSY	SECURED	CRIRI	CAN BE
HKIMO	FOR	LYUVJ	MET
ONUKF	PILOT	WITVI	THREE
USSYJ	STAGE	ICOLS	GOVERNOR
NYRELL	NORMAL	RSDIH	REGRETS
VEJAR	SUPPLY	JUWBU	LABOUR

GOVERNMENT TELEGRAPH SERVICE.

15

FALKLAND ISLANDS AND DEPENDENCIES.

12

SENT.

Number	Office of Origin	Words	Handed in at	Date	
AVYWV	NOT AVAILABLE	GXATU	FACTORY	IRUFL	IN
CECIN	BUT	HVYUW	FROM	ONUKE	PILOT
VATCO	SUGGESTS	XNOJE	UNITED KINGDOM	USSYJ	STAGE
NYBIG	ONE	ODQAT	OR OTHER	VWUMU	TELEGRAPH
GXATU	FACTORY	APHAO	SOURCE	JUWRU	LABOUR
GFOIN	ERECTION	HXYYE	STOP	SIGBE	REQUIREMENTS
CNYCO	BY	XBOOF	TROOPS	EYWUS	IN DETAIL
IETAF	CONTRACT	DSYPY	CINEMA	IRUFL	IN
NEOSP	NO OBJECTION TO	LEUWE	MAIN	ALCXO	ALL
IREGS	IMPORTATION OF	ARILO	ARMY	USSYJ	STAGES
XUBXA	URUGUAYAN	POKAM	QUARTERS	ANCBU	AND
JUWRU	LABOUR	YMCVO	YOUR	SBAGA	REPLY
HKIMO	FOR	ARILO	ARMY	RBARO	RE
GXATU	FACTORY	OOJXY	PLAN	DSYPY	CINEMA
GFOIN	ERECTION	IRUFL	IN	CAEGA	BUILDING
NYEFE	ONLY	IBZUX	GOOD	VOYPD	TELEGRAM
CNYCO	BY	EFDZI	CONDITION	APHAO	APPROVED
EITAF	CONTRACT	EBVHO	15	YMNVI	COLONIAL
XUKYT	USING	HABKO	FEET		SECRETARY
VZIYJ	TEMPORARY	WODYI	TO	BAK	BAK
ADIWV	ACCOMMODATION	UWIRF	STEEL		
PIWAE	PUT UP	EPAMY	CROSS		
CNYCO	BY	LYHBA	MEMBERS		
EJMWE	CONTRACTOR	IRUFL	IN		
NWESU	ON	LEUWE	MAIN		
UMSBU	SITE	BOUIS	BODY		
XEUOM	TWO	CAEGA	BUILDING		
MYHPI	NO	EGOEJ	CONSIDER		
NEODN	OBJECTION	VBEEL	SUITABLE FOR		
IREGS	IMPORTATION	UEPGA	SHIFTING		
OVBUK	PREFERABLY	WODYI	TO		
IRUFL	MARRIED	YMTKI	CAMBER SITE		
JUWRU	LABOUR	ANCBU	AND		
HKIMO	FOR	WODYI	TO		
NYTKU	OPERATING	XUEGG	USE		

continuation.-

21/11
ABC
141

BRITISH AMERICAN KELP

13

COMPANY, LIMITED
4 MOORGATE, LONDON, E.C.2

DIRECTORS:
E. D. MacPHEE, Chairman.
C. W. BONNIKSEN.
The Hon. M. LUBBOCK.
R. R. MERTON.
G. F. TAYLOR, C.B.E.

TELEPHONE:
MONARCH 8080

RECEIVED
15 JAN 1947
THE COLONIAL SECRETARY'S OFFICE

Stanley, 14th January 1947.-

The Colonial Secretary,
Stanley.

Sir,

We confirm our conversation of the 3rd. instant,
when we requested you to grant us permission to harvest
kelp inside Stanley harbour and request you to confirm
that this permission is granted.

We have the honour,

to be,

Sir,

your obedient Servants,
for BRITISH AMERICAN KELP COMPANY, LIMITED.

Frederick Jones.

Reply 1/14

W. abc
15.1

18th January 47.

Sir
Gentlemen,

13

I am directed by the Governor to refer to your letter of the 14th of January, 1947, and to confirm the permission granted verbally to harvest kelp inside Stanley harbour provided that the Harbour Master is kept informed of your intentions and that kelp is not harvested in such a manner as to constitute a danger to navigation.

I am,

Gentlemen,

Your obedient servant,

(Sgd.) A. B. MATHEW

Colonial Secretary.

F. Jones, Esq.,
B. A. K. C. Representative,
STANLEY.

DECODE.

TELEGRAM.

Original filed in 0004/A
"Power Supply"

From His Excellency the Governor.

To The Secretary of State for the Colonies.

Despatched: January 22nd 19 47 Time: 11.30

Received: 19 Time:

No. 36. My telegram No. 11 British American Kelp Company paragraph
3. Please insert between second "Company" and "with" following
"(pilot stage of 350 kilowatt)."

GOVERNOR.

G. T. C.

(sent as S.E.T.'s representation).

RESTRICTED.

N.O.I.C. FALKLAND ISLANDS (R) C. in C. A.W.I.

from Admiralty.

Representatives of the British American Kelp Company will shortly be visiting Port Stanley with a view to conducting a survey as to the possibility of setting up a plant for the recovery of Alginates from kelp.

2. It is under consideration at Admiralty to provide certain facilities ashore for the convenience of this company, and you are requested to give their representatives access to the Admiralty owned buildings in order that they may assess the value of the buildings having regard to their present physical condition.

3. The requirement of the Kelp Company would be a gradually increasing one and initially they would not require all the storage available in the present coal store, and it should be possible for the Naval Stores remaining to be concentrated in one or more parts of the building so as not to conflict with their desire to accept delivery from time to time of plant and machinery which will be sent out to them from the United Kingdom.

4. The Naval stores which are surplus to local requirements and which are referred to in your 131229 December are required in the United Kingdom and should be shipped if possible in the s.s. "Lafonia" calling at Falklands in April or May. If the Colonial Government or the British American Kelp Company has urgent need of any of these supplies other than (R) other than timber paints and enamels and desire to purchase the particulars of the requirements should be communicated by signal.

5. Information is requested as to whether the Caretaker's cottage and the quarantine station are the same building.

202210.

DECODE.

TELEGRAM.

No. S1.

From The Secretary of State for the Colonies.

Original filed in
0004/c "B.A.K.C. Labour" To His Excellency the Governor.

Despatched: February 3rd 19 47 Time: 12.30

Received: February 4th 19 47 Time: 09.30

19 in 0004/c No. 41. Confidential. Your telegram No. 11 and your telegram No. 37. Kelp.

I share your anxiety on the effect the failure of this project would have on the Colony's economy but I fear that unless the initial labour difficulty is overcome we may miss a unique opportunity of promoting a measure of industrialisation at a time when world conditions are most favourable for success of project and that in consequence the Colony may be forced on to little more than the intermittent employment of sheep farming.

Carr of whose advice I know you have a high opinion has been consulted and he suggests that a re-allocation of labour available for Public Works even if it involved temporary abandonment of certain projects of Public Works would provide men required for initial stage. As regards trend of labour in camp apart from the fact that labour is not fully employed in winter it is of course essential that men concerned should have freedom of choice in their employment.

I am persuaded from ^{conversations} I have had with promoter that in addition to possibilities of altering Island's economies for the better we are dealing with a management who are prepared fully to co-operate with Government.

I propose that money required to purchase Electric Plant and equipment should be obtained by advance from Joint Colonial Fund secured on Falkland Islands land sale fund, and an asking Crown Agents to place an order for necessary Plant. There will be a sufficient interval between the setting up of Pilot Plant and establishment of Unit Plant during which it will be possible to some extent to assess project venture and, if circumstances so indicate, to cancel remainder Electric equipment ordered. I am considering the possibility of ^{indemnifying} ~~insuring~~ for any loss which might fall upon the Colony's Finance through a break

down/

DECODE.

TELEGRAM.

From.....

To.....

Despatched : 19 Time :
Received : 19 Time :

-2-

down in the project by an allocation from Colonial Development and Welfare Reserve Fund or even perhaps of advancing necessary capital required to finance Electricity Plant and equipment by the means of an interest free loan from that source.

In regard your enquiry about Financial standing of B.A.K.C., this Firm has backing of certain substantial City interests and is associated commercially with Courtauld and Albright and Wilson.

I hope shortly to be able to furnish you with some definite information about the purchase of Electricity Plant but as yet the question of acquiring Kendal Plant and Black-stone Generator remains unsettled.

In regard to Royalties, I have negotiated with the Company a more flexible formula than one hitherto proposed in order that the Colony may ^{not} be tied to an agreement which might not in the long run be as remunerative as it should have been.

SECRETARY OF STATE.

B.T.C.

Reply 1-17
in 0004/C

J.J.H.

DECODE.

Copy to Naval Officer-in-Charge for inf.

TELEGRAM.

From His Excellency the Governor

To Secretary of State for the Colonies

Despatched: February 5th 19 47 Time: 11.30

Received: 19 Time:

No. 66 B.A.K.C. In communicating proposal to allow latter facilities at Camber Admiralty instruct Naval Officer-in-Charge also regarding disposal surplus stores excepting from this category amongst other items paints and enamels which are most urgently needed here but are apparently to be sent back to England. To meet our convenience and to save them freight charges grateful if you can prevail upon Admiralty accept replacement in England through Crown Agents entire stock paints and enamels held locally subject to such adjustment as may be agreed upon.

GOVERNOR

see 16, 29, 37.

Copy then to N.O.I.C

h. h.

AKS
7.2

G. T. C.

VP.

DECODE.

TELEGRAM.

No. S19.

From The Secretary of State for the Colonies.

To His Excellency the Governor.

Despatched: February 10th 19 47 Time: 19.20

Received: February 11th 19 47 Time: 09.00

No. 56. Kelp. Reference my telegram 28th December No. 280 paragraph 1. Merton Director and General Manager, and Trickett leaving by air on February 11th.

SECRETARY OF STATE.

G.T.C.

see 42

WE

Atom f.

2. / will put a copy of the report to 22 in

I.J.H.

at 17 in 0004(c)

ABE
11/2

*Consulting Engineer, I
"Production Engineer Ltd" who
drive a factory building.*

ABE
11.2

he file

Shd. be down on Lafonia; when is

x | Expedited back from MV? I hope that Cruise General
and McLean & Stapleton between them ~~will~~ ENSURE that
all FIDS gear is on board.

MC 12/2/46

WE.

to expect 'Letonia' to be here by 3
hours after collecting people for the
base for the Spots.

2. x I am telegraphing to BM.

Abel
12/2

✓
MC 12/2

Extract from Minutes of a Meeting of the Executive Council
held on the 13th of February, 1947.

"His Excellency informed the Council of the position regarding the British American Kelp Company generally, and the obligations which Government had agreed to undertake, especially with reference to Labour, Housing and Electric Power: he assured Honourable Members that there would be no competition with, or absorption of, Camp Labour".

J. B. Bond

Ag. Clerk of the Executive Council.

PAABC
3/3

Y.E.

25

is seeing him. he has tickets
at 3 p.m. today.

2. he is staying with the
Smiths (F.I.C.). he is at the ship
H.M.S.

A. B. S.
5.3.47

Saw him yesterday at 7/11. From account
disappointed in about 19 Kelp beds.

In view of his position on paper question as old.
no final one

Y.E.
Don't know who for can be
has spoken to him he has
contact with him for
~~any other details~~

28

She confirms the accuracy of S.I.

ABE
8.3.47

✓
mc 8/III

DECODE.

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 10. 3. 47 Time: 12.30 Received: Time:

22. No. 144. Confidential! Your telegram No. 41 Confidential. Kelp.
23. Especially last two paragraphs.

I have received no reply to my telegram No. 123 but understand from Merton Admiralty hedging over release Blackstones and that Crown Agents option on Kendals has fallen through. Commander in Chief A.W.I. will presumably by now have communicated views re future of W/T Station.

2. Merton also informed me two other generators are likely to be available end March and end July.

3. Before further steps taken regarding latter I must warn you that survey party's first impressions of density Kelp appear disappointing and therefore no commitments should be made until result of further survey of coast by Merton himself is available.

GOVERNOR.

For Reply:-

G.F.C.

See 15 in 0004/A

LJH.

Bw. 17/3
ABE
4/3

HE

24

NOT.C. has been instructed by Army. 6
ship paint to U.K. by ~~work~~ 'Lafonic'
when she goes direct.

2. Telegraph as in draft 4/3?

ABE
18.3

✓
mc VIII

DECODE.

Copy to Naval Officer-in-Charge for inf., pse.,

TELEGRAM SENT.

for C.S.
12.3.47.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 12. 3. 47 Time: 17.00 Received:Time:

No. 147. My telegram No. 66. Admiralty surplus stores. Naval Officer-in-Charge has been instructed to ship all paint to United Kingdom by direct sailing Lafonia. It is urgently required here for civilian use. Please telegraph result your representations.

GOVERNOR.

G.T.C.

412 39

0004/6

LJH.

Handwritten notes:
The...
to...
15/12
27/3
14.3
C.S.
G.T.C.

DECODE.

COPY.

TELEGRAM SENT.

Original filed in 0004/A
"B.A.K.C. Power Supply"

From GOVERNOR to SECRETARY OF STATE.

Despatched: 19. 3. 47 Time: 15.00 Received:.....Time:

00041A
"B.A.K.C. Power Supply"
No. 168. Your telegram No. 111. Electric Power.

30 Position must remain as in paragraph 3 of my telegram No. 144 until I return from Dependencies in three weeks time and discuss with Merton who is absent on survey trip.

GOVERNOR.

G. T. C.

LJH.

BRITISH AMERICAN KELP COMPANY, LIMITED.

4, Moorgate,
LONDON, E.C.2.

24th December, 1946.

Under Secretary of State for the Colonies,
Colonial Office,
Dover House,
Whitehall, S.W.1.

for the attention of Mr. C.J.T. Barton

Dear Sir,

With reference to the meeting held on the 20th December and presided over by Sir Frank Stockdale, I hereby confirm the substance of the matters discussed and the conclusions arrived at.

The following were discussed:-

1. Weed Rights - areas and period for which rights to harvest weed are to be granted.
2. Control of cutting - arrangements to ensure the preservation of weed beds.
3. Licence - terms upon which licence to cut weed over the areas and for the period of 1 above are to be granted.
4. Royalty - to be paid per ton of dried milled weed produced.
5. Power - provision to meet the requirements of the Company as outlined in our memorandum of the 21st November.
6. Housing - provision as per our memorandum of the 23rd September.
7. Water Supply - provision of fresh water supply to the extent of 300 gallons per hour.
8. Jetty - extension of the existing jetty so as to enable oil etc. to be handled in bulk.
9. Factory building - provision of buildings suitable for factory etc.

1. With regard to the question of weed rights it is understood the H.E. Governor of the Falkland Islands has indicated his acceptance of the proposals put forward by us in para 1 of our letter of the 14th October as modified by para. 6 of our letter of the 4th November, subject to the period of 99 years referred to being taken to be inclusive of the 20 years or other preliminary period.

I confirm that this modification is acceptable to the Company.

2. With regard to the question of control of cutting, the Governor's suggestion that cutting should be restricted to one third of the area in any one year was discussed, and in view of the fact that conditions of growth and regeneration of Falkland Island weed are as yet unknown, the Company put forward the counter proposal that plans for cutting should be based on local experience and agreed with the Colonial Administration advised by the Govt. Naturalist.

3. With regard to the question of grant of licence to harvest weed, the suggestion was put forward and accepted by the Company, that during the first period of 5 years no charge should be made; that during the second period of 5 years a charge of £100 p.a. should be made; and that thereafter revision should be made at 5 yearly intervals, any increase being limited to 50% the rate of the previous period.

4. With regard to the question of royalty to be charged, a suggestion was put forward that the initial charge per ton of dried milled weed should be 2/6 and that at a later date this should be changed to a charge of 2½% of the value of the material f.o.b. Port Stanley.

After discussion a counter proposal was formulated for submission to the Governor that for a period of 10 years the Company should pay a royalty of 2/6 per ton after which the position should be reviewed and a new rate agreed which in no event would exceed 1½% of the value of the material f.o.b. Port Stanley.

5. With regard to the power requirements of the Company, it was made clear that provision of these requirements by the Administration is an essential condition of the whole project since the Company could not contemplate the additional capital expenditure involved.

It was reported that the Colonial Office are endeavouring to obtain an option for one month over 2x400 K.W. sets at present installed at Kendal. An estimate of the installed cost of these sets at Stanley was reported to be in the neighbourhood of £20,000.

It was also reported that 3x150 K.W. sets had recently arrived in Stanley for replacement of existing sets used in connection with the Admiralty Wireless station and that if rumours of the possible abandonment of the Admiralty station proved correct it was possible that these sets might be available.

6. With regard to the question of housing, it was reported that the Governor had agreed to provision by the Administration. The Company submitted plans of prefabricated houses prepared by Messrs. UNI-SECO and available F.O.B. within 3 months from date of order.

It was agreed that this matter be discussed and settled with the Governor by Mr. Merton on his forthcoming visit.

7. With regard to the question of water supply, it was reported that the Governor had agreed to meet the Company's requirements. Details were left to be worked out with the Governor by Mr. Merton on the spot.

8. With regard to the question of a jetty extension, it was reported that this matter had been discussed at a meeting with the Admiralty at which the Colonial Office was represented and at which the Admiralty had agreed to prepare plans to enable vessels up to and including the size of a cruiser to obtain oil supplies by direct pipe line from the oil tanks.

It was agreed that this matter should be gone into in consultation with the Admiralty and the Eagle Oil and Shipping Co.

9. With regard to the provision of factory buildings, it was reported that these would not be provided by the Administration.

Finally the question of Mr. Merton's forthcoming visit was discussed and it was decided that all possible matters should be finalised between the Governor and Mr. Merton.

Yours faithfully,
BRITISH AMERICAN KELP CO., LTD.

(SGD.) R.R. MERTON
Director & General Manager

RRM/DMW.

19388/26/46.

6 January, 1947.

Sir,

With reference to your letter of the 24th December regarding the recent meeting held at the Colonial Office, I am directed by Mr. Secretary Creech Jones to say that subject to the modifications which follow the substance of the matters discussed are as stated in your letter.

2. I am to make the following additional comments on individual points:-

Royalties. In regard to your counter proposal of a rate not exceeding 1% of the value of the material f.o.b. Port Stanley, further consultation with the Governor will be necessary but a further communication will be addressed to you as soon as possible.

Water Supply. The Governor has said that he would give favourable consideration to the provision of water supply to meet your requirements. *48 in 47828*
"Exploitation of Kelp"

Power Plant. The situation as outlined in paragraph 5 of your letter is correct but no reference is made to the undertaking which you made at the meeting to amortise the amount necessary to provide your Company with the necessary plant, i.e. the principal and interest over a period of say, 14 years, subject to reduction in respect to supplier to Port Stanley from this plant.

/s.

THE DIRECTOR AND GENERAL MANAGER,
BRITISH AMERICAN KELP COMPANY, LIMITED.

Exp. 10/1/47
10/1/47

33

3. Otherwise your letter appears a satisfactory statement of the present state of negotiations. Prior to the receipt of it a report had been sent to the Governor.

The Governor has also been notified of the expected arrival of Mr. Jones and Burgoyne and has been told that Mr. Merton will arrive some time about the middle of February with full powers to negotiate on the Company's behalf.

4. I am to add that your Company would receive equality of treatment with other commercial undertakings in regard to port dues and harbour rights.

I am,
Sir,
Your obedient servant,

Sol. N. B. Monro

Bu
10/13
[Signature]
25/3

SUMMARY OF POSITION

ARRIVED AT AS A RESULT OF DISCUSSIONS WITH SIR FRANK STOCKDALE AND OTHERS AT THE COLONIAL OFFICE ON THE SUBJECT OF AGREEMENTS PROPOSED BETWEEN THE ADMINISTRATION OF THE FALKLAND ISLANDS AND THE BRITISH AMERICAN KELP Co.

SUBJECT

PROPOSAL

- 1. Weed - rights - 20 years exclusive rights to be granted for area covering S. E. coast with an option to be exercised within 5 years to extend this area to include the N. coast of the eastern Island. Further option to be granted enabling the Company to take up rights on the expiry of the 20 year period within these areas for a further 79 years making 99 in all. ✓
- control (of cutting)- Plans for cutting to be based on local experience of harvesting and to be agreed with the Administration [advised by the Government Naturalist.] ✓
- Licence- First five years no charge. (2000) 2nd. " " £100 per annum. thereafter revision at 5 yearly intervals any increase being limited to 50% of previous rate. ✓
- royalty- 1st 10 years - 2/6 per dry ton. thereafter royalty to continue on a tonnage basis but to be re-examined at 5 yearly intervals and adjusted to meet the circumstances of the market prevailing. ✓
- Power - requirements- Pilot plant 225 K.W. Unit " 750 K.W. provision- to be provided by the Administration. charge per unit- to be made up as follows:-
 X
 Amortisation at 3% over 15 years of that fraction of the total capital cost represented by our estimated requirements.
 Insurance- } in proportion to units
 Fuel- } consumed by B.A.K. compared with units generated.
 Operating costs- }
 Overheads* }
 *(10% of operating costs)
- Housing - requirement - Pilot stage- 1 Manager's 3 Staff 4 Mechanic's Unit stage - 2 (more) mechanic's provision - to be provided by the Administration rentals - to be agreed based on prevailing rates

rate to pay for cost. @ 1/2

REFERENCE TO CORRESPONDENCE

BAK. letter 14th Oct (para 1) modified by
 " " 4th Nov (" 6) " "
 " " 24th Dec (" 1)
 CO. OH. " 7th Jan.

BAK. letter 24th Dec
 CO. OH. " 7th Jan

BAK. letter 24th Dec
 CO. OH. " 7th Jan

BAK. letter 23rd Jan
 CO. OH. " 29th Jan

BAK. Memo 21st Nov
 BAK. letter 24th Dec
 " Cable 13th Jan (approved CO. Sec.)

BAK. letter 17th Jan - modified by
 CO. OH. " 23rd Jan - " "
 BAK. " 29th Jan.

BAK. Memo 23rd Sept - repeated in
 " letter 24th Dec

CO. OH. letter 7th Jan
 BAK. Cable 13th Jan (approved CO. Sec.)

4. Water- requirement- ✓ specified- 300 g.p.h.
(smaller quantities will suffice)
provision- ✓ to be provided by the Administration.
charge- at commercial rate prevailing- figure to be decided.

5. Labour. requirement- pilot stage- for craft operation- 12
for factory - 30
for general duties - 6
48
unit stage- in all 80 to 100

provision- pilot stage- Administration to make available.
unit stage - Agreement in principle that Administration will take all steps necessary to ensure provision & that as the Company's labour force expands houses will be provided for such additional labour. (i.e. Company's programme not to be held up through lack of housing in Stanley.)

6. Jetty.- provision- the Administration to give sympathetic consideration to the question of participation with the Admiralty regarding plans for the extension of the existing Camber jetty at a later stage (than the pilot stage).

7. Port dues & harbour rights.- ✓ the Administration to guarantee equality of treatment with other commercial undertakings.

• BAK. memo - 23rd Sep^r - repeated in

" letter - 14th Oct

BAK. letter - 24th Dec.

CA. H. " - 6th Jan. (no copy here)

BAK. " - 14th Jan.

BAK. call - 14th Jan.

HEP call - 7th Feb. (circa)

BAK. " - 8th Feb.

BAK. letter - 24th Dec.

CA. H. " - 7th Jan.

CA. H. letter - 7th Jan.

BAK. " - 14th Jan.

Y.E.

Saw Mr. Lester yesterday & then 10 a.m. the meeting tomorrow Wednesday at 10 a.m. I have warned S.E.T. the M.O. will not let Mr. Woodgate attend. He is on the sick list.

2. At my request Mr. Lester has kindly prepared a summary of the position as the basis of discussion. It is at 37-38. This file is ~~now~~ somewhat voluminous for easy reference. Mr. L. has ^{shown} ~~prepared~~ references ~~to~~ on the right hand side of this 'summary'. He has some of the correspondence (e.g. 32-36) but as Mr. Lester wants to retain his file to work at (unless Y.E. particularly requires it) I have let him retain it instead of (as in the past) putting it up with these pp.

3. X of 37 represents what Mr. Lester suggests as an interpretation of the essence of previous correspondence with the C.O.

4. I am putting this up at once as Y.E. will wish to peruse the papers in good time. If Y.E. wishes to refer to the correspondence in Mr. Lester's file before the meeting, Y.E. will doubtless let me know.

A.B.L.

22.4.48

Mr. L. wishes me to apologise for the presentation which was done in haste with consideration in the air.

HE. saw Thom. Weston. Frick
(B.A.K.C.) to day - they are sending
in Draft 147s. of Agreement.

Apr. 23.47
C. S. Ely

HE.

41-45

The Draft is now at the back of the file.
I have pencilled in a few amendments
(with which he is better agree). Will G.L.
pl. say when you will see
me (with Weston)?

C. S. Ely
24.4.47

CS.

I should like to discuss with you in first instance
the claims marked with a X.

ME. 25/4.

416

47-51

ME

At the back of the file is the revised Draft of Heads of Agreement. It appears to be in order, ^{it sounds} with JE's discussion with the banker on 26 April.

2. The banker wishes to be assured that Export Tax would not in the future be levied on the milled wood & that Royalties (£6) would be the limit of their obligation in this regard. We may conveniently fix him such assurance in the letter accompanying the Draft Heads of Agreement?

3. He has only been able to fax with me Apr. I doubt if we can get there, - the despatch, ready for his mail: - in the wire. see also. So by 'Lapic' after consulting Ex. Co.?

ABH
28.4.47

We must notify SFS of present development, I think
can be in draft before the bank leaves

M.C.
25/4

ME

Ken's Draft for com. pt. I have not discussed it with the banker but he is available if JE wishes to see him.

Ken M.C. 25/4
ABH
28/4

It may be so assured - there is no violation of buying multiple taxation.

M-M. in former
intally ABH



52

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 29. 4. 47 Time: 14.00 Received: Time:

23 - 0004/A (2)

25 No. 233. Your telegram No. 56 Kelp. Paragraph 3 my telegram No. 226.

Draft heads of agreement have been drawn up and provisionally accepted by both parties. I shall send copies under despatch by air mail due United Kingdom latter half May.

56-11

2. Merton leaves to night for New York and thence California as result further instructions from his Board to investigate kelp possibilities there. First impressions reported paragraph 3 of my telegram No. 144 have been modified in light of further survey which discloses more promising situation: but earlier report may have disposed Board to hedge since there has been delay in delivery of certain plant for Algenates Ltd. which means parent company not able to take milled weed from B.A.K.C. as early as originally hoped.

28

3. Thus future prospects are quite uncertain and depend on Board's decision in light of Merton's further investigations in California. This cannot be expected before July.

0004/A

4. Meanwhile I have received your telegram No. 146 and while I realise fuel crisis in United Kingdom may make early supply of 2 300 K machines out of question I must emphasise that if B.A.K.C. back down may be landed with machines which we do not immediately require and which we do not wish to take dog in manger attitude pending re-sale.

5. On other hand if B.A.K.C. go ahead as on balance I am inclined to think they mean to do we must be assured of machines for pilot station in due course.

6. It is thus difficult for me to make definite recommendations I doubt if you will be able to get anything more substantial out of Board but I trust that you will continue to press for decision about Admiralty Blackstones for if these should become available the immediate problem is resolved.

mu 55

GOVERNOR.

G. T. C.

LJH.

W.E.

I mentioned to Y.E. a small variation
 in 50 wh. I have underlined. It is not
 the same as 45; but when I queried it
 he ^{sent} ~~sent~~ me his personal answer
 and that it appeared in the 'revised' ~~ed.~~ of 41-45
 wh. Y.E. I saw with him, - of which 47-51
 is the fair copy. Unfortunately, he has
 not got it with him: but as the words
 - though to my mind superfluous - are
 not against the essence of the agreement
 I accepted his word.

2. Now to Ex. Co. (cf. § 3 of 46)?
 or shall I drop a despatch first?

W.E.
 30.4.47
 R.V. + m

Ex. Co.
 Inc. 3/4.

Hon. S.M.O.
 Lt.-Col. the Hon. J. Woodgate, O.B.E.
 Hon. D. W. Roberts, O.B.E., J.P.
 Hon. A. G. Bantock, J.P.

(47) - (51) circulated of w.o. pl.

Hon. C.S.

No comment, only advertisement.

Ag. B. of E. Co.
 6.5.47.

No comment. O.W. 10. v. 47.

No comment.

[Signature]
 12.5.47

Bill
 9/5
 (P. S. M.)

copy filed in 0004/A "B.A.K.C Power Supply" 54

COPY TELEGRAM RECEIVED

Office of Origin: New York

Date: 11.5.47

To LIT BAK Falkland Islands.

[Reference negotiations stop British industrial supply position has upset time schedule more than anticipated stop Position as follows stop Survey period being extended stop no decision commence operations before six months possibly one year stop Inform Governor new position and suggest he cancels all commitments stop]

Merton

see 55

xx
PP ASE
ms

WE.

54

Don't seem to I/S for comm etc Re s
also 0004/A below to 32.

ASE

13.5

✓ 4mc. 13/11

DECODE.

Copy filed in 0004/A "B.A.K.C. Power Supply"

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 14. 5. 47 Time: 17.00 Received: Time:

52 No. 267. by telegram No. 233 Kelp. Following extract from telegram
54 received by B.A.K.C. representative Stanley from Herton in New York begin

Reference negotiations. British industrial supply position has upset time schedule more than anticipated. Position as follows. Survey period being extended. No decision commence operations before six months possibly one year. Inform Governor new position and suggest he cancels all commitments. Ends.

SR 0004 2. In circumstances generators referred to in your telegram No. 162
"Power Supply" will not be required and matter must await further consideration.

G.T.C.

GOVERNOR.

LJH.

See 60

In Ex. G.

*Recd.
20.5.47
23.5*

56

HE

Draw S/T for cons. fr.

✓
MC 27/4

ASL
26.5

SAVINGS BANK TO SECRETARY OF STATE FOR THE COLONIES.

26th May, 1947.

No. 29.

55

My telegram No. 257. British American Telp Company.

52

I enclose for your information copy of draft Heads of Agreement referred to in paragraph 1 of my telegram No. 255. It has not been possible to send it earlier owing to postponement of mail steamer's sailing date.

2. The Agreement represents a satisfactory basis for further negotiations if situation develops favourably.

GOVERNOR.

See 68

DECODE.

No. 30.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 4. 6. 47 Time: 18.50 Received: 5. 6. 47 Time: 09.00

55 No. 100. Your telegram No. ^{267?}100 Help.

I have received copies of report on weed survey and of draft heads of agreement drawn up during Nerton's visit. I am given to understand by Company that while no final decision is possible until July there appears to be sufficient supply of Help to provide reasonable prospects for a promising industry and that Company may therefore decide to proceed with original project.

In the circumstances I feel it would be inadvisable to lose option on 2 500 Kilowatt sets and have instructed Crown Agents not to relax effort to secure sets pending a definite decision on the latter.

SECRETARY OF STATE.

G.T.C.

LJH.

Copy filed in 0004/A "B.A.K.C. Power supply"

61

60

I spoke to Mr. Jones. but he has heard nothing further. He will call on 9 June.
Pl. Br. has say to me personally.

Alse
576

9/6/50

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

SENT.

62

Number

Office of Origin

Words

Handed in at

Date

6.6.47

To

KELP LONDON

GOVERNOR INFORMED BY SECRETARY OF STATE THAT WHILE NO DECISION
POSSIBLE TILL JULY YOU MAY DECIDE AFTER ALLTO PROCEED WITH
ORIGINAL PROJECT STOP GOVERNMENT ANXIOUS EARLY FINAL DECISION
SINCE HAD ASSUMED AS RESULT MERTONS TELEGRAM 11 MAY NO DECISION
6 to 12 MONTHS AND CANCELLED COMMITMENTS ACCORDINGLY BUT I
UNDERSTAND CROWN AGENTS INSTRUCTED NOT RELAX OPTION SECURE
GENERATING SETS PENDING FINAL DECISION BAK

1/6 011

See 66

1/6 011
116

Time

623

ME.

When he came in I asked him if
if he had any further info. He sent 62
of it. he gave me a copy.

A.B.

9.6

Good. ? 2nd Bangalore.

MC 9/vi

ME.

I think we should get a link it. he

shall need it in any case — inspection
of the Hostel — & so in my mind hits
the Scale for proceeding now.

Abel
9.6

Make it so.

mc. 9/16

EE.

So instructed verbally.

Extracted to be
0004/10/16
10/16

B.C. 10/17

Abel
10.6

Extract from the Minutes of the Executive Council Meeting held
on the 26th and 27th of May, 1947.

"His Excellency informed the Council that further developments had been indefinitely held up, primarily owing to the delays in delivery of machinery: and that he had therefore cancelled all commitments with the exception of the house now being built for their staff, which could be utilised by Government in any case!"

D. Bond

Ag. Clerk of the Executive Council.

65

a.

65

08

b. This doesn't get us any
further.

inc. 3/10

BU out of month

100
ABC
2/5

766

GOVERNMENT TELEGRAPH SERVICE.

FALKLAND ISLANDS AND DEPENDENCIES

S E N T.

Number	Office of Origin	Words	Handed in at	Date
13	London	C O P Y 86	12.30	1.7.47

To

NLT JONES BAK FALKLANDS

62

113 FURTHER TO OUR 112 AND YOURS JUNE 6th SECRETARY OF STATES
 TELEGRAM TO GOVERNOR UNDOUBTEDLY RESULT OF OUR INFORMING
 COLONIAL OFFICE WE EXPECT BE ABLE MAKE DECISION BETWEEN
 FALKLANDS CALIFORNIA BY AUGUST STOP EVEN IF DECISION IN FAVOUR OF
 FALKLANDS NO POSSIBILITY NOW KEEPING TO TIMING OF ORIGINAL
 PROJECT AND UNLIKELY FOR REASONS GIVEN BY MERTON ANY ACTION FOR
 6 TO 12 MONTHS STOP ON STRENGTH OF THIS COLONIAL OFFICE STILL
 THOUGHT WORTH WHILE ENDEAVOUR HOLD ON TO GENERATING SETS TAYLOR

3
 BU 218
 21
 217

Time

S 15.

BRITISH AMERICAN KELP

67.

COMPANY, LIMITED

4 MOORGATE, LONDON, E.C.2

DIRECTORS:

E. D. MacPHEE, Chairman.
C. W. BONNIKSEN.
The Hon. M. LUBBOCK.
R. R. MERTON.
G. F. TAYLOR, C.B.E.

TELEPHONE:
MONARCH 8080

Stanley.

28th April 1947

FRANK

0004

My dear Governor,

This is to thank you very much indeed for your hospitality and to say how much I have enjoyed the period of my visit to the Falklands.

I should like to say how grateful we are for the way in which everyone has done their utmost to help us since the arrival of our first party, and to add that I should be extremely disappointed if anything were to go wrong with our plans to establish ourselves here permanently.

I was very sorry indeed to hear from you that your wife is likely to be unwell for so long a period. Perhaps you would be good enough to convey to her my best wishes for a speedy recovery.

Yours sincerely,
Ralph Lamb.

Bill
2/8

67

HE.

B.U. i.a.u. 65.

2. HE. Has not seen 66.?

ABL
S.S

✓ (P) MC 5/11/11

Copy filed in 00041A page 37 "B.A.K.C. Power Supply".

6

DECODE.

No. 54.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 11. 8. 47 Time: 14.05 Received: 12. 8. 47 Time: 09.00.

56

No. 276. Your telegram No. 19 Saving KELP.

British American Kelp Company states that in the light of information they now possess regarding avail abilities of Kelp near Falkland Islands they do not feel justified in expecting Crown Agents to retain their option on 2 300 K.W. plants. Consequently it has been given up.

2. Company have not definitely abandoned the project but say that it will be some time before a firm decision can be reached.

see 70

SECRETARY OF STATE.

G.T.C.

HE

LJH.

68
I hope this isn't just backing it
gentler: in conversation RE. Has just

19
decided on a line of action about the
Blackstone, I attach a draft here
for com. ^{to go from} 0004/A.

[2. 'Pace Supply' is below]

0004/A
CBH
12.5

mc 13/viii

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched : 13. 8. 47 Time : 17.00 Received : Time :

68 No. 446. Your telegram No. 276.

I note Crown Agents have given up option on 2 300 K.W. sets and I hope for very early decision regarding future of Naval station sought in my Despatch No. 15 of 9th June.

2. In certain circumstances Admiralty might be disposed to reconsider placing Blackstones at my disposal (Your telegram No. 162 refers) but if that still remains impossible I shall as earlier intimated require your assistance in securing plant for new power station required in 1949 in view obsolescence present plant, and irrespective of British American Help Company requirements. Later however would materially affect position and I should be grateful for earliest indication of when final decision is likely to be taken by them and by Admiralty.

L. J. G.
GOVERNOR.

G. L. G.

HE

68-70 Mr Jones returned last
night from an extensive keep-survey of
all the area to the S.E. side of the
W. E. Falklands $\frac{18}{L}$ to see J.E.
his c.m.

ASL
21.8

Seon - he is telegraphing Head Office. We can do no
more. I do not read 68 as at all final.

MC 21/VIII

PA ASL
21.8

DECODE.

No. 47.

TELEGRAM RECEIVED.

From SECRETARY OF STATE to GOVERNOR.

Despatched: 28. 8. 47 Time: 17.42 Received: 29. 8. 47 Time: 09.00.

70 No. 306. Your telegram No. 446. Seaweed.

British American Kelp have decided to abandon project but state that decision refers only to present world economic crisis. Reasons given for this decision are (1) high costs of collection of raw materials (2) prohibitive freight rates (3) large capital outlay at present inflated costs involving high depreciation and amortization of charges.

Company have decided that their representative should complete survey since they hope to resume negotiations when world conditions are more favourable.

Company express regret at having to make this decision and convey great appreciation of assistance received from you.

Telegram regarding?
Saving this follows.

2. It will be ? impossible to obtain new generating plant through trade source by 1949 but Admiralty have said that they might be able to lend Blackstone Engines and Crown Agents are obtaining fuller particulars of sets. Do you agree with this course.

G.T.C.
LJH.

SECRETARY OF STATE.

See 74, 86

*Extracted to
OL28. Power Supply
Stanley*

73

KE
72 with DNR perm. for construction (.68 on refer.)
WBL
29.S

Issue. We shall have to get someone out to
assist supervisor erection?
M.C. 29/1111

I assume we stick to the site originally selected (opening
behind GH); how long would it take to build Power Supply?

1
Extracted to 0428 - Power Supply - Stanley.

There is a permit
Does your
WBL
31.S

Copy
GOVERNMENT TELEGRAPH SERVICE.
FALKLAND ISLANDS AND DEPENDENCIES.

RECEIVED.

SENT

Number	Office of Origin	Words	Handed in at	Date
57	London	41	17.21	29. 8. 47.

To

NLT Bak Falklandislands

Colonial Office informed decision that impossible go ahead in Falklands present time owing high cost delivered product stop they are telegraphing Governor to whom I have written personally stop continue programme meantime writing regarding your future arrangements.

Herton

pp ASE
398

YE.

may can to see 74

ASE
74

Time

PA ASE
210

75

BRITISH AMERICAN KELP

COMPANY, LIMITED
4 MOORGATE, LONDON, E.C.2

DIRECTORS :
E. D. MacPHEE, Chairman.
C. W. BONNIKSEN.
The Hon. M. LUBBOCK.
R. R. MERTON.
G. F. TAYLOR, C.B.E.

TELEPHONE :
MONARCH 8080

Stanley,
4th September 1947.-

The Honourable
The Colonial Secretary,
Stanley.-

Sir,

It is with regret I inform you that I have been advised from our London office that British American Kelp Company, Limited, "will not operate in any event".

There is a letter in the post, addressed to His Excellency, The Governor, from Mr. Merton, the General Manager, explaining the situation.

I have the honour to be,

Sir,

Your obedient Servant,
for BRITISH AMERICAN KELP COMPANY LIMITED.

Frederick Jones

76

HE.

75 is final. I have spoken
to G.E. about possible arrangements
to track it back - records of
the F. Jones's cases.

Abel
A.S.

00

I saw Mr Jones ~~since~~ he would be a
most suitable candidate for the new FIOS council.
Please send telegram at once at once.

Mc. 2/ix

DECODE.

Original filed in 0037/Pur.V/28 "F.I.D.S. Proposed purchase of American Vessel for F.I.D.S."

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 4. 9. 47 Time: 16.30 Received: Time:

IMMEDIATE.

27-0027/ No. 492. My Immediate telegram No. 477 F.I.D.S. Jones local agent B.A.K.C. has just been informed that Company will not operate here "in any event" and that his contract will be terminated. I think you would be well advised to consider his candidature for Master of new F.I.D.S. vessel. Age 33; educated in the Worcester; 8 years with Royal Mail with whom he ended as navigating officer "Highland Monarch"; four years with Falkland Islands Company as Chief Officer "Witzroy" in which he made three trips to Antarctic 1943 - 44 - 45; known to Harr and Bingham; is Master Mariner and held RMR commission serving in "Hood" Curacao" and "Drake". Have had opportunity to gauge his character and consider him conscientious competent and dependable. Is married and wife and child are in Colony. He would be prepared accept emoluments suggested in my telegram and if you have not made other arrangements I consider he would be very suitable. Should you favour this proposal I would arrange for him to fly home. Grateful early reply.

See 78

GOVERNOR.

P/L.

LJH

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

IMMEDIATE.

Despatched : 5. 9. 47 Time : 14.35 Received : Time :

77 No. 495. My telegram No. 492. F.I.D.S.

Jones recommends George Faulkner for favourable consideration if he applies for post Chief Engineer. He is fully certificated Chief Engineer with diesel endorsement formerly Second Engineer "San Casto" which stationed at Stanley during war. In 1946 was appointed Engineer Superintendent Falkland Islands Company but was released by latter to B.A.K.C. for whom he is at present understood to be working and could in any event be contacted.

2. Faulkner married into local family and is understood to wish to return to Falkland Islands. He has "excellent" personal reference and if his experience and professional qualifications are acceptable should consider him suitable candidate. While I would in some ways prefer ex RN engineer there is obvious advantage in employing officer with local connections.

P/L.

GOVERNOR.

LJH.

79

BRITISH AMERICAN KELP

COMPANY, LIMITED

4 MOORGATE, LONDON, E.C.2

DIRECTORS:

E. D. MacPHEE, Chairman.
C. W. BONNIKEN.
Hon. M. LUBBOCK.
R. R. MERTON.
G. F. TAYLOR, C.B.E.

TELEPHONE:
MONARCH 8080

21st. August, 1947.

My dear Barker,

80-12 I have today written a letter addressed to the Colonial Office, a copy of which I enclose.

In it I have outlined the reasons for the decision which we have reluctantly arrived at, namely that we are unable, at the present time, to go ahead with establishing a weed supply base at Stanley.

You will note that we do not by any means exclude from our thinking the possibility that at a later date the position may become reversed, and that the present situation is to some considerable extent connected with present economic conditions, which make the manufacturers lot a hard one.

This, naturally, comes as a personal blow to those of us who are in the Company, but I am particularly sorry to have to write and tell you these news in view of the extremely kind treatment we have received at your hands and in view of the very considerable amount of time and trouble you have devoted to helping us.

I hope in due course to write to others who have been kind enough to help us, but in the meantime I should be most grateful if you would thank Mr. Matthews on my behalf.

I must also say how sorry I am that we should have been so long in coming to a decision, but I am sure you will appreciate that this has been at least in part due to our reluctance to accept a negative decision.

Thank you so very much for all your help.

*Yours Sincerely
Ralph Merton*

Reply at 83

22nd. August. 1947.

Under Secretary of State for the Colonies,
Colonial Office,
Cabinet House,
Whitehall, S.W.1.

For the attention of Mr. C.J.T. Barton.

Dear Sir,

I write to inform you that since the return of Mr. E.D. MacPhee and Mr. R. R. Merton to this Country, the matter of this Company's proposal to establish a seaweed collecting and processing plant at Port Stanley, Falkland Islands, has been under most careful consideration and it has reluctantly been decided that it is not possible at the present time for the Company to go ahead.

In view of the considerable amount of both time and trouble which has been devoted to consideration of the proposal by the Colonial Office and the Government of the Falkland Islands and in view of the very real assistance which the Company has already received at their hands, it is felt that some explanation of the reasons leading to this decision is called for.

During the course of the visits paid to the Falkland Islands by Mr. Merton and members of his staff, information was obtained not only regarding the quantity of weed likely to prove available for harvesting but also regarding such factors as would enable an accurate estimate to be made of the cost of the product as it would be delivered to Messrs. Alginate Industries Ltd., for use in their chemical plants.

The two questions of quantity and cost are of course to some extent inter-related, but it is nevertheless as a result of the estimate of cost per ton arrived at that the decision to abandon the project has been taken, the total quantity of weed present being considered sufficient.

The unexpectedly high cost figure is attributable to several factors of which the following are the most important

In the first place, the weed, although present in sufficient quantity, is distributed over such a wide area that it would be necessary for harvesting vessels to travel a very much greater average distance than was anticipated.

Secondly, weather conditions were found to be more severe than was at first supposed, leading to the conclusion that an altogether more seaworthy and hence expensive type of harvesting craft would be necessary. Furthermore, a considerably greater proportion of harvesting time would be lost, thus increasing the number of craft it would be necessary to operate.

Thirdly, a closer study of the question of freight rates discloses that this item, which has throughout been recognised as likely to prove a necessarily heavy burden, is at present prohibitively high.

Finally, it has been estimated that in spite of every offer of assistance on the part of the Government of the Falkland Islands, extending to the provision of both power and housing, a capital outlay on the part of the Company on the present inflated costs of not less than five hundred thousand pounds would be necessary, thus involving very considerably higher depreciation and amortisation charges than were initially envisaged.

It will be appreciated, however, that a number of the factors contributing to the present high estimate of cost are related to the prevailing world economic conditions; that in course of time one or more of the factors may significantly alter; and that the decision not to go ahead refers only to the present time.

It is in fact the opinion of the Board of the Company that the quantities of weed found, although disappointing compared with initial expectations, are such that if the alginate industry is to go ahead and become firmly established on a world basis, the potential raw material supplies of the Falkland Islands cannot be overlooked. It is for this reason that it has been decided that the Company's one remaining representative in the Falkland Islands shall continue to complete the survey.

We therefore trust that, should it be commercially possible for us to reconsider our decision at a later date, negotiations can be resumed at the stage which they have reached.

In conclusion, the Board would like to express their

82

very sincere appreciation for the extremely generous treatment which the Company has received from both the Colonial Office and the Government of the Falkland Islands, and to express their regret regarding the decision which it has become necessary for them to take.

Yours faithfully,
BRITISH AMERICAN KILN CO., LTD.

Director.

ZE.

19

Mike reply?

ASL
18.5

✓ MC 18/19

ZE.

Don't know

ASL
18/5

✓ MC 19

19th September, 1947.

My Dear Merton,

Many thanks for your letter of the 21st of August, 1947. I was indeed sorry to learn that for the present at least your Company had found itself compelled to break off operations here. Perhaps in the course of time and with the solution of present economic difficulties there may yet be a happy outcome of our negotiations, which will be of benefit to your Company and to the Falkland Islands alike.

I have given your message to Mathews, who sends you his kindest regards.

With good wishes from Mrs. Clifford and myself.

Yours sincerely,

(Sgd.) Miles Clifford.

PA
abel
2/19

R. Merton, Esq.,
British American Kelp Company, Limited,
4, Moorgate,
LONDON. E.C.2

C.S.O. No.....

Inside Minute Paper.

Sheet No.....

Extract from D.O. letter Luxon Barton Esq. of
8th August 1947 (Original in 0287 "D.O. Correspondence")

You ask about B.A.K.C. They went from you to California and appear to have found the dollar position prohibitory. They next considered Bermuda and found that the weed there was not to their liking. They have now told us that they will let us have a decision by the end of August. I think they realise that the supply position for machinery etc., is so bad here that they could not hope to keep to the timetable which they laid down for themselves. I think it would be a great thing if we can secure them for the Falklands.

-ive.

WBC
1.7

9K 12.10

85

Stanley,
October 9th 1947.-

The Honourable The Colonial Secretary,
Stanley.

Sir,

I have to inform you that I have accepted employment with The Falkland Islands Company, Limited, as from to-morrow, the 10th instant.

My appointment has meet with the entire approval of The British American Kelp Company, Limited.

I have the honour to be,

Sir,

Your obedient Servant,

Frederick Jones.

Recd 12.10.47
WBC
11.7
86-90
9.11

0004

Saving.

From the Secretary of State for the Colonies.

To the Officer Administering the Government of FALKLAND ISLANDS.

Date 9 September, 1947.

No. 75 Saving.



My telegram No. 306.

Seaweed.

Enclosed is a copy of a letter received from the British American Kelp Company, announcing their decision to abandon the project under the present world economic conditions and of my reply.

2. With reference to your telegram No. 479, a further communication on the outcome of the Crown Agents' approach to the Admiralty regarding the possibility of obtaining the Blackstone generators will be sent.

SECEP.

at present with

only PWD, but

telegram

for tel 306 Seaweed

Para 2. I agree & would accept offer most gratefully

*The
ABK*

19888/96/47

XXXXXXXXXXXXXX

XXXXX

The Church House,
Great Smith Street,
Westminster,
S.W.1.

8th September, 1947.

Sir,

I am directed to acknowledge the receipt of your letter of the 22nd August, in which you state the decision of the British American Kelp Company Limited not to proceed with its project for a seaweed industry in the Falkland Islands under the present world economic conditions.

2. Mr. Creech Jones shares your regret that various economic factors have intervened to prohibit your venture; and instructs me to say that your tribute to the cooperation afforded by the Falkland Islands Government and by this Department is much appreciated.

3. In turn, I am to express the hope that it may prove possible later to

THE DIRECTOR
BRITISH AMERICAN KELP COMPANY LIMITED

to resume the cordial relations
which have existed with your
Company.

I am,

Sir,

Your obedient servant,

(Sgd.) Juxon Barton

7E

85 is the formal composition of sheet
7E. cloudy hours.

ABH
15/7

✓ A pity.

MC 15/7

PACB
15/7



This was held up with
Pagan paper & hd. return
to require before it
gets lost sight of.

MC

93



Stanley,
3.1.48.-

*Mr
CBE*

The Honourable The Colonial Secretary,
Stanley.

Sir,

9445, 96

Enclosed herewith please find a cutting about seaweed research. Most of the names mentioned in the article are connected, in some way or another, with A.I.L.

I wish to make it clear that the cutting is sent by me, on my own initiative, and that B.A.K. have not suggested that I should do so.

Please do not allow it to be published in the Weekly News nor refer to it in the Crown Colonist.

I have the honour to be,

Sir,

Your obedient servant,

Frederick Jones

*Y.E.
h.
CBE
26.1*

THE INSTITUTE OF SEAWEED RESEARCH

HERE, Scotland has a chance. Eire, Norway, America, Japan, have all, in varying ways, exploited their seaweed resources. We are only at the beginning, and this splendid research station gives us the opportunity not only of making up on these countries, but of surpassing them." So declared the Right Hon. Joseph Westwood, Secretary of State for Scotland, when, on September 19, he officially opened the headquarters of the Scottish Seaweed Research Association—the Institute of Seaweed Research, Inveresk Gate, Musselburgh, Midlothian. Until recently a large mansion house, Inveresk Gate now contains adequate botanical, chemical, engineering and photographic laboratories, engineering workshops, a drawing office, a library, and conference and display rooms, apart from the necessary offices. The Institute stands in eleven acres of ground, and is situated sufficiently near Edinburgh, the University, and the sea to meet the Association's various needs.

The Association was formed in June 1944, and until Inveresk Gate became available the director and staff used the King's Buildings (of the University of Edinburgh) A.R.P. Control Centre as offices, as well as certain of the University's research laboratories and facilities. During the first two years of its life the Association was financed by means of a grant of £25,000 from the Development Fund. Thus was made possible a survey of Scottish seaweed resources and investigations into methods of harvesting, handling and processing these resources. Now, Government has provided over a period of five years a further sum of £90,000, and it is hoped that at least another £10,000 will be forthcoming from industry, and from public-spirited individuals.

Dr. F. N. Woodward is director of the Institute, but at the moment has been seconded to act as director of the United Kingdom Scientific Mission in the British Commonwealth Scientific Office in Washington. The acting director is Major P. Jackson. Under this joint direction the staff of the Institute operates under three divisions: botanical, chemical and engineering. The activities of these divisions may be outlined, as in the director's report, as follows:

(1) *Survey of Scottish seaweed resources.* (a) Development of reliable survey methods. (b) Quantitative survey of the Scottish coast for littoral, sublittoral and cast brown weeds. (c) Study of economic and ecological factors. (d) Determination of optimum conditions of growth by controlled culture.

(2) *Harvesting and processing investigations.* (a) Development of economic harvesting methods. (b) Determination of optimum conditions of drying, grinding and processing.

(3) *New and extended uses of seaweed and seaweed products.* (a) Determination of the chemical composition of Scottish seaweeds and its variation with change of species, season, age, environment, etc. (b) Determination of the properties and characteristics of the chemical components of seaweed and their derivatives, with the view of finding new and extended uses. (c) Development of methods of production of such constituents and their derivatives as are of potential technical value. (d) Determination of the value of seaweed as a component of animal feeding-stuffs and as a fertilizer.

Superimposed upon this programme, and as a logical outcome of its partial completion, is the new problem which arose during 1946, that of endeavouring to establish in the Outer Hebrides a ground, dried, rockweed producing unit.

At this stage it may not be out of place to outline briefly the activities of the three Divisions. Acting head of the Botanical Division is Mr. F. T. Walkor. He and his assistant algologists have had to solve one of the two main problems facing the Association, namely, whether or not there is enough weed on Scottish coasts at a density sufficient to warrant commercial utilization. Accordingly, a littoral weed survey was commenced in April 1945 and concluded in December 1946. During this time, 4,250 of the 4,630 miles (92 per cent) of practical Scottish coast, exclusive of the Shetlands, were covered and more than 180,000 tons of littoral weed estimated to be present. The most prolific area apparently is in North Uist, where Loch Maddy and Loch Eport support a total of about 60,000 tons of littoral weed. On the basis of this estimation and full-scale trials now nearing completion it may be feasible to establish a harvesting and processing unit in Loch Maddy. One of the most prolific areas for sub-littoral weed is likely to be found around the Orkney Islands, where the sea-bed between one and six fathoms (low water) has been estimated to support well over 1,000,000 tons, perhaps nearly 2,000,000 tons, of seaweed of the family Laminariaceae. The species of this family most common to the Scottish coast do not apparently grow in measurable quantities below nine fathoms (low water), and to harvest at depths below six fathoms (low water) would be quite uneconomic. A further survey of the sub-littoral seaweed growth around the Orkney Islands, and, if possible, of other rich algae-bearing areas in Scottish waters, is part of the programme of the algologists for 1947-48, using techniques developed in the Association's laboratories. Other aspects of their researches include a survey of the cast seaweed during the winter months of 1947-48, a determination of the rates of regrowth and recolonization of the Fucaceae of Orkney, an estimation by controlled cultural methods of the minimum requirements for successful growth and development of the British Laminariaceae from zoospore stages, and the induction of polyploidy in the Laminariaceae by chemical and physical means. Moreover, several extra-mural investigations are in progress. Dr. Dolf and Miss Moss of Westfield College, London, are studying the concentration gradients and constitutional and physiological differences in the Fuci from areas of varying exposure, and Prof. Bonnet-Clark and Mrs. Milnthorpe, of King's College, London, the metabolism of respiration of the Laminariaceae.

Meantime, one can say with safety that the Botanical Division has shown that sufficient seaweed is available in Scotland to make the seaweed industry a commercial proposition, *if the seaweed can be harvested.*

The harvesting of the seaweed is, of course, the second of the two main tasks confronting the Association, which stands or falls by its ability to solve the problem. This is the problem of the Engineering Division headed by the deputy director of the Institute, with Mr. Wm. Mackenzie, who has been with the Association since its inception, as second in command. Seaweed growing in the littoral zones is comparatively easy to harvest, and methods of harvesting have already been devised and are being

developed. Sub-littoral seaweed, growing on the rocky sea-bottom at depths of between one and seven fathoms (low water), is much more difficult to harvest. In most parts of the Scottish coastline it grows fairly close inshore and necessitates the use of powerfully engined, shallow draft, and easily manoeuvrable vessels. Therefore, before embarking on a costly series of experimental investigations, the Engineering Division has contacted upwards of thirty engineers and interested members of other professions in the universities and colleges, Government departments, Government and other research organisations and in industry with the view of obtaining as many suggestions and constructive criticisms of existing ideas as possible. As a result, the problem has been considerably clarified, and now six possible methods have been evolved which are considered worthy of full-scale investigation. Already the first two experimental units, operating on different principles, have been designed and all the necessary equipment ordered, and shortly the first trials will start off the west coast of Scotland. Meantime, during much of the past year the engineers have had to devote themselves to matters associated with the lay-out, furnishing, servicing, equipping and the adaptation of Inveresk Gate to the Association's needs.

Assuming, then, that the necessary apparatus for the harvesting of the sub-littoral seaweed will be evolved, the main object of the Scottish Seaweed Research Association will be the development of seaweed as a source of chemicals. So far, the only seaweed product that is being used commercially on a large scale is alginic acid; but for every ton of this acid which is extracted, there are three tons of potentially useful chemicals running to waste. Obviously, the Chemical Division, headed by Dr. W. A. P. Black, has a huge field for research, and many problems have been initiated. Several of these are extra-mural investigations at certain universities and research establishments, either on a contractual or on a collaborative basis. Dr. Percival, at the University of Edinburgh, has developed accurate methods for the estimation of alginic acid, laminarin and mannitol, and is also directing research on fucoidin. At the University of Manchester, under the direction of Prof. E. L. Hirst, the chemistry of alginic acid and laminarin was being investigated. Perhaps this work will now also be conducted in Edinburgh, in view of Prof. Hirst's recent appointment to the now Forbes chair of organic chemistry in this University. At the Imperial College of Science and Technology, Sir Ian Heilbron and his colleagues Dr. L. N. Owen and Dr. A. H. Cook are studying the brown seaweed lipoids and the chemistry of the algal reproductive processes. Algal sterols are being studied at King's College, London, by Prof. D. H. Hey; while at University College, Nottingham, Dr. D. O. Jordan with the late Prof. J. Masson Gulland was attempting to isolate and identify the unknown constituents of the brown seaweeds by electrophoretic methods.

During the past two years the staff of the Chemistry Division has been working on the seasonal variation in the composition of some common brown algae. For example, in 1946, some 144 samples of littoral weeds of the family Fucaceae, *Pelvetia canaliculata*, *Fucus spiralis*, *F. serratus*, *F. vesiculosus* and *Ascophyllum nodosum*, and of sub-littoral weeds of the family Laminariaceae, *Laminaria digitata*, *L. saccharina* and *L. Cloustoni*, have been collected and prepared under strictly controlled conditions, and their dry weight,

6004.

30th January 48.

Sir,

93
I am directed by the Governor to refer to your letter of the 3rd of January, 1948, enclosing a newspaper cutting regarding seaweed research, and to say that His Excellency has read the cutting with interest.

I am,

Sir,

Your obedient servant,

(SGD.) A. B. MATHEWS.
Colonial Secretary.

Frederick Jones, Esq.,
STANLEY.

DRM.

MWJ
3/1/48

A

B.

99

THE TIMES

23. 8. 50

THE TIME

SCOTTISH SEAWEED CROPS

HOPE OF CREATING NEW INDUSTRIES

FROM OUR SPECIAL CORRESPONDENT

MUSSELBURGH, AUG. 22

In about a year's time the Scottish Seaweed Research Association here may be in a position to say whether the harvesting and utilizing of the Scottish seaweed crops for the production of other chemicals besides acid derived from algae is an economic proposition.

Seaweed used to be collected and burned to produce iodine, but this wasted other important constituents and the association has been at work for five years on determining whether a stable industry can be created to exploit the weed more fully for the general benefit of the public and the particular good of the Highlanders and islanders.

Workers have examined every mile of the Scottish sea coast. They estimate that 180,000 tons of weed is growing between high and low water marks, nine-tenths of it in the Outer Hebrides and Orkney. A similar survey of weed that is growing below low water and at working depths down to 10 fathoms is three parts completed. Suitable beds have recently been discovered off Arran, Girvan, Dunbar, and Crail and in Luce Bay, besides 250,000 tons found earlier in Orkney. From aerial photographs it appears likely that the total amount growing in Scottish waters will be about 10m. tons of wet weed, equivalent to a harvest of 1,500,000 tons of dried material.

It would not be wise to cut more than a third in any one year, as seaweed, although self-propagating, takes three years to reach maturity. It cannot establish itself on sand, so the association, in its pilot tests on behalf of a young industry, is examining means of stripping the weed from the rocks and lifting it to the surface. Already a grab method has been produced for use by the crofter-fishermen, but they can supply only a fraction of the demand. Now the association is developing for company-owned vessels some devices for bulk operation. One acts on the dredger principle with a continuous belt carrying rows of hooks instead of buckets. In an attempt to harvest the weed undamaged something like an electric lawnmower is being evolved, with a rotating blade to sever the stem and a suction pipe to draw the heavier-than-water fronds up to the boat.

The rockier the sea bed the better is the weed, but also the more difficult is the harvesting. With the idea of removing that difficulty at source the association secured by air service some spores of a giant Pacific weed, which sends up stems so long that the leaves lie on the surface, where they can be undercut quite simply. It succeeded in getting them to grow in its laboratory, but the Cabinet Advisory Committee on Scientific Policy felt that to introduce the plant to our sea coasts might be harmful to indigenous life, so this laboratory success will not be pursued.

B.

M.C. Accord-ifs Please D. 11.

OS

Please extract

article on Seaweed

(p. 3) to BAKC

file. I improved harvesting machinery

can be produced

they may resume

activities - this and

shipping were the

requirements, it seems.

MC. 7/X

Blacs.
13/10/50

PA

Handwritten mark

Extract from the Times of Saturday, August 21st 1966.

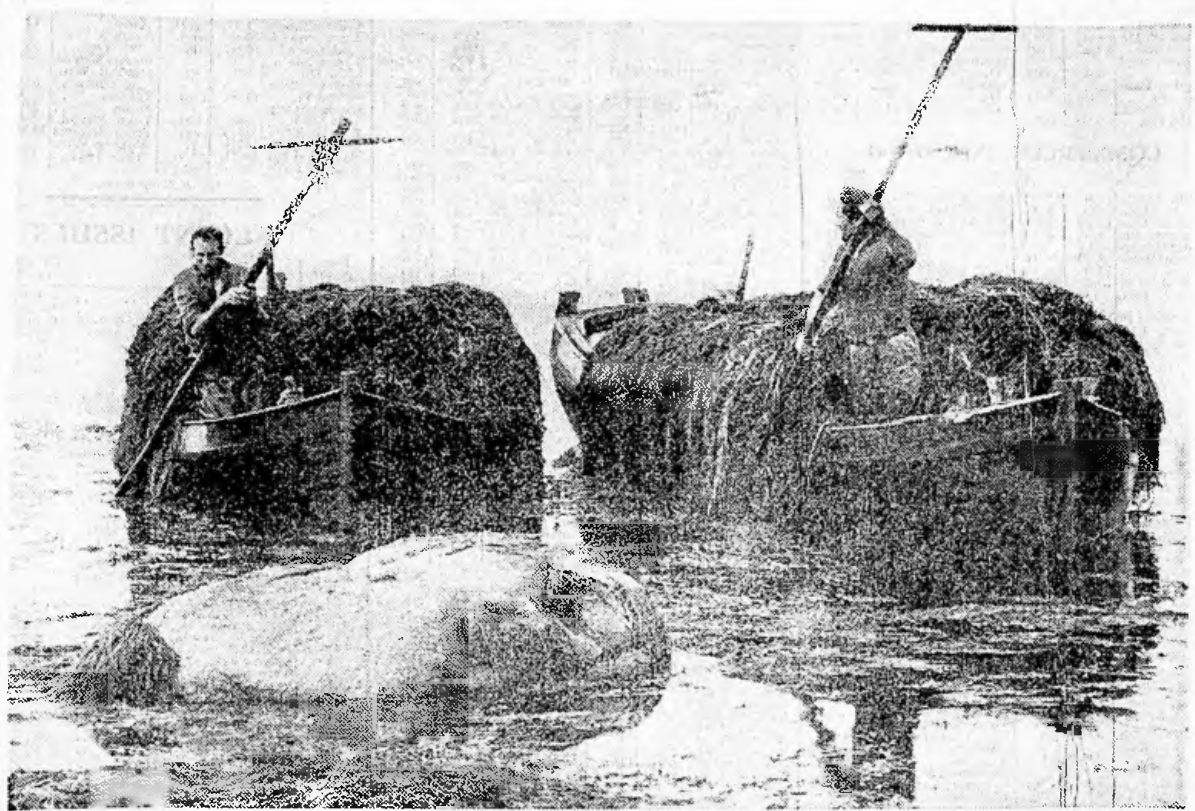
SEAWEED HARVESTERS



probably off the west coast of Scotland or Ireland. The relevant explanation to the photographs was burnt.



The men break the weed from the rocks by hand and work up from the low water mark, leaving heaps of weed that float



As the tide rises boats are filled until each contains about two and a half tons of seaweed



101

EXTRACT FROM MINUTES OF THE MEETING OF THE NATURAL RESOURCES COMMITTEE

HELD ON THE 18th JULY 1966

(b) Kelp

Mr Vinson asked what had become of the kelp project. His Excellency replied that he understood that the project had been found uneconomical.

His Excellency had discussed kelp with a visitor, Professor Fogg, who had stayed at Government House earlier this year. Professor Fogg is a Fellow of the Royal Society and professor of botany at Westfield College, University of London. He is an authority on sea weeds. Professor Fogg had told H.E. that, although it sounded far-fetched at the moment, when hovercraft are more highly developed the harvesting of kelp might become a commercial proposition; he felt that perhaps it would not be ridiculous to envisage hovercraft collecting kelp as a fertiliser for Falkland Island farms

fa



9004
102

COMMONWEALTH OFFICE
GREAT SMITH STREET, LONDON S.W.1
Telephone: ABBey 1266, ext.

Our reference: YC 7/ALG
Your reference:

19th July, 1967.

Dear Young,

I enclose copies of two letters from the Alginate Industries dated the 23 May and the 10 July and the enclosure mentioned in the latter. Incidentally the first letter went astray which is the reason for the delay!

2. The firm is apparently willing, as they say in their first letter, to pay all the costs involved and I suggested that let you know what is involved hence the second letter.

3. Possibly you would like to write direct to Alginate Industries letting them know whether you can undertake this job.



A. St. J. Sugg

(A. ST. J. SUGG)

W.H. Thompson, Esq., M.B.E.,
Government House,
STANLEY,
Falkland Islands.

See 103

ALGINATE INDUSTRIES

L I M I T E D

22, HENRIETTA STREET, LONDON, W.C. 2.

DIRECTORS
W R MERTON, Chairman
R R MERTON
R CAMPBELL-PRESTON, } Managing
OBE, M.C. } Directors
A C W NORMAN, OBE
R H McDOWELL
D. L. BANKES.
THE RT. HON. THE VISCOUNT STUART
OF FINDHORN, P.C., C.H., M.V.O., M.C.
F. L. G. GRIFFITH-JONES



TELEPHONE
01-836 0451/4
01-838 0142/3
TELEGRAMS
ALGINATES
LONDON W.C. 2
CABLES
"ALGINATES, LONDON, W.C. 2"
BENTLEY'S SECOND PHRASE
TELEX 23815

AHS/JG

10th July 1967.

A. St. John Sugg, Esq.,
Gibraltar & South Atlantic Dept.,
Commonwealth Office,
London, S.W.1.

Dear Mr. Sugg,

Falkland Islands

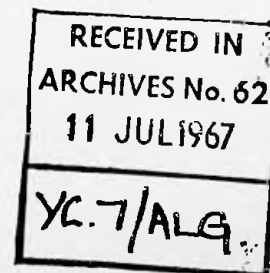
Following our telephone conversation, I now send two copies of the instructions for sampling kelp from the Falklands.

By an odd chance, we have just heard from a Mr. F. Jones, now resident in Montevideo, who took part in our Falklands kelp survey some twenty years ago. Mr. Jones, who is a master mariner, and at one time employed in the Falklands service, believes that he may be appointed to take out a small vessel, the 'Forrest' from London to Port Stanley, in September. I do not know if this appointment is the concern of the Falklands Government, or the Falkland Islands Company, but in any case Mr. Jones would be the perfect choice for setting up the sampling procedure in the Falklands; and if indeed he comes to London, we shall of course see him.

Yours sincerely,

A. H. STEWART,
Secretary.

Reply at 103



ALGINATE INDUSTRIES

L I M I T E D

22, HENRIETTA STREET, LONDON, W C 2

DIRECTORS

W. R. MERTON, Chairman
R. R. MERTON
R. CAMPBELL-PRESTON, } Managing
O.B.E., M.C. } Directors
A. C. W. NORMAN, O.B.E.
R. H. McDOWELL
D. L. B. }
THE F. } THE VISCOUNT STUART
OF } OF ST. JOHN, P.C., C.H., M.V.O., M.C.
F. L. G. GRIFFITH-JONES



10213

TELEPHONE
01-836 0451/4
01-836 0142/3
TELEGRAMS
ALGINATES
LONDON, W C 2

CABLES
ALGINATES, LONDON, W C 2
BENTLEYS SECOND PHRASE
TELEX 23815

Sampling of Giant Kelp
(Macrocystis Pyrifera)
from the Falkland Islands

- (1) Select a kelp bed in open water.
- (2) Each month take 10lbs wet kelp from this bed, cutting the stem below water level.
- (3) Dry the 10lbs wet kelp to 90% Dry Matter, i.e. reduce it to 1lb. The drying must be done in hot air, not exceeding 80C. and the kelp must not be exposed to an open flame, i.e. it can be dried on or around a hot water boiler, but not at a furnace.
- (4) Break up the 1lb dry sample roughly, and pack suitably, and mark with the date on which it was cut.
- (5) Post to Alginates Industries Limited,
Ladyburn Works,
GIRVAN,
Ayrshire, Scotland.

It is appreciated that deliveries may be irregular, but that does not matter providing the samples are taken regularly each month, and correctly marked with the date of cutting.

10210 (2E/1)

AHS/BC

23rd May 1967.

The Under-Secretary,
Commonwealth Relations Office,
Downing Street,
London, S.W.1.

Dear Sir,

Falkland Islands

We would like to organise, for purposes of chemical analysis, a supply of samples of kelp from the Falklands, over a period.

When we made some investigations into this matter almost 20 years ago, we were assisted in this regard by the Government Naturalist in the Falklands, and if this office is still extant, we might, with your consent, address ourselves to this officer.

In any case, we shall appreciate your advice; and needless to say all the costs of obtaining samples would be to our charge.

Yours faithfully,

AHS

A. H. STEWART
Secretary

12th September,

67

Dear Sir,

1021A

Your letter of the 10th July, 1967 addressed to Mr. A. St. J. Sugg of the Commonwealth Office concerning kelp sampling in the Falkland Islands.

The Harbour Master will be able to undertake the work you require and if you will let me know when you wish the survey to commence the necessary arrangements will be made.

It may be that you have already contacted Mr. Frederick Jones in London, in which case we shall no doubt learn more on his arrival here.

Yours faithfully,

(W.H. THOMPSON)
COLONIAL SECRETARY

Mr. A.H. Stewart,
Alginate Industries Ltd.,
22, Henrietta Street,
LONDON, W.C.2.

ER

Copy to Harbour Master
A. St. J. Sugg (Reference your
YC 7/ALG of the 19th July, 196

Reply at 109

Ra

582
104
DAGOSUR S. A.

EXPORTACION - IMPORTACION - REPRESENTACIONES

DIR. YELG: "DAGOSUR"

GRAL. LUNA 1284
TELEFONO 20-98-19
M O N T E V I D E O

September 5, 1967

To H.M.
Colonial Secretary
PORT STANLEY - Falkland Islands

Dear Sir,

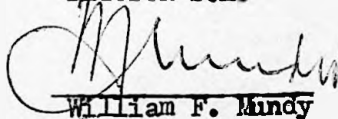
Will you please inform us whether it would be feasible for us to either establish a camp of our own or find somebody that might be interested in collecting around 2,000 tons a year of GRACILARIAS ALGAS in the proximity of the Islands? If the reply should be in the affirmative, can you possibly indicate an idea of the cost of exploitation?

Also, will you kindly inform us whether we are correct in believing that the following are types of algae to be found in abundance there: *Macrocystis*, *Lessonia*, *Gracilarias*, *Gigortinas*, *Porphira*, and *Ulvas*? If our presumption is correct, can you please give us an indication of the estimated area occupied by each variety and their corresponding seasonal quantities? Do you consider that it might be possible to exploit the variety that specially interests us and any or all of the others, with the aid of fishing boats, without having to provide a vessel of greater dimensions? Could local labour be enlisted?

We anticipate sincere thanks for the considerate attention that you may extend to this decidedly complicated inquiry.

Yours faithfully,

DAGOSUR S.A.


William F. Mundy

wfm/h

Reply at 105

28th September 67

Dear Sir,

104

Thank you for your letter of 5th September 1967.

There is undoubtedly large quantities of seaweed to be found around our shores but unfortunately there is little scientific information available for study. I am enclosing a brief memorandum on the subject written about thirty years ago but I doubt whether you will find it very helpful.

About twenty years ago a British company established itself here with a view to exploiting the industry but soon decided the project was uneconomical although this decision may well have been largely influenced by the distance factor and relatively high cost of transporting the product to European markets.

It might help you to know that one of the persons associated with the British Kelp Company is now resident in Uruguay although at the moment he is captaining a small vessel out to these islands from the United Kingdom. The vessel, the FORREST, will however be calling at Montevideo en route to Stanley about mid October and staying there for a period of dry docking, thus you may shortly have an opportunity to contact him. He is Captain Frederick Jones of Avenida de las Instrucciones, KM. 19, Montevideo (Tel: 2.22.08).

I am sure our Agents Messrs Maclean and Stapledon, and through whom I am sending this letter, will be pleased to advise you of FORREST's arrival.

If there is any other assistance you require please communicate further.

Yours faithfully,

(H. L. Bound)
ASSISTANT COLONIAL SECRETARY

Reply at 107

Mr. William F. Mundy,
DAGOSUR S.A.,
Gral. Luna 1284,
MONTEVIDEO

(Tel: 20.98.19)

FA

re

ALGINATE INDUSTRIES

L I M I T E D

22, HENRIETTA STREET, LONDON, W.C.2

DIRECTORS:
W. R. MERTON, Chairman
R. R. MERTON
R. CAMPBELL-PRESTON, O.B.E., M.C. } Managing Directors
A. C. W. NORMAN, O.B.E.
R. H. McDOWELL
D. L. BANKES
THE RT. HON. THE VISCOUNT STUART
OF FINDHORN, P.C., G.H., M.V.O., M.C.
F. L. G. GRIFFITH-JONES



106

TELEPHONE
01-836 0451/4
01-836 0142/3
TELEGRAMS
ALGINATES
LONDON W.C.2
CABLES
ALGINATES, LONDON, W.C.2
BENTLEY'S SECOND PHRASE
TELEX: 23815

AHS/BC

The Colonial Secretary,
Colonial Secretary's Office,
Port Stanley,
Falkland Islands,
South Atlantic.



7th September 1967.

Dear Sir,

You will perhaps be aware that in 1947 this Company carried out an extensive survey of the Kelp resources, and the facilities of the Falklands, as a source of material for Alginate manufacture.

We must make it clear that there is no immediate prospect of our proceeding with this project so long as our existing and much cheaper, sources of supply suffice for our requirements. Nevertheless the growth of our industry and the possibility of a sudden and unexpected demand, makes it desirable that we should now re-examine and bring up to date our findings of twenty years ago.

The first essential is to bring our analyses of the Kelp into line with our present methods, and for that purpose we require monthly samples over a period of years, prepared in accordance with the specification enclosed

You may know that Mr. F. Jones, who is taking the 'Forrest' out to Port Stanley, took a leading part in our work in the Falklands in 1947, and his presence in London gave us an opportunity to discuss this sampling, not only with him, but with Mr. D. J. Sollis, who as Master of the 'Forrest' in the Falklands, would be very well placed to have this work carried out for us. Subject of course to your approval, we believe Mr. Sollis would be happy to supervise it, and we therefore seek your consent, in the first instance.

If this proposal is approved, we have in mind a payment, no doubt through your office, of the order of £10 per month, to cover collection, outgoings and postage, and leaving we hope a surplus to provide some modest recompense to those carrying out the work.

In your reply, we would be grateful if you could also let us know the current price of fuel oil at Port Stanley, and its availability.

Yours faithfully,

A. H. Stewart
A. H. STEWART
Secretary

Reply at 108

107

● DAGOSUR S. A.

EXPORTACION - IMPORTACION - REPRESENTACIONES

DIR. TELG: "DAGOSUR"

GRAL. LUNA 1284
TELEFONO 20-98-19
M O N T E V I D E O

October 9, 1967

Mr. H. L. Bound
Assistant Colonial Secretary
STANLEY - Falkland Islands

Dear Sir,

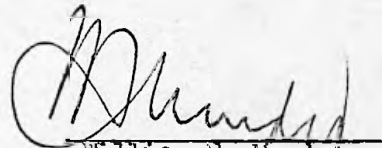
105

I thank you for your letter No. 0004 dated 28th September 1967 containing snatches of very illustrative information.

Due to your kindly help the industrial group which is interested in establishing a means of importing some of the varieties of seaweed from that zone will most certainly interview Captain Jones upon his next visit to Montevideo.

Once again, many thanks.

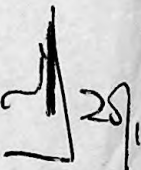
Yours faithfully,


William F. Mundy

wfm/h

C.S.

106 May I reply that we have no objection to Mr. Sallis carrying out these experiments provided ~~that~~ it does not interfere with or delay his duties as master of m.v. "Forrest"?

 20/1

21st October,

67

Dear Sir,

Thank you for your letter of 7th September, 1967.

I have no objection to you entering into a private agreement with Mr. Sollis who I am sure will assist you in every way possible. It is understood of course that the additional work would not be permitted to interfere with or delay his normal duties as Master of m.v. 'Forrest'.

Fuel oil is currently available in Stanley at £17. 10. Od. per ton.

Yours faithfully,

H.L. Bound

for COLONIAL SECRETARY

Mr. A.H. Stewart,
Alginite Industries Ltd.,
22, Henrietta Street,
LONDON W.C.2.

Copy to Harbour Master

ER

mail

109

ALGINATE INDUSTRIES

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 LONDON, W.C.2

CABLES
 ALGINATES, LONDON, W.C.2
 BENTLEY'S SECOND PHRASE
 TELEX: 23815

AHS/BC
 Your Ref: 0004.

10th October 1967.

W. H. Thompson Esq.,
 The Colonial Secretary,
 Colonial Secretary's Office,
 Stanley,
 Falkland Islands.



W1
23/10
I think AHS has replied.
Yes at 108.

Dear Mr. Thompson,

103

Many thanks for your letter of September 12th, in answer to mine 102A of July 10th addressed to Mr. Sugg at the Commonwealth Office.

106

No doubt you will now have received my letter to you of September 7th, and I shall look forward to your comments on it.

108

Yours sincerely,

A. H. STEWART
Secretary

Ra

ALGINATE INDUSTRIES

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22, HENRIETTA STREET, LONDON, W.C. 2



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 LONDON, W.C. 2"
 CABLES
 "ALGINATES, LONDON, W.C. 2"
 BENTLEY'S SECOND PHRASE.
 TELEX: 23815.

AHS/BC
 Your Ref: 0004

2nd November 1967.

The Colonial Secretary,
 Colonial Secretary's Office,
 Stanley,
 Falkland Islands.



Dear Sir,

108

Thank you for your letter of October 21st, and we are very much obliged to you for allowing us to make use of Mr. Sollis's services, which we are sure will be most useful to us.

Regarding the current price of fuel oil in Stanley, we understood from Mr. Sollis that the price of imported diesel oil is 6d per gallon, and we are thus surprised that fuel oil should be more expensive.

Perhaps you could let us have your comments on this point?

Yours sincerely,

A. H. Stewart

A. H. STEWART
Secretary

Reply at 111

1/9 gae

12/17/7 km

+33 1/2

21st November,

67

Dear Sir,

110

Thank you for your letter AHS/BC of 2nd November regarding the price of fuel oil. I confirm that imported diesel oil is currently available in Stanley at 1/9d per gallon or approximately £17. 10. Od. per ton.

Yours faithfully,

Sgd. (H.L. Bond)

for COLONIAL SECRETARY

Mr. A.H. Stewart,
Alginat Industries, Ltd.,
22, Henrietta Street,
LONDON W.C.2.

BR

MACLEAN & STAPLEDON S.A.

CODIGOS
NEW BOE CODE WITH "Q" LIST
BENTLEY'S SECOND PHRASE CODE

TELEX 770 MACSTAP CX

FUNDADA EN 1901
CASILLA DE CORREO 193
COLON 1486-90

DIRECCION TELEGRAFICA
MACSTAPLE MONTEVIDEO
TELEFONOS 97474/78
T. T. 27

MONTEVIDEO



December 14th. 1967

Messrs.
The Falkland Islands Co. Ltd.
PORE STANLEY

Dear Sirs:-

1121A

We have pleasure in enclosing herewith photo-static copy of letter received from Messrs. Reifenberg Corp. of New York, contents of which are self explanatory.

Regarding same, kindly advise us whether it is possible to obtain the Irish Moss requested by these gentlemen, on the Islands.

Awaiting your news with interest, we remain,

Yours faithfully,
MACLEAN & STAPLEDON, S. A.

warnell

Encl.
GAM/vd.

cc. Messrs. Reifenberg Corp., New York

Reply at 113

J

TELEPHONE
WATKINS 9 { 4861
4862

1186

Cable Address:
REIFBREW, NEW YORK
A B C Code 5th Edition

REIFENBERG CORP. *Maclean*

Brewers' Supplies

205-209 WEST 19TH STREET

NEW YORK 11, N. Y.

December 8, 1967

Maclean & Stapledon S.A.
Carilla de Correo 193
Montevideo, Uruguay

Gentlemen:

We are large importers of Irish Moss (Carrageen). It occurred to us that Irish Moss may be grown and gathered on one of the islands which you serve.

We are interested in the Sunbleached and Unbleached varieties and would appreciate receiving your offer, stating price, quantity available, packing and how soon delivery could be made. We would also need a large representative sample of both varieties.

Credit and payment terms can be easily arranged through our New York banking connections.

Hoping to hear from you soon, we beg to remain,

Yours very truly,

REIFENBERG CORP.

Ernest E. Reifenberg
Ernest E. Reifenberg

EER:kmb

0004

C. S. In Ireland carragheen (or carigeen) 113

... moss is a small edible seaweed which grows just above lowest spring tide line. I have often prepared & eaten it - it is made up like junket. 3rd February 68

Dear Sirs,

However there may be confusion of names.

112

Thank you for your letter of 14th December 1967 regarding the supply of Irish moss (carragheen). I assume Messrs. Reifenberg Corporation refer to a type of seaweed, but I am unable to identify it by the name given. We have large quantities of Giant Kelp (*Macrocystis Pyrifera*) and experiments are presently being conducted with a view to the commercial exploitation of this weed.

LA
23/4/68
W
26/v

Perhaps you will be good enough to ascertain from Messrs. Reifenberg Corporation whether this is the type of kelp they are interested in, otherwise please ask them to give the Latin name.

Yours faithfully,

See 114

(H. L. Bound),
for COLONIAL SECRETARY.

P

Messrs. Maclean & Stapledon
Casilla de Correo, 195,
Montevideo,
URUGUAY.

AR.

MACLEAN & STAPLEDON S.A.

CODIGOS
NEW BOE CODE WITH "Q" LIST
BENTLEY'S SECOND PHRASE CODE

TELEX: 770 MACSTAP CX

FUNDADA EN 1901

CASILLA DE CORREO 193

COLON 1486-90

MONTEVIDEO

(URUGUAY)

DIRECCION TELEGRAFICA
MACSTAPLE MONTEVIDEO
TELEFONOS 97474/78
T. T. 27

22nd. February, 1968

Colonial Secretary
PORT STANLEY

Dear Sir:-

We have to acknowledge receipt of your letter dated 3rd instant, contents of which have our best attention.

In accordance with your wishes we are writing to Messrs. Reifenberg Corporation, asking for further details on the subject and immediately we receive their reply will revert.

Yours faithfully,
MACLEAN & STAPLEDON, S. A.

wamuel

GAM/vD.

113

16

CU
5/3/68

ALGINATE INDUSTRIES

L I M I T E D

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 W R MERTON, Chairman
 R R MERTON
 R CAMPBELL-PRESTON, } Managing
 } Directors
 OBE, MC

A C W NORMAN, OBE
 R H McDOWELL
 D L BANKES.
 THE RT HON. THE VISCOUNT STUART
 OF FIMDHORN, P.C., C.H., M.V.O., M.C.
 F L G. GRIFFITH-JONES.

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 TELEGRAMS
 ALGINATES
 LONDON W C 2

CABLES
 ALGINATES, LONDON, W C 2
 BENTLEY'S SECOND PHRASE.
 TELEX: 23815



RRM/ad

1st February, 1968.

Sir Cosmo Haskard, K.C.M.G., M.B.E.,
 Governor of the Falkland Islands,
 Government House,
 Port Stanley,
 Falkland Islands,
South Atlantic.

Dear Sir Cosmo,

I am writing you this short note of explanation of our recent activities in relation to samples of Falkland Island seaweed, so that you may have first hand information of our plans and intentions.

As manufacturers of alginates seaweed is our raw material, and apart from a small amount from South Africa our present supplies all come from Europe; and whereas we can see our way to meeting the requirements of our plant expansion for a number of years without going outside Europe, nevertheless we do foresee that perhaps within five or ten years we may need to open up new areas.

In these circumstances we are taking the necessary steps well in advance to obtain full information so as to enable us to compare the various alternatives from the point of view of cost of operation.

An all important factor in cost is the amount of alginate present in the seaweed, and this varies to some extent not only seasonally, but from year to year. It is for this reason that we have decided if possible to obtain regular samples from the more likely areas.

/You will see.....

Reply at 116.

Governor of the Falkland Islands.

1st February, 1968.

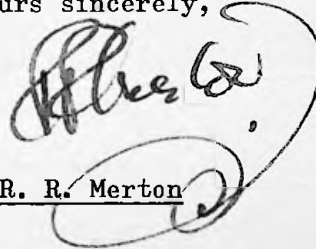
You will see, therefore, that although the Falkland Islands is included, it is not the only possible area, nor is there any likelihood that our weed requirements will justify us in taking any action for some years to come.

I hope that this gives you a useful picture of our position, and had the matter been a more urgent one I would, of course, have been in touch with you before.

Should the position change to any material degree, I will certainly keep you in touch, and you will doubtless appreciate that long term forecasts such as are involved in this case are extremely difficult to make, and can only be based on a precarious extrapolation of expansion achieved hitherto.

Our research chemists are, of course, intent upon discovering new uses for alginates, and new chemical derivatives, which might increase our markets. The kind of break-through which one is always hoping for could happen at any time, so that the position was transformed overnight. A further devaluation would, moreover, enable us greatly to extend our markets, two thirds of which are already in the export field. Even so I think it most unlikely that we shall require weed from outside Europe in less than say five years.

Yours sincerely,



R. R. Merton

Cl for filing please

7 March 1968

*Gr
11/3*

115.

Thank you very much for your letter of 1st February regarding your firm's interest in Falkland Islands seaweed.

It was very good of you to put me so fully in the picture regarding the possible demand for kelp from these Islands and I am only sorry that your conclusion is that it is unlikely that you would require seaweed from outside European waters in less than about five years.

Our preference here is of course for British firms to undertake any development of our natural resources which may be possible and I would therefore suggest that we continue to keep in touch with each other so that if, as I hope, the time comes when exploitation of our seaweed resources can take place, such activity may be in British hands.

WA

R.R. Merton Esq.,
Alginat Industries,
22 Henrietta Street,
London W.C.2

*R
11/3*

May 1947.

COPY

DRAFT OF HEADS OF AGREEMENT BETWEEN THE GOVERNMENT OF THE FALKLAND ISLANDS AND THE BRITISH AMERICAN KELP COMPANY LIMITED.

(Note: this agreement was never implemented).

Whereas it is proposed by the British American Kelp Company to establish a Weed Supply Base at Port Stanley, Falkland Islands, and whereas it is the opinion of the Government of the Falkland Islands, that such a project would be in the interests of the Colony, the following are agreed as a basis for co-operation:-

1. It is agreed on the part of the Government that the Company shall be granted exclusive rights for a period of twenty years to harvest seaweed over that part of the Falkland Islands lying south east of a straight line drawn between a point (A) having a latitude of 51° 32' S. and a longitude of 57° 41' W., and a point (B) having a latitude of 52° 06' S. and a longitude of 60° 11' W.

2. It is further agreed that the Company shall be granted an option, to be exercised within a period of five years, to extend the area defined in 1. above, so as to include that part of the coastline to the north of a straight line drawn between a point (C) having a latitude of 51° 39' S. and a longitude of 57° 43' W. and a point (D) having a latitude of 51° 28' S. and a longitude of 59° 07' W.

3. It is further agreed that the Company shall be granted an option, to be exercised on the expiry of the twenty year period referred to above, to take up exclusive weed harvesting rights for a further period of seventy nine years, making ninety nine years in all, over an area or areas to be selected by the Company from within the aforementioned areas, such area or areas to be commensurate with the proved requirements of the Company and to be agreed with the Government.

4. It is agreed on the part of the Company that with regard to the question of control of cutting, plans shall be based upon local experience of harvesting and shall be agreed with the Government, such plans to take particular cognisance of the fact that in certain instances weed beds are an aid to navigation.

5. It is further agreed that, in return for grant of a licence to harvest weed, no charge shall be made for the first period of five years but that the Company shall pay a sum of one hundred pounds annually during the second period of five years and that thereafter revision shall be made at five yearly intervals, any increase in the sum requiring to be paid by the Company being limited to 50 per cent of the rate of the previous period.

6. It is further agreed that for the first ten years from the commencement of operations a royalty of two shillings and six pence per ton of dried milled weed shall be paid by the Company and that as from the expiry of that period royalty will continue to be assessed on a tonnage basis but will be re-examined at five yearly intervals and adjusted in the light of the circumstances of the market then obtaining.

POWER

Whereas the requirements of the Company with regard to the supply of power are estimated in the first instance at 225K.W. (pilot stage) and in the second instance at 750 K.W. (unit stage),

7. It is agreed on the part of the Government to make available such requirements to meet the Company's programme of development on the basis that:-

8. It is agreed on the part of the Company to pay a charge per kilowatt of electricity consumed by the Company such as to include allowance for amortisation over a period of fifteen years of that proportion of the capital cost of the plant which shall have been installed to meet the Company's estimated requirements, together with interest on it to be charged at three per cent.

it being clearly understood that installation of a reserve capacity to meet the case of breakdowns and overhaul is part and parcel of the Company's requirement for the purpose of calculation although not included in the figures given for the estimated requirements, and that it may be necessary during the pilot stage for the Company to accept a figure on which amortisation shall be based representing the total cost of the installation should it prove necessary to install a plant of capacity greater than the Company's estimated requirements, no part of the balance of which is made use of by the Colony.

9. It is further agreed that the charge per kilowatt to the Company shall be arrived at by adding the figure obtained as in paragraph 8 above for amortisation to the figure representing that proportion of the combined cost of insurance, fuel, operating costs and overheads, represented by the number of units consumed by the Company compared with the total number of units generated, the figure for overheads being accepted as ten per cent of the operating costs.

HOUSING

Whereas the requirements of the Company with regard to housing are estimated in the first instance at one Manager's house, three staff houses and four mechanics' houses (pilot stage) and in the second instance at a further two houses for mechanics (unit stage),

10. It is agreed on the part of the Government to make available such requirements to meet the Company's programme of development on the basis that:-

11. It is agreed on the part of the Company to pay for such houses annual rents to include allowance for maintenance on the part of the landlord, such rents to be based upon a reasonable relation to the capital cost and in no case to exceed one hundred and twenty pounds per annum in the case of a Manager's house, one hundred pounds in the case of a staff house, and fifty to sixty pounds in the case of a mechanic's house.

WATER

Whereas the requirements of the Company with regard to potable water are estimated at not more than three hundred gallons per hour in the first instance (pilot stage) and thereafter at increasing quantities,

12. It is agreed on the part of the Government to make available such requirements to meet the Company's programme of expansion on the basis that:-

13. It is agreed on the part of the Company to pay for such water a charge to be based upon the commercial rate prevailing in Stanley, always provided that, should the provision of such water involve the Government at a later stage in the defrayal of high capital expenditure the charge to the Company shall be based upon a reasonable relation to the capital expenditure involved.

LABOUR

Whereas the requirements of the Company with regard to Labour are estimated at forty eight men in all in the first instance (pilot stage) and at eighty to one hundred men in the second instance (unit stage),

14. It is agreed on the part of the Government to make available the requirements of the Company in the first instance (48 men) and thereafter to take all reasonable and practicable steps, having regard to the labour requirements of the Colony as a whole, to ensure provision to meet the Company's programme of expansion, such steps to include enlistment, through the influence of the Secretary of State, of the assistance of appropriate agencies and authorities, and also the provision of housing in Stanley, where necessary to prevent the Company's programme of expansion from being held up.

JETTY

Whereas it may prove a requirement of the Company to extend the existing jetty at the Camber so as to enable bulk handling to take place,

15. It is agreed on the part of the Government to give sympathetic consideration to the question of urging His Majesty's Government and the Admiralty to participate with one another with regard to the extension of the existing jetty at the Camber, Stanley, should such prove advantageous to the conduct of the business of the Company, at a stage later than the pilot stage.

PORT DUTIES AND HARBOUR DUES

Whereas it is a requirement of the Company to make use of the facilities of Stanley Port and Harbour,

16. It is agreed on the part of the Government to assure equality of treatment with other commercial undertakings with regard to both Port dues and Harbour rights.

LOCAL PARTICIPATION IN THE
CAPITAL OF THE COMPANY.

Whereas it may be the wish of the Government and certain of the local inhabitants of the Falkland Islands to participate in the capital and hence the profits of the Company,

17. It is agreed on the part of the Company that as and when the Company shall be forced into a Public Company, a portion of the share capital will be put aside for offer to the Government and the inhabitants of the Falkland Islands.

18. It is further agreed that should it be desired that local inhabitants should have the opportunity of participation in the capital of the Company whilst it still remains a Private Company, either directly or by means of participation in the first instance on the part of the Government on behalf of local inhabitants, the Company will give sympathetic consideration to any such scheme which may be put forward.

0004

Cl. BV on file please in 12/6 *clc b.f. W.H.L.*
12/6 *12/6*

ALGINATE INDUSTRIES

L I M I T E D

DIRECTORS:
W. R. MERTON, Chairman
R. R. MERTON
R. CAMPBELL-PRESTON, OBE, MC
A. C. W. NORMAN, OBE
R. H. McDOWELL
D. L. BANKES
THE RT HON THE VISCOUNT STUART OF FINDHORN, PC, CH, MVO, MC
F. L. G. GRIFFITH-JONES

Managing Directors

22, HENRIETTA STREET, LONDON, W.C.2



TELEPHONE
01-836 0451/4
01-836 0142/3
TELEGRAMS
ALGINATES
LONDON W.C.2
CABLES
"ALGINATES, LONDON, W.C.2"
BENTLEY'S SECOND PHRASE.
TELEX: 23815.

RPM/ad

23rd May, 1968.

ph
S₁
47

Dear Sir Cosmo,

Thank you very much for your ¹²⁰letter of the 10th May in answer to my letter to you on the subject of some form of concession regarding the kelp around the Falkland Islands.

I fully appreciate what you say about the question of getting up a small pilot project, and that a delay of five or ten years seems a long time.

I should, nevertheless, be misleading you if I were to represent that we are anywhere near the stage of setting up even a pilot plant at the present time, although some such pilot project would undoubtedly precede any decision to go ahead with full scale operation.

See 126

Yours Sincerely,
Ralph Merton

Sir Cosmo Haskard, K.C.M.G., M.B.E.,
Governor of the Falkland Islands,
Government House,
Port Stanley,
Falkland Islands.



127.
127.

0004

13. ALGINATE INDUSTRIES LTD. (Memo 24/68)

His Excellency referred to past efforts to establish a kelp industry in the Colony, particularly those of Alginatc Industries Ltd., and its subsidiaries, who were again interested in the project. After discussion Council advised that the matter should be further studied at the next meeting of Council.

Brown

As. Clerk of Council



~~123~~
123

Stanley,
3 June 1968.-

S,
12/6
W 12/6

The Honourable The Colonial Secretary,
The Secretariat,
Stanley.

Sir,

I beg to advise you that I will be signing on articles as Mate of the "Darwin" on about the 12th proximo and at the same time carry on my business as representative of Alginate Industries Limited in the Falkland Islands.

The Falkland Islands Company and Alginate Industries Limited have agreed and approved of the above combination of duties, which are compatible and logical under present circumstances and local conditions.

There is no relation whatsoever between that step and any intention Alginate Industries Limited may or may not have to consider setting up a seaweed collection centre in the Falkland Islands in the near or distant future.

I have the honour to be,

Sir,

Your obedient Servant,

Frederick Jones

Ack'd:

8

13.6.68

P.S. 1

0004

124

4th July,

68.

From: The Colonial Secretary

To: Acting Superintendent Power

and Electrical,

STANLEY.

Kelp Drying apparatus

Please confirm that electricity is paid for and by whom.

(W. H. THOMPSON)
COLONIAL SECRETARY

AA.

reply
125

By 14.7.68

(Sec. Com.)

No. 0004

MEMORANDUM



It is requested that, in any reference to this memorandum the above number and date should be quoted.

6th July 19 68

To: Colonial Secretary,

Stanley.

From: Ag. Supt. Power and Electrical,

Stanley, Falkland Islands.

SUBJECT:- Kelp Drying - Your memo of 4th July refers.

This is to confirm that all electricity used for drying kelp is paid for by Mr. F. Jones.

AGJ/Blyth

AG. SUPT. P. & E.

*WI
8/2*

*See 100 7. 68
C. De... 1968*

C.S. for appropriate file please

126

lu 1077

61
11/7

RESTRICTED

4 July, 1968.

121

Thank you for your letter of 23rd May which reached me on 12th June.

I am sorry that the chances of even a pilot kelp project seem so remote.

I think that the best course for the present time is to leave the matter open, while noting that you are interested in applying for some form of tentative concession for the right to work all the kelp around the Falkland Islands, preferably upon an exclusive basis.

You are already aware that in the Colony there would undoubtedly be a preference for a British firm to undertake this exploitation of kelp. Nevertheless, should a foreign firm show serious intentions of wishing to undertake such exploitation, we could not easily disregard an approach.

As with my last letter, I am sending a copy of this to Mr. Sugg at the Commonwealth Office so that he should be aware of the position.

lu

R. R. Merton, Esq.,
Alginat Industries Ltd.,
22, Henrietta Street,
London, W.C.2.

Copy: ~~R.R. Merton~~ A. St.J. Sugg Esq., C.M.G.

RESTRICTED

EXTRACT FROM MINUTES OF MEETING NO 6/68 OF EXECUTIVE COUNCIL HELD ON
19th and 22nd JULY 1968.

0004

6. ALGINATE INDUSTRIES LIMITED (Memo 24/68)

The Colonial Secretary outlined the present position regarding exploitation of kelp in the Colony. Copies of a letter from Alginatc Industries Limited to His Excellency the Governor dated 23rd May 1968 together with his reply dated 4th July 1968 were read out. These indicated that there was little prospect of an alginatc industry being established here in the near future.

Rowing
Ag. Clerk of Councils

EXTRACT FROM MINUTES OF A MEETING OF THE DEVELOPMENT COMMITTEE
HELD ON 25TH JULY 1968.

(b) Kelp - The position regarding the kelp industry was noted. It was advised that experts on kelp be contacted and the following questions put to them:

- (i) What is the value of kelp as a fertiliser? What type of plants respond to it?
- (ii) Is it of any value as food for animals?
- (iii) Could it be used in any grasslands improvement scheme?

By H. G. 68.

134

U
12/11
S
11/11

R.M.S. DARWIN,
Stanley.
7th. Nov. 1968.-

The Honourable The Colonial Secretary,
Stanley.

Sir,

Yesterday I received the following telegram
from Alginate Industries Limited:-

LONDON F JONES RMS DARWIN YOUR LETTER 21/10/68
RECEIVED STOP FORTHCOMING VISITOR PERSONALLY
KNOWN TO ME SO HAVE SENT COPIES OF CORRESPONDENCE
REFERRED TO DIRECT TO HIM STOP HAVE INFORMED HIM
THAT YOU REPRESENT US AND WILL GIVE EVERY ASSIST-
ANCE, STOP LETTER FOLLOWS MERTON

The forthcoming visitor is, of course, Lord
Chalfont.

Unfortunately, it appears that I will not be in
Stanley at the time of the visit, thus I request you to be
kind enough to explain that, in case of necessity.

At the same time I request you most courteously
to recall the recent exchange of letters between the
Falkland Islands Government and Alginate Industries
Limited and, likewise, to H. E. The Governnor.

I have the honour to be,

Sir,

Your obedient Servant,

Frederick Jones

See 135

Handwritten mark or signature on the left margin.

64
2/12

13th November,

68

Dear Mr Jones,

134

Thank you for your letter of the 7th November concerning a telegram from Alginat Industries Limited.

I have shown this to His Excellency the Governor and should Lord Chalfont raise the matter, or have time, you may rest assured that we will do our best.

Yours sincerely,

(W.H. THOMPSON)
COLONIAL SECRETARY

F. Jones, Esq.,
Mate,
R.M.S. "Darwin".

SC

1:07

DECODE.

136.

TELEGRAM.

From MASTER DARWIN

To COLONIAL SECRETARY, STANLEY

Despatched : 3rd December, 19 68 Time :

Received : 3rd December, 19 68 Time :

Telex today received Macstaple addressed Jones Darwin begins text of press release today follows. Please convey to Falklands with all speed.

It is recently been reported that the Falkland Islands have no economic potential far from being islands without a future they represent to the Alginate Industry of Great Britain possibly the worlds largest untapped source of raw material which could provide a twelve fold increase in these islands gross annual income.

It is recently estimated that the present annual world production of alginates is around fifteen thousand tons worth £10 million derived from some half a million tons of wet seaweed supplied by countries principally in the northern hemisphere.

Within a very few years these sources will have been developed to their maximum capacity and alginate manufacturers will have to turn to the southern hemisphere for their supplies. The only British source will be the Falkland Islands.

Alginate Industries Limited has carried out an extensive survey of the seaweed resources with easy reach of Port Stanley and has discovered a vast area of seaweed growth capable of providing the raw material requirements for the present total world alginate production.

Chemical analysis of recent samples supplied by our representative in the Falkland Islands confirms our earlier estimates of the amount of alginate present in the seaweed. It is unlikely that there is so favourable a source anywhere else in the world.

It is for this reason that Alginate Industries Limited is basing its plans upon a factory at Port Stanley as soon as present supply sources prove inadequate which at the present rate of expansion is likely to be within the next five years. This plant would be capable of producing and exporting seaweed to the value of at least £12 million per annum sufficient to supply future world alginate production worth some £100 million per annum, as it gives the prospect of a vast increase in export value, without importing additional labour, this industry is ideally suited to the Falkland. Unlike the present European sources where the collection of seaweed is almost entirely manual,

DECODE.

TELEGRAM.

From

To

Despatched : 19 Time :
Received : 19 Time :

Page 2.

the nature of the Falkland seaweed makes it possible to harvest mechanically, using methods long established on the Pacific Coast of North America and the subsequent drying and milling for shipment to Britain would be fully automated the spectacular growth of the Alginate Industry since the war shows no sign of decreasing. Alginate Industries Limited is the worlds second largest Alginate manufacturer producing approximately a quarter of the worlds output and regularly exports two thirds of its production.

If we could be assured of the Falklands source of raw material Britain would stand to capture the major share 90 percent of which would be re exported of the future estimate of £100 million world production. Ends

P/L : AA
Intld H.L.B.

105

TELEGRAM.

From RALPH MERTON

To SIR COSMO HASKARD, STANLEY

Despatched : 5th December, 19 68 Time : 1650

Received : 5th December, 19 68 Time : 1450

X

Herewith text of letter from Mister Ralph Merton. Original being mailed today.

Dear Sir Cosmo,

You will doubtless have heard that our interest in Falkland Island seaweed is now common knowledge and I am enclosing a copy of our actual statement released to the press. We have in fact made considerable progress since I last wrote to you both as a result of the analyses of seaweed collected and sent to us monthly from the Falkland Islands (particularly over the last few weeks) and also in the rate of growth of our Industry as already achieved in 1968 and recently forecast for 1969. You will see therefore from our statement that we now definitely plan to make a start within the next five years and in these circumstances I should like to ask you to return to the question of granting us some form of concession. The next step will be to arrange for much larger samples to be provided for our Chemical Departments during 1969 and we shall have to make a start on the engineering side in the near future. If all goes well we may even have a pilot plant in operation in considerably less than five years provided we can be assured of the islands future but I will keep you informed regarding our progress. In view of the new state of affairs our correspondence need no longer be confidential.

Yours sincerely

Ralph Merton.

X

Reply at 139.

P/L : AA
COPY TO H.E.

DECODE.

TELEGRAM SENT.

*W
6/12
Sohn*

From GOVERNOR to SECRETARY OF STATE

Despatched: 5/12/68

Time: 2000

Received:

Time:

MERTON ALGINATES LONDONWC2

138

Many thanks your letter telegraphed yesterday we look forward receiving your detailed proposals for study. Pilot project within year or two would be very encouraging.

Haskard

P/L : SJS

DECODE.TELEGRAM.

140

60 S.I.
7/12 6/12From CENTROFORMTo PRESS GOVERNOR STANLEY

Despatched : 5th December, 1968 Time : 1850

Received : 5th December, 1968 Time : 1630

Retract 95505 Commons Thursday 5 December
 Sir George Sinclair asked the Minister of
 Overseas Development what examination he had
 made of the economic potential of an Alginate
 Industry in the Falkland Islands
 Mr. A.E. Oram in a written reply "I have
 received no request from the Government of the
 Falkland Islands for such an examination to be
 made".

CENTROFORM

P/L : AA

By 20.12.68.

(mail)

HELD ON 11TH DECEMBER 1968.

0004

5. ALGINATE INDUSTRIES

Council noted that Alginate Industries appeared to be taking renewed interest in the Falkland Islands.

Correspondence between the Governor and Mr Merton was discussed and Council noted that Mr Merton had already been invited to provide details of his proposals for the future.

Clerk of Council



C.S. for Ex Co paper please
19/12

NOT FOR RELEASE BEFORE
12 NOON ON MONDAY,
DECEMBER 2nd, 1968.

143

W
W/n

bu

MULTI-MILLION POUND BRITISH INDUSTRY
FOR FALKLAND ISLANDS

Statement made by Mr. Ralph Merton, Managing Director of Alginat Industries Limited, at a Press Conference in the Connaught Rooms, on Monday, December 2nd, 1968 at 11.30 a.m.

X

"It has recently been reported that the Falkland Islands have no economic potential. Far from being Islands without a future, they represent to the alginat industry of Great Britain possibly the world's largest untapped source of raw material which could provide a 12-fold increase in the Islands' gross annual income."

"It is estimated that the present annual world production of alginates is around 15,000 (fifteen thousand) tons worth £10 million, derived from some half a million tons of wet seaweed, supplied by countries principally in the Northern Hemisphere. Within a very few years these sources will have been developed to their maximum capacity and alginat manufacturers will have to turn to the Southern Hemisphere for their supplies - the only British source will be the Falkland Islands."

"Alginat Industries Limited has carried out an extensive survey of the seaweed resources within easy reach of Port Stanley and has discovered a vast area of seaweed growth, capable of providing ten times the raw material requirements for the present total world alginat production."

"Chemical analysis of recent samples supplied by our representative in the Falkland Islands confirms our earlier estimates of the amount of alginat present in the seaweed. It is unlikely that there is so favourable a source anywhere else in the world."

"It is for this reason that Alginat Industries Limited is basing its plans upon a factory at Port Stanley as soon as present supply sources prove inadequate which, at the present rate of expansion, is likely to be within the next five years. This plant would be capable of producing and exporting seaweed to the value of at least £12 million per annum - sufficient to supply future world alginat production worth some £100 million per annum. As it gives the prospect of a vast increase in export value, without importing additional labour, this industry is ideally suited to the

continued/.....

Falklands."

"Unlike the present European sources, where the collection of seaweed is almost entirely manual, the nature of the Falkland seaweed makes it possible to harvest mechanically, using methods long-established on the Pacific coast of North America, and the subsequent drying and milling for shipment to Britain would be fully automated."

"The spectacular growth of the alginate industry since the War shows no sign of decreasing. Alginate Industries Limited is the world's second largest alginate manufacturer - producing approximately a quarter of the world's output and regularly exports two-thirds of its production."

"If we could be assured of the Falklands' source of raw material, Britain would stand to capture the major share (90% of which would be re-exported) of the future estimated £100 million world production.".

* * * *

With the Compliments of

ALGINATE INDUSTRIES LIMITED

- London -

and

WHITTAKER HUNT LIMITED,
3 Clifford Street,
London, W.1.

Tel: REGent 4274/6.

BACKGROUND NOTES

Alginates are an important group of chemicals which are extracted from seaweed and the following are a few of the more important applications:-

TEXTILES

- for thickening the dye solutions applied to cloth for printing dress materials, curtains, etc.

FOOD INDUSTRY

- a permitted food additive, to improve texture and stabilise properties of ice cream, ice lollies, cakes, meat pies, salad dressings, soft drinks, beer, dog food, cheese, jellies, synthetic cream, tomato sauce, powdered soups, etc.

PHARMACEUTICAL (Dental)

- the most important ingredient of the impression material used every day by dentists.

PAPER

- in surface coatings to improve printing properties.

PHOTOGRAPHIC

- films, paper, hardener, developer, etc.

ALGINATE FIBRES

- medical dressings and hosiery manufacture.

GENERAL

- there is a wide variety of other uses which include:-
lens grinding, penicillin,
barrier creams, carpet backing,
water colour paints, welding electrodes,
toothpaste, television magnets,
motor tyres, ceramics, etc.

With the Compliments of

ALGINATE INDUSTRIES LIMITED
- London -

and

WHITTAKER HUNT LIMITED,
3 Clifford Street,
London, W.1.
Tel: REGent 4274/6.

C.S. for inclusion in an ExCo memo please 10/12

ALGINATE INDUSTRIES

LIMITED

DIRECTORS:
 W. R. MERTON, Chairman.
 R. R. MERTON
 R. CAMPBELL-PRESTON, } Managing
 } Directors.
 O.B.E., M.C.
 A. C. W. NORMAN, O.B.E.
 R. H. McDOWELL.
 D. L. BANKES.
 THE RT. HON. THE VISCOUNT
 STUART OF FINDHORN.
 P.C., C.H., M.V.O., M.C.
 F. L. G. GRIFFITH-JONES.

22, HENRIETTA STREET, LONDON, W.C.2.

TELEPHONE:
 TEMPLE BAR 0451/4.
 0142/3.
 TELEGRAMS:
 "ALGINATES, LONDON, W.C.2"
 CABLES:
 "ALGINATES, LONDON, W.C.2"
 BENTLEY'S SECOND PHRASE.
 TELEX: 23815.



6.0
or full

RRM/ad

10th December, 1968.

Copied to:
Hon. Mrs King
Hon. Mrs Clement
Hon. Mrs. Hill

Sir Cosmo Haskard, K.C.M.G., M.B.E.,
 Governor of the Falkland Islands,
 Government House,
 Port Stanley,
 Falkland Islands,
 South Atlantic.



Dear Sir Cosmo,

I enclose a copy of a letter which we have written to Mr. Wilson, the Permanent Secretary at the Ministry of Overseas Development, from which you will see that we are asking for financial assistance in view of the recent political development.

I have now received your telegram from which I note that with regard to our application for some form of concession you await our detailed proposals. These are in the course of preparation, and it is clear that the first step will be to send a representative to Port Stanley.

We understand that if possible it would be an advantage for this visit to coincide with the meeting of the Executive and Legislative Councils, which we understand will be held in late April or in May, in which case suitable dates might be to arrive on the 21st April and leave on the 2nd May, or alternatively arrive on the 12th May and leave on the 30th May.

We should, of course, expect him not only to plan the engineering side of the project, including location, plant, services, etc., but also to negotiate royalty or other payments representing the contribution towards the Islands' economy which we would expect to make.



/We consider.....

Sir Cosmo Haskard.

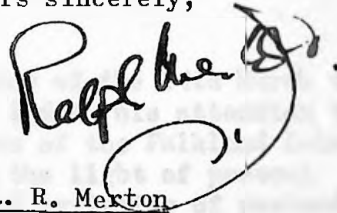
10th December, 1968.

We consider that my joint Managing Director's second-in-command would be the right person to visit Port Stanley. His name is Michael Pery, and besides being a qualified engineer, he has had considerable experience as an industrial consultant.

All being well we would hope to follow up this visit with the erection of a pilot plant during the course of 1970, with a view to establishing the first stage of an operating plant in 1971. This would be in production the following year.

All these plans are, of course, entirely dependent upon satisfactory assurances regarding the future of the Islands.

Yours sincerely,



R. R. Merton

EM/ad

5th December, 1969.

G. M. Wilson Esq., C.B., C.M.G.,
Permanent Secretary,
Ministry of Overseas Development,
Blind House,
Stag Place,
Victoria,
London S.W.1.

Dear Mr. Wilson,

May I refer you to my letter of the 14th March to the late Sir Andrew Cohen, in which I drew his attention to our interest in the secured resources of the Falkland Islands, and may I ask you to consider it in the light of present developments and the enclosed copy of my letter of yesterday's date to the Governor of the Falkland Islands.

You will see that we now definitely plan to establish a factory at Port Stanley, always provided we can be assured of the Islands' future.

But whereas we were proposing ourselves to provide the whole of the necessary funds, we now feel that an element of political risk outside our control has been introduced, and that it would be appropriate for Government funds to be made available in a manner similar to that in which investment grants are made available in the Development Areas of the United Kingdom, but, of course, on a considerably more generous scale, commensurate with the risk involved.

/I shall be.....

G. M. Wilson Esq., C.B., C.M.G.

5th December, 1908.

I shall be most grateful if you will give this matter your careful consideration, and I shall look forward to hearing from you in due course.

Yours sincerely,

R. B. Merton

810, 0004
for mail

146

ALGINATE INDUSTRIES

L I M I T E D

22, HENRIETTA STREET, LONDON, W.C.2

DIRECTORS
W. R. MERTON, Chairman
R. R. MERTON
R. CAMPBELL-PRESTON, O.B.E., M.C. } Managing Directors
A. C. W. NORMAN, O.B.E.
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THE RT. HON. THE VISCOUNT STUART OF FINDHORN, R.C., C.H., M.V.O., M.C.
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TELEPHONE:
01-836 0451/4
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TELEGRAMS
"ALGINATES"
LONDON W.C.2
CABLES
"ALGINATES, LONDON W.C.2"
BENTLEY'S SECOND PHRASE.
TELEX. 23815.



AHS/BC/JOC

12th December 1968.

W.H. Thompson, Esq.,
The Colonial Secretary,
Port Stanley,
FALKLAND ISLANDS

Dear Mr. Thompson,

In the event that we are able to proceed to the pilot plant stage of our project, it would be most useful to know if any of the equipment of the Falkland Islands Freezing Co. at Ajax Bay could be utilised for our purposes.

Would it be possible for us to have a list of the machinery and equipment available, and some idea of its present condition?

Yours sincerely,

A.H. STEWART
Secretary

Reply at 3



THE QUEEN'S AWARD TO INDUSTRY

4461A
147/A

EXTRACT FROM MINUTES OF EXECUTIVE COUNCIL MEETING NO 14/63
HELD ON 30th DECEMBER 1968.

0004

20. KELP OPERATIONS (Memo 72/68)

145
The Colonial Secretary summarised the position as outlined in Executive Council memorandum 72/68 and read Mr Merton's letter of the 10th December 1968 addressed to the Governor with Mr Merton's letter of 5th December addressed to Mr G.M. Wilson, the Permanent Secretary of the Ministry of Overseas Development.

Council noted the position and advised that copies of these letters and memorandum 72/68 be made available to the three members of Legislative Council represented on Executive Council.


Clerk of Council

CS in file 0004

147
148

W, 9 January, 1969.

Arising out of our conversation about Kelp on 7th January, I enclose a copy of the draft heads of agreement dated May 1947 between the Kelp Company and this Government. The agreement was never implemented, as the Kelp Company abandoned the project, the estimated cost of production being too high.

I also enclose copies of two letters written by Mr R. S. Merton on 5th and 10th December last to Wilson of the Ministry of Overseas Development and to myself. I have not yet heard what reply Merton received from the Ministry.

Incidentally, Merton ended a telegram to me dated 5th December with the words "In view of the new state of affairs our correspondence need no longer be confidential", so I do not imagine that he would object to his letters being seen by other people.

CS

GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

SENT

148.
150

P2538 P4776/32/401381 500 11/66 R. Ward 843

Number	Office of Origin	Words	Handed in at	Date
	STANLEY			11.1.69
To				
	LTF MERTON ALGINATES LONDON W.C.2.			HOA/C

1445

Yourlet tenth December reply leaves Stanley 18th

January stop April suitable Pery visit

Haskard Governor

Pa

AA

THE VAST POTENTIAL OF KELP

Various species of kelp grow in all non-tropical areas. Most species are very small and grow only in the shallow tidal waters, which renders harvesting difficult and costly. In spite of this, kelp has been harvested for centuries in almost every sea-bordering country of the world. Its usefulness as a source of iodine and potassium is well known. In US north-eastern states it is used in the manufacture of carrageen and agar-agar. In Japan it has been grown and harvested for food since 1918. However, the most valuable species is the giant kelp *Macrocystis pyrifera* which grows along the coast of Southern California.

Kelp is among the most diverse and flexible of all living organisms. It is a survivor of the last ice age, and reached N. America via a cold water bridge that once separated our hemispheres. The icy waters of the Antarctic are sometimes referred to as the *Macrocystis* Sea because of the abundance of giant kelp.

Unlike smaller species, it grows in deeper waters beyond the breaker line where ocean currents provide a continuous supply of food.

GROWTH RATE.

Kelp plants have no true roots but must rely on a root-like structure called a holdfast to anchor themselves to the bottom. Unlike land plants, they absorb nourishment, not through their roots, but through all their surfaces. Taking energy from the sun and nourishment directly from the sea, they can grow between nineteen inches to two feet in a single day. Sometimes they attain lengths in excess of 200 feet in their struggle to reach the sunlit surface. They are sustained vertically by a series of air-filled bulbs that act as floats. When they reach the surface they spread out into a canopy that often occupies an area of three or four square miles.

Like all other plants, kelp contains chlorophyll for the conversion of carbon dioxide and water into carbohydrates and oxygen. Kelp also contains minerals, trace minerals, enzymes, co-enzymes, vitamins, growth hormones and all the other known elements vital to the life and growth process. It also contains bacteriostatic agents that can kill germs without giving rise to side effects or allergies. It can soothe, heal and neutralize the effects of many toxins as well. Thus kelp would seem to open new vistas to the medical profession. Meanwhile the most valuable product of kelp is algin, a colloidal substance which can absorb large quantities of water and has more than 100 uses ranging from ice cream to synthetic rubber and drugs.

The San Diego company, Kelco and its single competitor, the Phillip R. Park Company of Long Beach, California, harvest every kelp bed on the California coast at least two or three times every year. The kelp beds are owned by the state and are harvested under strict regulations imposed by the California State Fish and Game Commission.

In either case, only the topmost four feet of the plants may be harvested, but this does not deplete the crop, it actually enhances it. Cutting the top four feet allows life-giving sunlight to penetrate down to the younger plants below. Furthermore at their rapid rate of growth, the plants soon regenerate and the bed is ready for another harvesting in just a few weeks.

Giant kelp is unique among living things in that each adult plant produces up to a million spores every day. These spores begin life as free floating organisms and if they do not settle on some firm bottom object within 24 hours, they perish. Those that survive germinate and grow rapidly into tiny filament-like plants. These tiny plants lead a full life-cycle of their own.

Eggs produced by the female plants are fertilized by free-swimming sperms from the male plants and once fertilized the plants grow with incredible speed. In just six months they are 10-15 feet high. In just a few weeks more, they will have reached the surface and be ready for harvesting. Some species do not require sunlight for photosynthesis but manage to live off dissolved matter in the water. Others need not be anchored to survive but can thrive and proliferate while floating freely in the sea.

Whether floating or anchored, the giant kelp beds are to the sea what the forests are to the land. The kelp forest provides food, shelter and roosting area for many species of aquatic life. Various anemones, crustaceans, molluscs and echinoderms as well as some mid-water animals are attracted by the shade provided by the kelp. In the tendril-like tangle of a typical holdfast dwells an enormous population of microscopic creatures. It is a virtual hatchery for many prized species of shellfish such as abalone, scallops and oysters. These motile creatures may filter feed directly from the water as the kelp itself does. They may be hybivorous and graze on the kelp or they may be carnivorous and feed upon the smaller organisms. The point is that the entire assemblage provides an excellent food source and psychological point of orientation for swarms of larger carnivorous fish. Consequently the value of the typical kelp bed is greatly enhanced by the animal colony it nurtures.

It has been estimated that, whereas the kelp beds of Southern California are worth about \$5 million a year to the kelp harvesting industry, they are worth another \$5 million to the abalone and lobster fisheries and another \$50 million to the sport fishing industry. Thus they constitute a resource worth about \$60 million to the US economy.

The kelp forests face numerous hazards; unusually warm weather can wipe out an entire bed in a single summer and sewage outflows have wiped out entire beds of kelp together with all the dependent aquatic life.

Probably the worst hazard of all is the sea urchin, which can cut through the main stem of the kelp and sever the entire top of the plant. Thus perhaps two or three hundred pounds of plant is lost while only an ounce or so actually feeds the urchin.

In a few months an army of urchins, estimated to be ten million strong, wiped out an entire bed measuring over six square miles off Point Loma, California.

Quicklime will effectively kill these aquatic pests and both the Kelco Company and the Phillip R. Park company regularly send divers down to check for sea urchins. If they are in evidence, the kelp beds are quicklimed at the same time they are harvested.

Giant kelp can easily be transplanted by cutting the stem, towing the plant to its new location and anchoring it to a suitable bottom with a piece of rope. By using these two culture techniques - quick lime pesticides and transplanting - Dr. North successfully restored over four square miles of kelp forest off the coast of San Diego for less than \$100 thousand. Considering such kelp beds are worth about \$1½ million per square mile to the economy, that is not a bad return on investment and it is probably the first step toward the future cultivation of kelp on a large scale.

KELP CULTURE

Because of the unique and hardy characteristics of kelp, Dr. North believes that it is only a matter of time before giant kelp will be cultured worldwide. His optimism stems from his recent success in growing young kelp in what he calls a rope aquarium. This is a wooden box measuring about 4 x 4 x 6 feet through which fresh sea water is circulated. Wooden frames that have been wound with a hundred yards or so of thin rope are placed side-by-side in the box together with the spore-producing fronds of adult kelp plants.

After the critical 24-hour free-floating period the tiny spores settle on the ropes and begin to mature. Artificial light illuminates the interior of the aquarium so that photosynthesis can take place 24 hours a day. As a result, the plants grow twice as fast as they normally would in the open sea. When they are sufficiently matured, the racks are carried to the desired site. The seedlings are planted simply by unravelling the ropes and anchoring them to the bottom. Or the ropes can simply be set adrift in the open sea. Growing up to two feet a day, the plants from a single frame will soon blossom into gigantic floating kelp beds measuring up to five square miles in area.

Although the idea of planting the continental shelves with kelp holds great promise, especially for poorer countries, the idea of planting the open sea with floating kelp paddies is even more promising.

In Indonesia, fishermen make huge rafts of palm fronds and set them adrift in the sea. After a few weeks, they harvest the rafts for the many fishes that take up residence amidst the leaves. In a similar way, juvenile kelp paddies could be planted in the cold waters around Alaska and allowed to drift southward with the currents. By the time they reach the lower latitudes of California, the kelp will have grown into an immense paddy many square miles in area and will have attracted thousands of tons of edible fish. Thus each paddy will yield a double harvest of both kelp and animal protein.

151

13th January 69.

Dear Mr Stewart,

Thank you for your letter of the 12th December 1968 which has only just reached me.

I imagine that some of the equipment at Ajax Bay might well be useful to you in the pilot plant stage of your project to exploit Kelp.

Unfortunately much has been sold and much has deteriorated since Ajax Bay closed down and we no longer have any lists or inventories available. Generally speaking the remaining machinery and equipment is in good condition but most of it is large and out dated.

I suggest that when Mr Pery visits us he should go out to Ajax Bay and have a look for himself. Naturally we will do all we can to help and to arrange the necessary ship or aircraft to take him there.

I am sorry to be so vague but the only answer is a visit by a person who knows what to look for.

Yours sincerely,

(W.H. THOMPSON)
COLONIAL SECRETARY

Mr A.H. Stewart,
Alginate Industries Ltd.,
22, Henrietta Street,
LONDON, W.C.2.

RRB.

By ^{21.} ~~21.~~ 1.69.
(copy to 2 & main file)

149
152

14 January 1969.

145

Thank you for your letter of 10th December, enclosing a copy of your letter of 5th December to Mr Wilson of the Ministry of Overseas Development.

I am naturally very glad to know that you intend to arrange a visit by Mr Pery to the Falkland Islands. Of the two periods you mention, I think that 21st April to 2nd May would be preferable. All Council members are likely to be in Stanley for a pre-budget meeting which is expected to last from 22nd to 26th April and this would be a good opportunity for Mr Pery to make their acquaintance.

During the period 12th to 30th May there will be a meeting of Legislative Council but members would naturally prefer to have learnt at first hand about your firm's intentions when the pre-budget discussions are in progress in April.

I note that your representative would hope not only to plan the engineering side of the project but also to negotiate royalty or other payments representing the contribution towards the Colony's economy which your firm would expect to make.

In order that full benefit may be obtained from Mr Pery's visit, you may consider it worth while sending in advance a list of points which you think might deserve study here prior to Mr Pery's arrival.

Your final sentence about assurances regarding the future of the Colony is well understood.

I am sending a copy of this letter to the Supt at the Foreign & Commonwealth Office.

LS

R.R. Merton, Esq.,
Alginat Industries Ltd.,
22, Henrietta Street,
London, W.C.2.

CS. Please have this letter copied to all members of ExCo & Reg Co.

150
153

11 January, 1969.

Would you please refer to FCO telegram 268 of 5th December 1968 and my reply in our telegram 250 of 6th December.

I now enclose, for your information, a copy of a letter written by me on 14th January to Mr R.R. Merton of Alginate Industries. I also enclose copies of Mr Merton's letter to me dated 10th December and of his letter to Mr G.M. Wilson of 5th December.

As

A. St.J. Sugg, Esq., C.M.G.



152
154

R.M.S. "D.L.M.H.",
Stanley.
16.1.69.-

The Honourable The Colonial Secretary,
Stanley.-

Sir,

Alginate Industries Limited have instructed me to try to rent a small room, for use as an office, in Stanley immediately, for a short period of time.

As far as possible, the following is required:-

a small room,
electric or peat heating,
a telephone,
a table,
two chairs,
running water and drainage,
electric light,
use of a bathroom.

May I suggest that perhaps the ex office of the ex Grasslands Officer would fit well?

If you consider this application favourably, please be kind enough to let me have terms and conditions.

This request does not mean that Alginate Industries Limited have decided, necessarily, to work on a commercial scale in the Falkland Islands.

I have the honour to be,

Sir,

Your obedient servant,

A handwritten signature in dark ink, appearing to read "Kevin Jones". The signature is written in a cursive style and is underlined.

No. 0001

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

COLONIAL SECRETARY'S OFFICE,

STANLEY, FALKLAND ISLANDS.

156

.....16th January.....1963.....

Dear Member,

You might like to know that we have heard from London that the Ministry of Overseas Development has referred Alginate Industries Ltd., to the Commonwealth Development Corporation in its search for financial backing for pulp exploitation.

The Commonwealth Development Corporation is the body usually associating itself with commercial and quasi-commercial moves of the nature envisaged. It is the successor of the Colonial Development Committee which was associated with Ajax Bay.

Yours faithfully,

(W.H. THOMPSON)
COLONIAL SECRETARY

To all Members of Ex. Co. & Leg. Co.

BU 24.1.69.
(2 + main file)

ALGINATE INDUSTRIES

L I M I T E D

22, HENRIETTA STREET, LONDON, W.C.2

DIRECTORS:
 W. R. MERTON, Chairman
 R. R. MERTON
 R. CAMPBELL-PRESTON, } Managing
 O.B.E., M.C. } Directors
 A. C. W. NORMAN, O.B.E.
 R. H. McDOWELL
 D. L. BANKES.
 THE RT. HON. THE VISCOUNT STUART
 OF FINDHORN, P.C., C.H., M.V.O., M.C.
 F. L. G. GRIFFITH-JONES.



LM
16/1/69

TELEPHONE
 01-836 0451/4
 01-836 0142/3
 TELEGRAMS
 "ALGINATES."
 LONDON W.C.2
 CABLES
 "ALGINATES. LONDON, W.C.2"
 BENTLEY'S SECOND PHRASE
 TELEX 23815

RRM/ad

30th December, 1968.

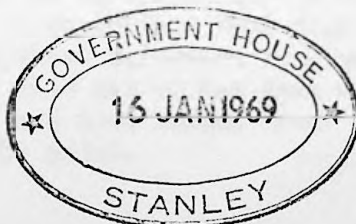
Dear Sir Cosmo,

Further to my letter to you of the 10th December, I
 now enclose a copy of the reply I have received from the
 Ministry of Overseas Development.

I also enclose a copy of my reply to Mr. King.

Yours sincerely,
Ralph Merton

Sir Cosmo Haskard, K.C.M.G., M.B.E.,
 Governor of the Falkland Islands,
 Government House,
 Port Stanley,
 Falkland Islands,
South Atlantic.



CU
16/1/69

RE25/ad

30th December, 1968.

R.B.M. King Esq., M.C.,
Ministry of Overseas Development,
Eland House,
Stag Place,
London S.W.1.

Dear Mr. King,

Thank you for your letter of the 24th December with reference to my letter of the 5th December to Mr. G. N. Wilson.

I have indeed read the various statements made in both Houses of Parliament regarding the Government's policy with respect to the sovereignty over the Falkland Islands, but I am afraid my Company has only been reassured as to the Islands' immediate political future.

You will appreciate that the development of the seaweed resources of the Falklands involves a very considerable investment only justifiable on the basis of reassurance regarding the long term political future of the Islands which the Government has not been able to provide.

Unless and until the long term political future of the Islands can be guaranteed, or alternatively the Government is itself prepared to demonstrate its own faith in the future of the Islands, the potentially very valuable seaweed resources of the Islands are most likely to remain untapped.

You state in your letter that you cannot provide investment grants similar to those made in development areas of the United Kingdom. I appreciate that your Ministry may not be in a position to do so without reference to higher authority, but am I to understand that this matter has been referred to the very highest authority, and been turned down? I shall be grateful if you will clarify this point.

/We believe.....

Ministry of Overseas Development.

30th December, 1968.

We believe that there is a majority in both Houses in favour of giving assistance in the form suggested to enable us to develop the seaweed resources of the Falkland Islands, and in these circumstances we do not feel that it would be right for us to take no for an answer.

Yours sincerely,



R. H. Merton

P.S. I enclose a copy of a letter dated the 10th December to the Governor of the Falkland Islands, the last paragraph of which makes our position quite clear.



MINISTRY OF OVERSEAS DEVELOPMENT
ELAND HOUSE, STAG PLACE
LONDON S.W.1
TELEPHONE VICTORIA 2377

CLA 278/60/01

CU
16/1/69

24th December, 1968.

Dear Mr Merton

Would you please refer to your letter to Mr. G. M. Wilson of the 5th December about the seaweed resources of the Falkland Islands, which he acknowledged in his letter of the 11th December.

Since you wrote you will no doubt have read the Foreign and Commonwealth Secretary's statements in the House of Commons on the 11th and 12th December in which he made it clear that it was not H.M.G.'s policy to transfer sovereignty over the Falkland Islands against the wish of the Islanders. I hope that these statements will have fully reassured you about the Island's political future.

In any case I am afraid we cannot provide out of aid funds investment grants similar to those made in development areas of the United Kingdom. The Ministry does, however, provide finance to the Commonwealth Development Corporation, which undertakes activities of a commercial nature in independent and dependent Commonwealth countries and can enter into partnership with private firms in promoting development projects. You may, therefore, like to consider getting in touch with them about your project in the Falkland Islands.

I am sorry we cannot be of more direct help to you. I am sending a copy of this letter to Sir Arthur Galsworthy in the Foreign and Commonwealth Office.

Yours sincerely
R.B.M. King

(R. B. M. King)

R. R. Merton, Esq.,
Alginat Industries Limited,
22 Henrietta Street,
W.C.2

0001.

159

23rd January

69.

Dear Sir,

Thank you for your letter of the 16th January concerning accommodation.

May I ask how short is a short time?

Yours faithfully,

(W.H. THOMPSON)
COLONIAL SECRETARY

Mr F. Jones,
R.M.S. 'Darwin'

RPB.

Ex. Co.

Cs. Secretariat file

*W 30/1
30/1*

CIA 278/69/01

7th January, 1969.

Thank you for your letter of 30th December about the Falkland Islands.

I fear that there is nothing I can add to my letter of the 24th December. I need hardly say that what I wrote there was in accordance with policy settled by Ministers. You do not refer to my suggestion that you might get in touch with the Commonwealth Development Corporation but I trust that you will not overlook this possibility.

Very cool.



(R. B. H. King)

R. R. Merton, Esq.,
Alginatc Industries Limited,
22 Henrietta Street,
W.C.2

19/20

CLA 278/60/01

24th December, 1968.

(15)

Would you please refer to your letter to Mr. G. M. Wilson of the 5th December about the seaweed resources of the Falkland Islands, which he acknowledged in his letter of the 11th December.

Since you wrote you will no doubt have read the Foreign and Commonwealth Secretary's statements in the House of Commons on the 11th and 12th December in which he made it clear that it was not H.M.G.'s policy to transfer sovereignty over the Falkland Islands against the wish of the Islanders. I hope that these statements will have fully reassured you about the Island's political future.

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I am sorry we cannot be of more direct help to you. I am sending a copy of this letter to Sir Arthur Galworthy in the Foreign and Commonwealth Office.

(R. B. M. King)

R. R. Merton, Esq.,
Alginat Industries Limited,
22 Henrietta Street,
W.C.2

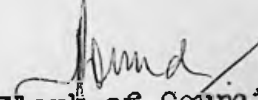
ON 27TH AND 28TH JANUARY 1969.

0004

11. ALGINATE INDUSTRIES

His Excellency explained that Alginate Industries had applied to H.M.G. for financial aid for their Falkland Islands project and for assurances on the future of the Falkland Islands. They had been informed that their application did not qualify for an investment grant and had been referred to the Commonwealth Development Corporation. The sequel is not yet known.

Council noted that a representative of Alginate Industries, Mr Pery, would be visiting the Colony in April or May.


Clerk of Council

162

Stanley,
30.1.69.

The Honourable The Colonial Secretary,
Stanley.

Sir,

In reply to your letter of January 23, please be kind enough to consider letting Alginate Industries Limited have the use of an office up to and including the end of May of this year.

I have the honour to be,

Sir,
Your obedient Servant,

Kevin Jones

etc draft ready

KJV also - mail for 160.

0004

164.

13th February, 69.

Dear Sir,

162. I refer to your letter of 30th January 1969 and confirm that Alginate Industries Ltd. may have the use of the Grasslands Office up to 31st May 1969.

Would you kindly arrange with the Officer in Charge Agricultural Department for an inventory to be taken of all furniture and equipment in the office before you instal yourself in it.

Yours faithfully,

(Sgd) H.L.Bound

for COLONIAL SECRETARY

Mr F. Jones,
R.M.S. Darwin,
STANLEY.

Copy to HM

AA.

164 - 164