

C.S.O.

CONFIDENTIAL

(Formerly)

NAT/SEA/4 # 12

0 1 5 7	0
	1
	5
	7

SUBJECT :

SEALING IN THE FALKLAND ISLANDS.

CONNECTED FILES.

NUMBER AND YEAR.

- 120/26 Sealing F. I. Season 1925/26.
- 589/27 Grant of Licence to F.I. Sealing Co. Ltd.
- 75/35 F.I. and Dependencies Sealing Co.
- 110/44 Sealing in the Falklands enquiries from Mr. Rowe.
- 21/45 W.J. Hutchinson applies for licence to kill.
- 119/45 C.W. Bertrand " " " " "
- X 0376 The Falkland and Dependencies Sealing Co. Ltd.
- 0497 Sealing - Enquiries by Couper Friend and Co.

n

l

is stated, but with doubt,
that only a short lease was
practised. This seems un-
likely, as a long term pro-
gramme is necessary.

Other statements, which appear
doubtful also, are that
the method of killing was
unsatisfactory & that there
was a cost of £100 a
year to Dean for a small
strip of beach.

There seems no doubt
that the number of sea-



File no.

GOVERNMENT HOUSE
FALKLAND ISLANDS

Sealing.

Sealing (not Fur Seals
but Sea Lions) appears to
have collapsed main-
ly through bad management
(Those concerned may
be alive.) Norwegian
were concerned, but
probably the 'leftovers'
from South Georgia.

order of 500,000. Hamilton's
article of 5000 hells to be killed
each year as quite a conservative number
is put down in his article. The

actual optimum number could only
be ascertained after several years -
Adaptations would have to be necessary.

A man like Hutcheson, who kills
a limited number of Blenheim hounds
at the Deer Line Islands, is the type
to encourage.

Hamilton

27.3.47.

G.N.

A

In your remarks on 1-2 re. a number of releases pp. as stated, see esp. ⁰¹⁰¹ ~~2509~~ about Salomon's application for (Whaling and) sealing license in the F.I.s.

ARh
24.4

B

H.C.S

When the sealing company was in being I formed the opinion that the management was inefficient, that the company did not quite know what it was doing and that there was probably a waste of oil due to stowing the same boiler with thick and thin pieces ^{of meat} which required different times for boiling but in fact all got the same. *of ordinary domestic methods.*

Almost all the people concerned are still here.

Duncan Watson was he?

Yes

1. When the company was started no one here knew anything about the business at all and the principal "expert" (Peterzens) had a very peculiar reputation among the whalers so far as his business integrity was concerned

3. It appears to be correct that £100 p.a. was paid to Dean for the site on the Government Lease at Albemarle where the shore station, such as it was, was built

4. The early ~~licences~~ licences were for 3 year periods but the later for a season at a time. 30,000 was the earlier permitted number but it was later reduced to 10,000—a figure which was never reached.

5. One of things the company were sold was the motor schooner "Belleville" which I thought was a clumsy underpowered craft and I do not consider she was really much use to them. She spent most of the time as a hulk and dormitory at Albemarle.

6. I always felt that there was probably too much crashing about and noise at the killings and that it was quite unnecessary to use

4

.303 rifles, but they cost the Sealing Company little (? or nothing). About 99.9% of the ^{seals} ~~seals~~ ^{seals} I killed were shot with a .22 and they included 15 bulls. I would not go so far as to suggest that an ordinary .22 is suitable for commercial killing but mention ^{it is} ~~it~~ supports my thesis, I hope. The killing is done at point-blank range. *Most of the killing was done in quite a restricted area. This point should be considered if sealing is revived.*

7. I am not prepared to differ from "of the order of 500,000".

My estimate of the herd as at the beginning of 1937 was

- X- A. 371,500 if the herd were in a state of equilibrium or
- B. 389,500 if it were increasing in numbers, as seems to be most likely, although it cannot be proved without another count which would be a very serious undertaking; it took me three seasons and a bit more.

Even under A. I formed the final opinion that 10,000 not 5,000 "could be contemplated with equanimity, and that if the annual rate of increase is only ^(i.e. B) 2% ~~a~~ somewhat larger killing should not be injurious "

Seals I met with adequate control. This, not discussed in Salmon's.

I agree with Mr. Wordie's final paragraph.

If one takes 12 gallons of oil as the average output, a figure derived from 4,563 seals $10,000 = 120,000$ gallons = 3,000 barrels = 500 tons.

References.

J.E. Hamilton. (a) The Southern Sea Lion
 Disc. Rep. VIII p. 313 ~~(1934)~~ 1934
 " " (b) A Second Report on the Southern Sea Lion,
 Disc. Rep. XIX p. p. 157 - 162 (Estimates).

have already used both with much interest among seal on the Lofan's

Note

* Among the att^d papers I have come across a report of a catch in 1933 to which I did not have access when I wrote (a). 7512 bulls were killed in that year, so that A and B should be less by that number. It does not affect the conclusion.

because the seal catch in 1933 was not included in the estimate of the herd in 1937. The number of bulls killed in 1933 is 7512. This should be subtracted from the estimate of the herd in 1937.

J.E. Hamilton S.N.

29-iv-47

Act. 5 A

as the seals are poly-framoured and if there are as many cows as bulls all the cows can be covered by some of the bulls. There are many spare bulls which are available for killing. The actual number being dependent on the sexual ability of the bulls and I ~~think that~~ took care to put that fairly low.

2. I specially commend to your notice P 162 in XIX. This should be the sealing manager's credo.

J.H.B.
15.5.47

"good management"
B Amaw.

And we must stimulate it by the conditions of the license.

KE.

C.

1-5 These pp. are relevant to Salomon's application at 5 in 0101 regarding the possibility of running whaling - simultaneously conducting sealing operations in the F.I.s. In Lodie remarks at 2 that his intention is the type of man to encourage - the G.N. at 6 in 0101 remarks that his interests those of his Betand must be guarded.

Quite - and they can be, as indicated by remarks in 0101. I am grateful to

A.B.L.
14.6.47

Page 2
of 5 in 0101

NO 14/

G.N.

A

To see pt. To answer the
message very n 3.R

ABE
16.6

H.E.

B

Thank you. I appreciate H.E.'s comments.

2. Duncan Watson was the "big shot".
J.E.H. 17-51-

H.E.

C

B f: pt.

2. I have detailed the other pt.

ABE
18.6

M.C. 18/51

PA ABE
18.6

EXTRACTED FROM 7 IN D/12/47 (DEPENDENCIES - Historical Notes on
By Dr. J. E. Hamilton, D.Sc., F.L.S., F.Z.S., F.R.G.S.)

C. S.

I am much obliged to Dr. Hamilton.

I think we should prepare in advance for a possible
resumption of sealing in the Falklands and some such scheme
as at X above should be worked out now.

(Intld) M.C. 30.5.

X EXTRACTED FROM 7 IN ABOVE FILE.

.....
The coast is considered as forming four sealing Divisions,
and some permanent reserves. Three Divisions are worked
annually so that each Division has a complete rest once in
four seasons.

(Sgd) J. E. HAMILTON,
Government Naturalist.

Y.E.

Accorded an interview to Captain Salvesen and Mr. Clifford Marshall on 7th November, 1947, in the presence of Dr. Hamilton, Government Naturalist and myself.

2. Captain Salvesen raised the question of setting up a whaling station somewhere on the West Falkland, probably at Albemarle. He does not intend to return to New Island. He remarked that the Falkland Islands Company had been most co-operative, and had offered a suitable site for the station at Albemarle, provided he found on inspection that there was water-supply. If the Falkland Islands Company land was unsuitable, Your Excellency said that there would be no difficulty in providing a site on Government land.

3. Provisional agreement was reached in principle on the following points:-

- (a) exclusive rights to be enjoyed by Salvesens
- (b) maximum of four catchers, operating from shore station.
- (c) usual shore season (15th October-15th April) and standard limitations as to size and species.
- (d) licence renewable annually.

4. As to Sealing, Captain Salvesen admitted comparative ignorance. It was however provisionally agreed that, subject to reservation of the rights of the two small operators (Messrs. Bertrand and Hutchinson), Salvesens should be given the right to take up to 10,000 adult male sea lions (with the reservation that this figure was empirical and subject to modification in the light of experience) and 1,000 adult male sea-elephants: that the season should be the usual March-November: and the usual conditions should be laid down regarding prohibiting molestation of breeding grounds.

5. As to Passages in Salvesens' ships, they would always be prepared to help in any way they could, but they had been asked by the Falkland Islands Company to charge the same rates as they. Your Excellency said that the Falkland Islands Company rates were excessive, and that we were concerned only in obtaining passages as might be available and convenient between United Kingdom and Stanley and Stanley and South Georgia, services between the latter being very rare.

6. Export Duties on oil and other whale and seal products.

Captain Salvesen stated that while they could find no fault with the understandable wish of the Administration to collect additional revenue in the form of Export Duties while oil sold for a high price, and while he had no objection to raise to the principle of ad valorem duties, he considered that the levy of such duties on oil from pelagic whaling which was merely stored ashore and re-exported was unreasonable and unprecedented. He quoted the analogy of stores landed in bond and suggested that this was similar.

Your Excellency pointed out that if such duties were not collected it amounted to penalising the shore stations and encouraging pelagic whaling, with the result ultimately that all revenue would be lost to the administration.

Captain Salvesen considered that the duties were aimed at one particular firm and said he had no objection, if the Administration, wished to increase its revenue, to an all-round increase in the proposed ad valorem duties, provided oil stored

ashore for re-shipment was excluded.

Your Excellency said that the proposed duties were not discriminatory. Captain Salvesen remarked that if they were levied they would involve considerable clerical work in arranging the programme of work in order to evade liability to as much taxation as possible.

Your Excellency said that Captain Salvesen's protest had been noted.

Other items of the Schedule were then discussed and it was agreed that all items other than oil were best and most conveniently taxed on a specific basis. Minor details of drafting were considered and left for final discussion between the Colonial Secretary and Captain Salvesen.

(It was later agreed that all such items should be set forth as taxed at 6d. per 100 lbs. without mention of containers, and that the price of oil should be the average United Kingdom/Continental price for the season).

VP.

(S. H. D.) ABM

12/11/47

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 8. 11. 47. Time: 13.00 Received: Time:

No. 661. Confidential. Salvesens. Captain Harold Salvesen to whom I accorded interview yesterday is interested in resumption whaling and sealing from shore station on West Falkland, a project much to be encouraged. Following are general lines of agreement which I should propose (A) WHALING. Exclusive right to hunt Sperm, Sei, Fin and (if any) Blue whales in Colonial waters using maximum of 4 catchers from shore station. Season 15th October to 15th April. Standard limitations as to size and species. Licence renewable annually would specify utilisation whole carcass. Note: He is thinking of acquiring ship with approximate 1000 tons refrigerated space for export of whale meat and although I did not mention it at present stage this might well work in with Freezer proposals in my Despatch No. 45 Confidential of 17th October. (B) SEALING. Right to take (initially) 10,000 adult male sea lions and 1000 adult male sea-elephants. Season March-November. Licence renewable annually, to prohibit molestation breeding grounds and protect interests existing small enterprises. He proposes to utilise entire carcass.

2. He suggested giving decision within 5 months (i.e. on his return to United Kingdom) but I told him this was too long and that there were other interested parties (your telegram No. 455 Confidential refers).

3. He would be willing to carry passengers etc. on ships coming out but had been asked by Falkland Islands Company to charge same rates as latter in such circumstances. I said we were not interested in maintaining Falkland Islands Company rates which are in my view excessive and that we were concerned only with the United Kingdom-Stanley or Stanley-South Georgia services which Falkland Islands Company are rarely able to provide. I shall fight any attempt to co-erce them in this matter.

4. As anticipated he protested at my proposed tax on whale-oil stored ashore at Stromness (late Vestfold's) on grounds that it is discriminatory, that procedure is unusual (re-marking that he did not pay on oil "in bond" at Rotterdam) and will involve him in extra clerical work. I was not impressed with argument and am totally disinclined to reconsider matter for following reasons (a) Dependencies have no other source revenue (b) By using Stromness property for present purpose Salvesen's are in effect evading terms of lease (see my 3 p.n. of 25th March); latter is due to expire in September 1948 (c) There would be nothing to prevent Pesca following suit when latter's factory-ship is in commission and South Georgias revenue would then disappear.

5. As whales taken in this area will be additional to international quota of 16,000 Blue Whale units this should be an attractive venture for Salvesen or any other firm with sufficient resources to develop the trade. See my immediately following telegram. Meanwhile grateful if you will keep me regularly informed of fluctuation in prices of whale oil and all by-products.

GOVERNOR.

G.T.C.

L.J.H. Drafted by R.E.

DECODE.

TELEGRAM.

From The Colonial Secretary.

To The Magistrate South Georgia.

Despatched : November 18th 19 47 Time : 09.45.

Received : 19 .. Time :

No. 170. Following for Captain Salvesen begins:-

Your interview with Governor 7th November.

Following suggested basis provisional agreement regarding whaling:-

- (1) Government will provide site on Crown Land for whaling station at Albermarle or elsewhere if available and required, and will grant in that event 21 year lease.
- (2) Exclusive rights to be enjoyed by Salvesens.
- (3) Maximum of four catchers, operating from shore station.
- (4) Usual shore season (15th October-15th April) and standard limitations as to size and species.
- (5) Licence renewable annually.

2. Sealing. Subject to reservation rights of two small local operators as explained Salvesens be given right to take up to 10,000 adult male sea lions (with reservation that this figure is empirical and subject to modification in light of experience) and 1000 adult male sea-elephants: season usual March-November: and usual conditions prohibiting molestation of breeding grounds.

3. Passages. Salvesens prepared to co-operate to best ability in furnishing passages for Government Officers between United Kingdom and Stanley and Stanley and South Georgia as in past. Government not repeat not prepared to accept Falkland Islands Company rates as standard.

4. Early notification you views is desirable. Ends.

COLONIAL SECRETARY.

G.T.C.

I.J.H.

Handwritten initials and date: A.C. 18/11

DECODE.

No. 512.

TELEGRAM.

From The Magistrate South Georgia.

To The Colonial Secretary.

Despatched: November 27th 19 47 Time: 13.00.

Received: November 28th 19 47 Time: 10.00.

11 No. 181. Your telegram No. 170. Following from Captain Salvesen begins:-

Preliminary observations as to whaling.

(1). Offer appreciated further survey required before site finally selected. Presume your attitude *unaffected* is site chosen owned by Falkland Islands Company or other owner and lease arranged with owner. Would want sufficient area for cultivation of some vegetables etc.

(2). Thank you.

(3) Agreed.

(4) Suggest for first season in Falkland Islands December to May inclusive as understand whales more numerous then and prefer risk of bad weather then hoping secure fattest whales.

(5) Agree.

Sealing. In view of present large surplus adult bulls and world scarcity of oil and protein request total 60,000 sea lions during the period ending November 1st 1950 thereafter number to be determined periodically in the light of experience. Hamilton's report 1937 suggests large surplus of bulls at that date and that in addition herds could stand annual killing of 10,000 to 15,000. Appropriate figure *probably larger* now.

Passages. Most important arrangements be made to clear vessels in and out of Albermarle or other selected site. Would willingly co-operate when boats available from whaling station to United Kingdom or South Georgia and reverse as we do at present United Kingdom South Georgia and reverse. Have instructed Leith Office to enquire re Falkland Islands Company present rates and confer with that Company. Self and Marshall greatly impressed by possibilities of whaling and sealing and actively engaged in preparing recommendations to partners in Leith. Present suggestions to commence sealing on experimental scale Autumn 1948 with view to full scale Autumn 1949. Hope it is possible to commence whaling during 1948/1949 season gradually increasing plant. As desirous attempt use carcasses sea elephants in addition to blubber would appreciate permission to take 20 male elephants at South Georgia during the period January April to enable essential experiments.

MAGISTRATE.

G.T.C.

Reply at 14

LJH.

DECODE.TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 1. 12. 47 Time: 14.30 Received: Time:

24-0101

No. 706. Confidential. Your telegram No. 428 Confidential paragraph 2. Whaling and Sealing in Falklands and Dependencies. Am of opinion that land-based operations are more susceptible of control than pelagic. I have not suggested that whaling rights (i.e. licence to whale) shall be granted automatically but effective measure of control is secured by limiting number of catchers in licence (Salvesens' have agreed to 4 which is regarded as minimum economic unit) and by insistence upon utilisation whole carcase. Whaling Officer would be posted to each land-station throughout season and Clause 11 of Ordinance No. 9 of 1936 confers on Administration unlimited powers of control. I should of course be prepared to consider any additional safeguards which Ministry Agriculture may care to suggest but in interests of Colony my immediate concern is to get industry re-established and neither Salvesen nor any other whaling Company can be expected to sink substantial capital in equipment of shore station without some reasonable assurance as to future in absence which duration of lease can be of little interest. I would not personally wish to see more than one land station in Falklands or more than one additional land station in Dependencies (i.e. exclusive of South Georgia).

2. Subject to above observations am in general agreement with view expressed towards end of paragraph under reference.

3. I have not yet received Telegram No. 102 Saving to which you invite my attention.

4. Should be grateful for very early comments on my paragraph 1 as Salvesens intentions are clearly serious.

GOVERNOR.

G.T.C. Drafted by H.E.

LJH.

DECODE.TELEGRAM.From The Colonial Secretary.To The Magistrate South Georgia.

Despatched: December 17th 19 47 Time: 09.50.

Received: 19 .. Time:

12 No. 180. Your telegram No. 181. Following for Salvesen begins:-

(1) Noted. Presumption confirmed but if site covered by Falkland Islands Company occupancy (they are only tenants at will) arrangements would be made to excise and lease direct to you.

(2) and (3) noted.

(4) Season December 1st to May 31st agreed.

(5) Noted.

2. Sealing. Regret unable at present to reconsider offer in paragraph 2 of my telegram No. 170. But would emphasise that figure is wholly empirical and subject to modification in light of experience.

3. Combined customs and whaling officer would be posted to station.

4. Passages. Government regards Falkland Islands Company rates as irrelevant and is not repeat not prepared to continue present negotiations if proposed conference with latter aims at mutual agreement in Falkland Islands Company interests on rates to be charged.

11 Please see paragraph 3 my telegram No. 170.

5. Sea Elephants. Governor agrees to issue special permit to take 20 bulls for experimental purposes and report on results to Government as soon as completed through Magistrate South Georgia.

6. These arrangements are without prejudice to limitations which may be imposed by International Agreement, as far as whaling is concerned, as to which you are perhaps better informed than is His Excellency but Government would of course do utmost to protect an established industry based on shore station. Ends.

COLONIAL SECRETARY.

G. T. C.

I.JH.

15

Record of a Meeting held on the 5th of March, 1948, regarding Messrs. Salvesens' leases in South Georgia, export duties on oil, and proposals for a whaling-station on the West Falklands.

Present: The Honourable Mr. A.E. Mathews, C.B.E., Colonial Secretary; The Honourable Dr. J.E. Hamilton, Government Naturalist; The Honourable Mr. R.W.S. Winter, Legal Secretary; Mr. C.G. Marshall, Partner, Messrs. Salvesens'; Captain Bogg, Manager, South Georgia Whaling Company, South Georgia.

Stromness.

The Colonial Secretary opened the Meeting by remarking that it was not the intention of Government to proceed to levy export duties on pelagic oil in storage, because such duties affected Messrs. Salvesens' alone, and also because it was not the practice to collect them in the United Kingdom. He remarked, however, that the reason why they affected Salvesens' alone was because they were using the lease on Stromness for purposes other than those for which it was intended.

Accordingly, Government proposed to give Messrs. Salvesens' six months' notice of the termination of the lease, though, in fact, it considered that it would be within its rights in terminating it forthwith. Mr. Marshall protested and his protest was noted.

Leith.

As regards the lease at Leith Harbour, which was now held on a year-to-year tenancy, Government proposed also to give notice of termination. It would be necessary for new agreements to be entered into for the 1948/49 season. Government was prepared to grant a 21 years' lease for both Stromness and Leith Harbour, the former to be used solely for the storage of pelagic-produced oil, ship repairing, and a depot: while Leith would remain an operating shore whaling-station. Mr. Marshall protested and his protest was noted.

Government did not intend that there should be more than three such operating stations in South Georgia.

The Colonial Secretary remarked that he understood that Salvesens' had used tanks at Leith also for storage of pelagic-produced oil and that Government considered that this contravened the lease. In future, if this lease was renewed, Government considered that such oil should be stored elsewhere.

He remarked that oil stores at Stromness in the first two months of 1948 represented a loss of £12,700 to Government if the export duties on pelagic oil were not levied, and asked Messrs. Salvesens' representatives what they considered reasonable as a rent which would in part off-set this loss.

It does & we must
be consistent; see 1(a)
on 128 in 2/4/47 Vol. II

Rents at shore
stations bears low in
view of revenue
collected on oil.

Mr. Marshall remarked that Salvesens' would much prefer an all-round increase in export duties, and after some discussion the figure of 6/8 per barrel was provisionally suggested by him as export duty when oil was £90 a ton, with proportionate decreases to 5/- at £50.

The Colonial Secretary said that Government had not overlooked the desirability of such an increase in any case and wished Salvesens' clearly to understand that it would not necessarily be limited to 6/8. It was further stressed that the increased rent proposed for Stromness and Leith should be regarded as in part compensation for the loss of anticipated revenue from export duties on pelagic oil.

Mr. Marshall suggested a rent of £750. After some further discussion, and in view of the administrative difficulties involved by limiting the storage of pelagic oil to Stromness, as well as the possibility that if Pesca began pelagic operations next season they would wish to store oil at Grytviken for similar reasons, it was generally felt that it would be more convenient when the leases for Stromness and Leith were renewed that they should be treated as one unit.

I don't particularly like this as an argument has been that storage of pelagic oil at a shore station is an infringement of the base and I think we should stick to this

Mr. Marshall remarked that in that case there would be no difficulty about accounting for the origin of the oil for purposes of duty.

On that basis a rent of £5,000 was suggested by the Colonial Secretary for both stations as a unit. He added that if Pesca stored pelagic oil at Grytviken Government would increase their rent in a similar manner. Mr. Marshall said that he would have to submit this figure to his partners and the Colonial Secretary remarked that he hoped that it would be made clear that Government regarded this as a reasonable figure and not only as a basis for bargaining. If Salvesens' accepted £5,000 as the figure for rent for both stations, Government would undertake to view sympathetically a reduction in rent should they be unable at any time during the period of the lease to operate on account of adverse economic conditions affecting the whole whaling industry.

Formal notice of the termination of both leases was then handed to and accepted by Mr. Marshall.

Mr. Marshall said that Salvesens' wished to take the lease of a site of an approximate area of some 3,000 acres on Government Reserve land in Albemarle Harbour for a shore whaling and sealing station for 21 years commencing 1st May, 1948 at £250 per annum rent. They wished to enjoy exclusive whaling rights in the Falklands.

Salvesens' proposed to beach the "Polar Chief" and use it as a shore station, but they would also erect installations ashore necessary for the operation of a combined whaling and sealing station, where they would carry out repairs to vessels.

They required permission :-

- (1) to erect such dams as might be necessary in

adjacent

18219

Albemarle.

17

- ✓ adjacent streams to produce a water-supply of some 200 tons per day
- ✓ (ii) to put up tanks for storage of shore-produced (not "pelagic") oil
- ✓ (iii) if necessary, for plant for freezing mutton
- ✓ (iv) if necessary, for plant for trying tallow
- ✓ (v) for a maximum of 4 catchers
- ✓ (vi) to cultivate part of the land and depasture sheep and cattle.

✓ The above was agreed to in principle. Salvesens' to be responsible for all necessary fencing within the lot of land now leased to the Falkland Islands Company from whose lease it would be excised.

✓ Whaling season. The whaling licence should in the first instance be granted for the period 1st December, 1948 to 31st May, 1949, subject to modification in subsequent seasons in the light of experience of catch and weather conditions.

It was agreed that a Customs and Whaling Officer should be stationed at Albenarle.

Sealing. /concerned X It was agreed that exclusive rights should be granted subject to the safeguarding of the rights of the three existing sealing undertakings, by their being stated, together with a definition of the area of the licences, in the sealing licence to be granted to Messrs. Salvesens' which would be for up to 10,000 adult male sea lions and 1,000 adult male sea elephants. These figures are empirical and subject to modification in the light of experience. season March-November and usual conditions prohibiting molestation of breeding grounds.

Passages. Messrs. Salvesens' would always be agreeable to extend to Government passengers and cargo such facilities as might from time to time be available in their ships on a similar basis to the informal arrangement in use in the past between South Georgia and the United Kingdom. There is no question of mutual agreement between Salvesens' and the Falkland Islands Company as to rates to be charged.

x/ Extracted to 0820 - Passes. Sealing in the F. Islands.

(Sgd) A. B. Mathews.
C.S.

(Sgd)? Marshall
for Mr. Salvesen & Co.

18
5th March,

48.

Stromness Lease.

Gentlemen,

I am directed by the Governor to give you formal notice that the lease of the Whaling Station at Stromness Bay, South Georgia, which expires on the 30th of September, 1948, will not be renewed on the present terms and conditions.

2. His Excellency is prepared to consider a new lease at an increased rental and subject to other conditions.

I am,

Gentlemen,

Your obedient servant,

Messrs: Chr. Salvosen & Company,
51, Bernard Street,
Leith,
SCOTLAND.

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

I accept service of this notice.

(Sgd) Z Marshall

Partner,
Chr. Salvosen & Company.

5th March,

48.

Leith Lease.

Gentlemen,

I am directed by the Governor to give you formal notice that the tenancy of the Whaling Station at Leith Harbour, South Georgia, which you hold as yearly tenants, is determined with effect from the 30th of September, 1948.

2. His Excellency is prepared to consider granting you a lease of this Whaling Station on such terms and conditions as may be agreed.

I am,

Gentlemen,

Your obedient servant,

(Sgd.) A. B. MATHEWS

Colonial Secretary.

Messrs: Chr. Salvesen & Company,
31, Bernard Street,
Leith,
SCOTLAND.

I accept service of this notice.

(Sgd) ? Marshall.

Partner,
Chr. Salvesen & Company.

Original filed in 0101 "Whaling in Falkland Islands"
Copy filed in D/3/39 " Vestfold Whaling Company"
Copy filed in 525/24 "Albermarle Government Reserve"

DECODE.

TELEGRAM.

From The Governor's Deputy.

To His Excellency the Governor, H. M. S. Nigeria"

Despatched: March 8th 19 48 Time: 14.20

Received: 19 ... Time:

Salvesens definitely wish to take 21 years lease Government land Albermarle commencing 1st May 1948 on basis terms discussed.

2. Leases of Stromness and Leith terminated on 30th September 1948. Salvesens wish to hold both stations under one lease for administrative reasons which I considered acceptable subject to Your Excellency's decision. There is no difficulty about accounting for origin of oil for purposes assessing duty. Accordingly Salvesens are considering consolidated rent at figure suggested by me at conference with Your Excellency, Winter and myself; but increase export duties 1948-49 foreshadowed and acceptable to Salvesens.

3. Complete record of meeting with Hamilton Winter Begg in attendance agreed and signed by Marshall and self ready for Your Excellency on return.

4. Marshall's departure delayed by repairs to "Stina" but expects leave to-day.

G. F. C. -VP.
FYED-LJH.

GOVERNOR'S DEPUTY.
081420.

See 15-19

157
Ref. 15-17.

C.S.

Subject to marginal reservations, I am in agreement but it does seem to me (and I made a point of this in an earlier discussion) illogical to permit storage of belagic oil, at a shore station the activities and intentions of which are clearly presented in the lease. I would like you and L.S. & Dr. H. to discuss with me.

We should then let S of S. know what is towards, before Salvesen's representatives in United Kingdom appear on the doorstep of Church House.

(intld) M.C.

11/iii

VP.

I
..9
NY"

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE.

Despatched: 20. 3. 1947 Time: 10. 30 Received: Time:

122-21647-2

No. 113 Confidential. Your telegram No. 57. Export duty on whale oil.

1. Meeting held on 5th March. Whalers' representatives were advised on lines paragraphs 1, 2, 3 and 4 of my telegram No. 56 and Special Notice terminating licenses of whalers and both Whalers were invited to Marshall Is partner.

2. Whalers wish to take 21 years lease of both stations, treating lease as one unit, commencing 1st October 1948 and are considering suggested rental of \$5000 per annum therefor. While this figure may appear high in relation to rental of \$250 elsewhere, latter figure is nominal and linked to expectation of revenue from duty on shore-based whaling activities. Whalers cannot have it both ways.

3. I intend however to suggest present sliding scale duties by charging additional expense per barrel for every 1% per ton above present maximum of 100. Whalers had anticipated and are (however reluctantly) resigned in prospect of increase.

4. Whalers wish to take lease of approximately 3,000 acres of Government Reserve land in Liberian Harbour, not reclaimed for 21 years commencing 1st May 1948 at \$250 per acre (as by telegram No. 56 of 1947) they require permission (a) to use adjacent stream to produce a water supply of some 200 tons a day. (b) to erect lease for storage of shore produced oil and plant for treating cotton and trying tallow and (c) to cultivate part of land and operate sheep and cattle.

5. Whalers further seek (i) exclusive whaling rights in the harbours which I am prepared to lease. (ii) a license of four catches operating from shore station which I consider reasonable and (iii) whaling license in the first instance to be granted for the period 1st October 1948 to 31st May 1949 subject to modification in the light of experience for subsequent seasons, which I recommend.

6. In my telegram No. 56 of 1947 I invited attention to model contract as template of lease. My recent Inspector Fisheries Factory confirms this view in every particular. They have invented and still are inventing new capital in improvements and new techniques and I consider it an equitable and sound principle to withhold from them the 21 year lease which they sought. I shall be obliged therefore if you will reconsider.

7. Your early consideration and approval of these proposals is requested.

G. V. S. G.

D. L. S.

21/6/47 'Export duties on Whale & Seal Products'
0101 'Whaling in SI'
21/6/47 'Renewal of whaling lease for period 1st May 1948 to 31st May 1949'
21/6/47 'Terms & conditions of Renewal of Whaling Lease in SI'
21/6/47 'Whaling Lease for period 1st May 1948 to 31st May 1949'

PA

GN.

In our seating business
we, I assume, put no limit
on leopard seats?

me y
y

y-2.

There are not many leopards as
seating numbers go.

Might we not keep more up
our sleeves as an extra if
they were asked for. Perhaps
the skin would have value as
leather.

Qa. i
the.

J.R. Hamilton.
Government Naturalist
23-X-48

y

PA
29

(Original filed in 1272 - Interviews with H.E. the Governor)

(Subject to Capt. Salvesen's approval).

.....
4. Albemarle Sealing Station. Captain Salvesen stated that the Colonial Development Corporation was interested in disposing of this project and that he proposed to inspect the plant and machinery.

He was doubtful for various reasons if he would be interested in purchasing and operating and he emphasised his view that in earlier negotiations he had not been treated fairly by Government.

His Excellency stated that if Captain Salvesen wished to put up proposals he would promise him fair treatment and at the same time give the proposals careful consideration, but he felt it right to warn Capt. Salvesen that if he proposed to employ any local labour on the project the matter would be viewed with concern by the sheep farming community who were strongly represented on the Legislature.

.....
Off. There is an extract from Capt. Salvesen's letter to H.E. to go on this file.

2. Extract x on ^Q 30/12. (17) to 0820 att.

Q.
ACS.

Extract made ¹⁷ 31/55.

D.O.

s.s. "Pistra"
Dec. 15th, 1954.

25

Dear Governor,

First I must thank you for the interest you are taking in our venture and for your consideration in listening to our representations. In view of the tone of our correspondence you might well have done otherwise - but I trust you will have no cause to feel sore in future.

The Sealing Station, apart from the lost pontoon, is in reasonably good condition. If we can get it for next to nothing I should like to play there - on very modest lines in the first instance in order to acquire more experience. The plant is too complicated for the job and I gather that Tilbury failed to get most of it to work. Some of it appears unlikely to achieve its object and I shall get in touch with the makers on that subject. The C.D.C. asked us to consider buying the Company and I intend to suggest to my partners that they open negotiations. I gather Tilbury employed a maximum of 32 men including a good many locals. I do not think your Partners would object to operations on that scale. The General Manager of the Falkland Islands Company promised not to oppose our operations. The Company did the same in 1947 - even when we were suggesting a whaling station, which would have required a lot of men. We could run in some ways much cheaper than by relying upon "Pitaroy" and Montevideo. A base at South Georgia sounds fantastic but fuel oil, diesel oil etc. costs us much less at South Georgia than it would cost us at Montevideo, and I think that by shipping seal-oil etc. in bulk to S.G. our total freight charges would be very much smaller. Our small vessel could also carry mutton and vegetables to S.G. and help them to solve that problem.

Labour was
much easier
to get then

(Intld) C.C.

Yours sincerely,

(Sgd) H.E. Salvesen

We have reached Darwin safely. That explain/s the sudden ending.

Y.E.

Above.

There are two words I can't make sense of. I suggest mention in next Ex. Co. meeting. Will Y.E. mention the other sealing feelers put out in S.G.? There is no mention in this letter of sealing elsewhere in the Dependencies.

(Intld) C.C.

18.12.54.

O.K.

(Intld) O.R.A.

20.12.54.

A.C.S.

Fair - file and note for Ex. Co.

(Intld) C.C. 28/12/54.

Jone
Sj.

Bu. 31/1/55 *Sj. Kd* *24*

EXTRACT FROM RECORD OF MEETING HELD ON 10/1/55 AT GOVERNMENT HOUSE BETWEEN HIS EXCELLENCY THE GOVERNOR AND THE MANAGING DIRECTOR, PALMYRA ISLANDS COMPANY.

(Original filed in 0643 - Records of Conversations with Managers, P. I.C.).

.....

5. Sealing. His Excellency informed Mr. Young that Capt. Selvesen was seriously considering taking over the Colonial Development Corporation Sealing project at Albatross and applying for a sealing licence. He mentioned that he had warned Capt. Selvesen that he would have to negotiate with the Palmyra Islands Company for sealing rights in Lafonia and also that large scale employment of local labour at Albatross was bound to be resisted by the shareholders.

.....

Extract from the Minutes of a Meeting of Executive Council
held 7th April, 1955.

0157.

8. SEALING IN THE FALKLAND ISLANDS.

His Excellency informed Council that Messrs. Chr. Salvesen and Co. were considering purchasing the South Atlantic Sealing Company plant and machinery at Albemarle and starting operations in the Falkland Islands. His Excellency said that he had drawn Captain Salvesen's attention to the Falkland Islands Company's special rights in Lafonia.



Clerk of the Executive Council.

[Handwritten initials]
20/4

Y.E.

You will see from p.108 on the attached file D/28/47 that Pierce-Butler is apparently proposing to apply for a sealing concession in the Falklands and Dependencies on behalf of Pesca.

The present position is therefore that we have two concerns considering sealing operations in these waters :-

1) Cia Argentina de Pesca

On 2nd December, 1954 you informed Pierce-Butler, in reply to an approach he made to you on the question of an exclusive sealing licence in the Falklands and Dependencies, that so far as you were aware no other exclusive licence or option had so far been actually issued to any other Company, and if the Compania Argentina de Pesca wanted such a licence, it should put forward proposals without delay.

2) Salvesens

On 12th December you advised Salvesen that if he wished to put up proposals for a sealing project he would be assured of fair treatment. Subsequently Captain Salvesen wrote to you (on December 15th) a letter that indicated that he was interested in the possibilities.

Consequently and so far as I am aware we are committed to neither, morally or on paper. Assuming however that Salvesens are seriously considering the project - there appears to be no doubt whatsoever that we would prefer a sealing project under Salvesen to one operated by Ryan. The reasons are probably obvious but it is perhaps worth listing the principal factors as I see them :-

- (i) Salvesens is a British registered Company. Salvesen himself is an able and, I imagine, influential man. The more British capital and financial influence we can get invested in the Falklands and Dependencies, the stronger our political and economic links with the U.K. become. The implications are clear.
- (ii) There would, in Salvesens case, be no international complications and a successful project would not only improve our financial position but it would probably result in an improvement in our communications with South Georgia, with the mainland and internally - without international complications.

On the other hand :-

- (i) A sealing project administered by Ryan in existing circumstances would inevitably lead to international problems and difficulties - difficulties that might be enhanced if they operate also in Dependencies waters. So long as Ryan is subject to Peronista pressure and

/manipulation ..

p.70
0820

Extracted to 0157/A
Albion Star Company.

p.24
0157

p.25
0157

Extracted to 0157/A
Albion Star Company.

manipulation it seems likely to me that it will in the end make very little difference where the sealing concern is registered. Certainly a new company would be preferable to a subsidiary of Pesca - but even then there would probably be political and economic implications.

In arguing along these lines, however, I am assuming that Ryan is not contemplating abandoning the Argentine since it appears that financially he is committed to the hilt in the Argentine - even though Pesca's financial position has improved. On this question of registration you will recall that when the question of registering Pesca in the Colony arose in 1950, the Foreign Office considered that such registration might be a mixed blessing (p.43 on D/28/47 refers).

Assuming then that both companies are seriously interested, and bearing in mind the danger of falling between two stools, it seems to me that we shall in any event, and before any final decision is taken with regard to the grant of a sealing licence, have to :-

- (i) Consult Executive Council
- (ii) Consult the Secretary of State
- (iii) If Pesca is involved - Foreign Office and the B.A. Embassy would have to be brought into the picture.

If you agree that it would be preferable to have Salvesens - and assuming he will want to operate in Falkland waters and the Dependencies, and assuming also that there is not room for both - then I suggest that we take the following line with Pierce-Butler :-

- (i) There is another concern interested in a sealing licence in these waters, but we are at present under no commitment.
- (ii) Before a final decision were made - Executive Council and the Secretary of State would have to be consulted (irrespective as to who the applicant was).
- (iii) Before such consultations took place, it would be for the company to put up detailed proposals and full information on the project for Government's consideration.
- (iv) We are ready to give Pierce-Butler the relevant information regarding the law, licences, access to land and taxation (see Aide Memoire attached) on which he could base an official approach to Government.
- (v) We are not at the moment in a position to give a firm date by which a decision could be expected, assuming that proposals were submitted.

If Pierce-Butler gives us the impression that Ryan will still be interested, we should I think :-

/ (a) ..

Extracted to 0157/A - The Albion Star Company.

Extracted to 0157/A - The Albion Star Company.

Extracted to 0157/A -

The Albion Star Company.

(a) advise Colonial Office demi-officially as to what is in the wind,

(b) write to Salvesen, being very careful not to give him the impression that we are trying to rush him or hold a stick over his head, frankly and fully, saying that another concern has expressed interest and is probably submitting proposals. He could be asked to let us know approximately when we could expect to know whether he is still definitely interested, and if he is, when could we expect his proposals.

Finally, I assume Y.E. will be prepared to see Pierce-Butler.

Thankyou.

I'll see him 11 am Monday.

PC. tell p.c.

DMH 30

A.G.T.T.
29/4.

33A

EXTRACT FROM LETTER TO HON. COL. SEC. OF 24/4/55 FROM
MR. C. CAMPBELL, O.B.E.

(Original returned to H.C.S.)

.....

The stumbling block in the P.I. is Salvesen's intention to play at Albemarle. He has in my opinion an implied first refusal for an exclusive licence in the Colony as a result of his discussions with H.E. I think he should be asked to make up his mind before anyone else enters the field or he will accuse us again of chicanery. Personally I think a factory ship employing foreigners is much more preferable than a shore station employing locals - & P.I.C. may think so too.

.....

Yours

(Sgd) Colin

Pages 34 - 36 removed

to 0157/A - The Albion

Star Company.

30
A

EXTRACT FROM LETTER FROM MR. E. H. BOWE TO H. E. THE
GOVERNOR OF 23. 3. 55.

(Original returned to H.E. the Governor.)

.....

The Salvesen's of Leith are showing considerable interest in the Sealing Co's assets at Albemarle. I was asked to attend an interview at C.D.C. last week and, I hope, I was able to produce satisfactory information (backed by Photographs) which may help Salvesens to make up their mind. It is quite on the cards that they will ask me to go to see them at Leith. If a deal with Salvesens materialises this alone will justify my prolonged presence in the U.K.

.....

6th May, 1958.

Dear Capt. Salvesen,

I think that I should tell you that we have had a firm offer from someone else who wants the schooling rights in the Falkland Islands and Dependencies. I have told them that there is a rival in the field but have not told them who.

I am coming home for consultations about the end of June and it might be a good thing if we met, quite apart from the pleasure it would give me to see you again. Could you let me know if you are coming south any time in July or August? My home address is 36, Angell Road, W. 3. (telephone Western 5912).

Yours sincerely,

(Sgd) ~~A.C. Denton Thompson~~

O. R. Arthur.

Capt. H. K. Salvesen,
29, Bernard Street,
Leith,
SCOTLAND.

Copy filed in 0762/II

Copy filed in 0157/A - The Albion Brief No. 8.
Star Company.

SEALING.

Compania Argentina de Pesca.

On the 2nd of December, 1954, Col. Pierce-Butler in reply to an approach he made to the Governor on the question of an exclusive sealing licence in the Falkland Islands and Dependencies was advised that no other exclusive licence or option had at that stage been actually issued to any other Company. Col. Pierce-Butler was told that if the Compania Argentina de Pesca wanted such a licence it should put forward proposals without delay.

Salvesens.

On the 12th of December, 1954, the Governor advised Salvesen that if he wished to put forward proposals for a sealing project he would be assured of fair treatment. Subsequently on the 15th December, Captain Salvesen wrote to the Governor saying that he was interested in the possibilities.

A copy of the record of the discussions between the Governor and Col. Pierce-Butler which was held at Government House on the 2nd of May, 1955, is attached to this note. The original was approved by the Governor and initialled by both Col. Pierce-Butler and the Colonial Secretary.

Also attached to this note is a copy of Pierce-Butler's firm application (which is in the name of the Albion Star Company of Gibraltar) for a licence under the Seal Fisheries (Consolidation) Ordinance, 1921. This has been acknowledged with an intimation that the matter was receiving attention. Captain Salvesen was advised in a letter dated the 6th of May, 1955, that there was a rival in the field and it was suggested that a meeting might be arranged between Captain Salvesen and the Governor.

The present position therefore is that both Pierce-Butler and Captain Salvesen are aware of the fact that another interested party is in the field but neither of them have been told who that party is. Doubtless, however, they have this information.

It has been agreed on the files that the Colonial office should be consulted with regard to these applications and the implications of Ryan's organization working in the Falklands should be fully considered with Colonial office officials and no doubt the Foreign office.

For your information the addresses of the two principals in the matter are as follows:-

Captain Salvesen,
29, Bernard Street,
Leith,
SCOTLAND.

/Lt.

70
0820

24
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36
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Lt. Col. K.S. Pierce-Butler,
c/o William Brandt's Sons & Company, Limited,
36, Fenchurch Street,
LONDON, E.C.4.

There are two further points. As far as can be ascertained the Albion Star Company are seriously interested and concerned. On the other hand, there is nothing to show as yet that Captain Salvesen has really approached the stage of making definite proposals and there might be some doubt as to whether in fact he is really seriously interested. From the files it seems that the Albion Star Company has the advantage of wishing to start and start soon and the disadvantage of Argentinian connections. Salvesen probably has the advantage of a more efficient and experienced organisation but does not appear to be quite so interested at the present stage. Secondly the choice as to whether the new "Pesca" Company should be registered in Gibraltar or in Stanley has been left very largely to Government and Col. Pierce-Butler has intimated (see record of discussion) that if the Government so wished his principals would be willing to register in Stanley. In this connexion it will be recalled that when the question of registering Pesca in the Colony arose in 1950, the Foreign Office at that time considered that such registration might be a mixed blessing on the grounds that the registration of a former Argentinian company in the Falkland Islands might provoke the Argentinian authorities to adopt an even more intractable attitude towards Ryan's assets than they were doing at that time and this might lead to international complications. It should be noted that this aspect does not apparently worry Pierce-Butler or Ryan and on balance I can see no particular objection to allowing the registration of the new company, if it gets the concession, to stand with the Albion Star Company of Gibraltar. This aspect might be considered with the Colonial Office.

The next move, if the Colonial Office see no objection, is for concrete proposals from both sides (assuming Salvesen makes such proposals) to be submitted to Executive Council for a decision as to which company gets the concession.

by 3/4
D/28/47

Be. 15/10

Original in 0762/II

42

FROM. S.O.F.S. to GOVERNOR

TELEGRAM.

17.8.55

1000

17.8.55

1800

Re. 90 Confidential. Following from Arthur begins:-

Other matters. Have informed you separately about
 Fraser. Have good hope of selling Air Ministry idea
 that they should take over Stanley Meteorological office.
 Have been so far unsuccessful over advertisement for West
 boarding school have now approached S.P.O.. Cole has
 got other job. Believe Air Survey of Colony free is in
 bag. Believe Company is justified in seeking increased
 subsidies for new "Pitroy" but will discuss on return.
~~Believe~~ not interested in selling rights next few years.
 Have told them that if they want exclusive rights they
 must make offer of money. Make offer to pay duties which
 must be done in our case is not good enough. Lady Gibbs
 is worrying over guides. Have suggested Jean Mirath
 should run team but am awaiting consequences. Have
 persuaded Company to squeeze me into "Pitroy" October 10th
 but if "proctor" mails only a few days later shall
 wait for her. This.

Extracted to
0157/A - The
Alton Star
Company.

SECRETARY OF STATE

N.F.A. I have written
on X & Y
(Intlu) AGD-T

Ba 4/9 (mail)
2/8

Deals action on 0157/A.

PG
2/9

G.T.C
R.

Brief No 8.

43

Seating.

T. A. 2/4/71
2/21

44

co. with with Butler suggesting 5 year
period + . fee .

SEALING.Compania Argentina de Pesca.

On the 2nd of December, 1954, Col. Pierce-Butler in reply to an approach he made to the Governor on the question of an exclusive sealing licence in the Falkland Islands and Dependencies was advised that no other exclusive licence or option had at that stage been actually issued to any other Company. Col. Pierce-Butler was told that if the Compania Argentina de Pesca wanted such a licence it should put forward proposals without delay.

Salvesens.

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A copy of the record of the discussions between the Governor and Col. Pierce-Butler which was held at Government House on the 2nd of May, 1955, is attached to this note. The original was approved by the Governor and initialled by both Col. Pierce-Butler and the Colonial Secretary.

Also attached to this note is a copy of Pierce-Butler's firm application (which is in the name of the Albion Star Company of Gibraltar) for a licence under the Seal Fisheries (Consolidation) Ordinance, 1921. This has been acknowledged with an indication that the matter was receiving attention. Captain Salvesen was advised in a letter dated the 6th of May, 1955, that there was a rival in the field and it was suggested that a meeting might be arranged between Captain Salvesen and the Governor.

The present position therefore is that both Pierce-Butler and Captain Salvesen are aware of the fact that another interested party is in the field but neither of them have been told who that party is. Doubtless, however, they have this information.

It has been agreed on the files that the Colonial Office should be consulted with regard to these applications and the implications of Ryan's organisation working in the Falklands should be fully considered with Colonial Office officials and no doubt the Foreign Office.

For your information the addresses of the two principals in the matter are as follows:-

Captain Salvesen,
29, Bernard Street,
Leith,
SCOTLAND.

Lt. Col. H. S. Pierce-Butler,
c/o William Brandt's Sons & Company, Limited,
36, Fenchurch Street,
LONDON, E.C.4.

There are two further points. As far as can be ascertained the Albion Star Company are seriously interested and concerned. On the other hand, there is nothing to show as yet that Captain Salvesen has really approached the stage of making definite proposals and there might be some doubt as to whether in fact he is really seriously interested. From the files it seems that the Albion Star Company has the advantage of wishing to start and start soon and the disadvantages of Argentinian connections. Salvesen probably has the advantage of a more efficient and experienced organisation but does not appear to be quite so interested at the present stage. Secondly the choice as to whether the new "Pesca" Company should be registered in Gibraltar or in Stanley has been left very largely to Government and Col. Pierce-Butler has intimated (see record of discussion) that if the Government so wished his principals would be willing to register in Stanley. In this connection it will be recalled that when the question of registering Pesca in the Colony arose in 1950, the Foreign Office at that time considered that such registration might be a mixed blessing on the grounds that the registration of a former Argentinian Company in the Falkland Islands might provoke the Argentinian authorities to adopt an even more intractable attitude towards Ryan's assets than they were displaying at that time and this might lead to international complications. It should be noted that this aspect does not apparently worry Pierce-Butler or Ryan and on balance I can see no particular objections to allowing the registration of the new company, if it gets the concession, to stand with the Albion Star Company of Gibraltar. This aspect might be considered with the Colonial Office.

The next move, if the Colonial Office see no objection, is for concrete proposals from both sides (assuming Salvesen makes such proposals) to be submitted to Executive Council for a decision as to which Company gets the concession.

RECORD OF DISCUSSIONS BETWEEN HIS EXCELLENCY THE GOVERNOR
AND LIEUT. COLONEL K. S. PIERCE-BUTLER AT GOVERNMENT HOUSE
ON THE 2ND MAY, 1955.

Lt. Col. Pierce-Butler informed His Excellency that acting on instructions from Mr. Ryan, the Chairman of the Compania Argentina de Pesca, he intended to submit a formal application to Government for the sole sealing rights in the waters of the Falkland Islands and the Dependencies (excluding South Georgia). He stated it was the intention that the application should be made by the Albion Star Company Limited of Gibraltar but as an alternative, and if Government so desired, his principals would be prepared to form a separate company registered in the Falkland Islands.

Lt. Col. Pierce-Butler went on to explain that if the company was granted the concession it would build a sealing factory ship which would be operated in company with two smaller sealing vessels. The company was anxious to proceed with the construction of the sealing factory ship as soon as possible.

His Excellency informed Lt. Col. Pierce-Butler that another concern was interested in developing the sealing industry in the Falkland Islands and Dependencies and if Lt. Col. Pierce-Butler submitted a formal application it would be considered together with the proposals made by any other interested concern.

His Excellency made it clear that Government was in no position at the present time to enter into any firm commitment but would give serious and early consideration to any formal proposals that might be submitted.

Lt. Col. Pierce-Butler was also advised that any sealing concession would be subject to existing rights (particularly those of the Falkland Islands Company in Lufonia).

Lt. Col. Pierce-Butler advised His Excellency that he would submit formal proposals accordingly and said that he quite understood that no immediate decision could be made.

In the course of discussion Lt. Col. Pierce-Butler indicated that it was the intention of the Compania Argentina de Pesca to transfer control of its whaling assets to the United Kingdom or Gibraltar.

(Intld)
K. S. P.
7/5

(Intld) K. S. P.
7/5

COPI

THE ALBION SEAL COMPANY LIMITED,
GIBRALTAR,
c/o Messrs. Wm. Brandt's Sons & Co. Ltd.
36, Fenchurch Street,
London.

4th May, 1955.

The Honourable,
The Colonial Secretary,
Port Stanley,
FALKLAND ISLANDS.

Dear Sir,

I have the honour to apply for a licence under the Seal Fisheries (Consolidation) Ordinance, 1921, granting this Company the sole rights to take Elephant Seals and Sea Lions from the Falkland Islands and their Dependencies, with the exception of certain areas of the Falkland Islands, the owners of which also hold the sealing rights, and the island of South Georgia. I have to request that this Company shall be permitted to retain the licence for a period of 15 years from the date of its issue.

I have to request that the licence shall include permission to take the following number of seals annually:-

Falkland Islands	1,000 Elephant Seals
	10,000 Sea Lions
The Dependencies (excluding South Georgia)	10,000 Elephant Seals.

I am to state that provided this Company is granted the above mentioned licence, it is our intention to carry out sealing operations using a floating factory ship of about 3,000 gross registered tons and two seal catchers, each of about 200 gross registered tons. These ships would operate along the coasts of the Falkland Islands and the islands and territories within the Dependencies, the seal would be taken from the beaches and processed on board the floating factory ship. Full utilization would be made of all carcasses and the main products would be Seal Oil and Meat and Bone Meal.

It is appreciated by the Company that as regards to export duties on such products, the floating factory ship would be liable to similar taxation as a land station and the Company would be prepared, as a condition of the grant of the licence, to enter into an agreement with Government to that effect.

The Company agrees to provide food and accommodation on board the floating factory ship or the seal catchers for a Government Sealing Inspector and to make available for him all information he may require regarding the catch and production.

This Company would also approach the Falkland Islands Company requesting permission to carry out sealing operations in the Lafonia area of the Falkland Islands as defined in Crown Grant No. 154 of 26th September, 1959, and any other

/private

49

private company which also holds the sealing rights to their lands in the Falkland Islands. The total number of seals taken, however, would not exceed those mentioned above.

I am to state that this Company would employ British or Norwegian labour on board the floating factory ship and the seal catchers and would not employ local Falkland Islands labour except with Government's approval.

In the event of my Company being granted the licence, it is also our intention to investigate the practicability of operating an industry recovering and processing kelp for export and we feel that this may be of some interest to you. We would also be prepared to undertake a census of the Fur Seal population in the Falkland Islands and Dependencies, at our own expense during the sealing operations.

If Government consider it advisable to transfer this Company from Gibraltar to the Falkland Islands or to register a new Company locally in order to obtain the above mentioned licence I am to say that we would be quite prepared to do this.

Finally I am to state that my Company is prepared to assist the Colony as regards the transport of personnel, stores and mail if it is so required, during the voyages to and from Europe of any of the Company's ships.

I am,
Sir,
Your obedient servant,

(Sgd) H.S. Pierce-Dotter
Managing Director,
The Albion Star Co. Ltd.

D.R. Arthur, Esq. C.M.G. C.V.O.

MED 55/212/01
COLONIAL OFFICE,
The Church House,
Gt. Smith Street,
London, S.W.1.

11th July, 1955.

*With the Compliments of the Under-
Secretary of State for the Colonies*

51
MED. 55/212/01

11^H July, 1955

Sir,

I am directed to refer to your letter of 4th May 1955 addressed to His Excellency the Governor of the Falkland Islands and Dependencies submitting for his approval a plan for pelagic sealing in the Colony and Dependencies.

2. The Governor is seeking the advice of the Secretary of State's advisers on the technical aspects of your proposal. Meanwhile, in connection with your company's request for sole and exclusive rights to all sealing in the Colony and Dependencies, I am to draw your attention to the fact that the sealing rights in a large part of the colony are already in the possession of the Falkland Islands Company. It is also noted that you make no mention of a fee for the granting to your company of these exclusive facilities and I am to enquire whether you would be agreeable to the payment of such a fee and what you would suggest as a suitable figure.

I am, Sir,
Your obedient servant,

(Sgd) M.A. WILLIS.

THE ALBION STAR COMPANY, LIMITED,
(GIBRALTAR),
c/o Mr. Brandt's Sons and Company,
36, Fenchurch Street,
E.C.3

for (see 43)
John

D.O.

C.S. S/S 3127AA

This had better be
typed & filed for ref. ? BUWXT X6

Dec. 15 1956

RES Type in draft in
first instance - I can
help to decipher. 12/12

DRH 17

Dear Governor

First I must thank you for the
interest you are taking in our venture &
for your consideration in listening to our
representations. In view of the tone of our
correspondence you might well have done
otherwise - but I trust you will have
no cause to feel sore in future.

The Seabury Station, apart from the
lost portion, is in reasonably good con-
dition. If we can get it for next to
nothing, I shall like to play there -
on very modest lines in the first instance
in order to acquire some experience. The
plant is too complicated for the job
& I gather that Tilbury failed to get
most of it to work. Some of it appears
unlikely to achieve its object & I
shall get in touch with the makers on
that subject. The C.D.C. asked us to con-
sider buying the company & I intend to
suggest to my Partners that they open
negotiations. I gather Tilbury employed a
workforce of 32 men including a good many
beats. I do not think your Finance would
object to operations on that scale. The former
Manager of the Falkland Island Co. promised
not to open an operation. The Coy. did

The year is 1967 - was when we were
supporting a whaling station, which would
be require a lot of men. We could run
in some ways must change the way
shipping upon Fitzroy & Montevideo. It was
at South Georgia sounds fantastic but
fuel is, diesel oil etc costs us much
less at S.G. than it would cost us at
Montevideo & I think that by shipping
fuel oil in bulk to S.G. our total
freight charges would be very much smaller.
Our small vessel could also carry mail &
~~to S.G.~~ vegetables to S.G. & help them
to solve that problem.

Yr. sincerely

W.D. Schmitt

We have reached Darwin safely. This
clears the matter ending