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PROSPECT OF THE FALKLAND ISLANDS

LORD SHACKLETON

With contributions from R. J. STOREY and R. JOHNSON

I. THE ECONOMIC SURVEY

LORD SHACKLETON

IT IS 40 years since I last appeared on the platform of the Society as a lecturer and, although I have since held the presidency, this is a very special occasion for me.

I would like to express my gratitude to a number of people and organizations. I would first especially mention Mr. Neville French, the Governor of the Falkland Islands, and his wife and, of course, the people of the Falkland Islands themselves. Then, too, I would like to thank all those many people who both helped us and supplied, quite freely and candidly, the information we needed: the Falkland Islands' Government and officials, the Falkland Islands Company, the managers and owners of the many farms and the Foreign and Commonwealth Office. Most of all, my gratitude goes to the Royal Navy and the Captain and ship's company of HMS *Endurance* who helped us so greatly in our travels and, too, to the Royal Fleet Auxiliary *Tidesurge* which brought us home. I would like to say how grateful I am to the members of my survey team, who came mostly from the Economist Intelligence Unit. The members of the Economic Survey team were: Peter Mould (Team Leader); Gordon Eddie (Fisheries); Richard Johnson (Oil Economist); Bob Storey (Highlands and Islands Development Board); Huw Williams (Sheep Husbandry); Peter Williams (our Fiscal Expert); David Keeling (Foreign and Commonwealth Office); Godifer Bodilly and Margaret Howl, secretaries.

The story of the economic survey of the Falkland Islands began when the Foreign and Commonwealth Office asked me if I would act as Chairman of an independent enquiry into the Falklands—an offer I found quite irresistible. The purpose of our survey was to take an independent and comprehensive look at the problems of the Falkland Islands. There have, in fact, been a large number of investigations and studies of the Falklands in recent years but our survey was intended to provide an overall—synoptic—look and, hopefully, to provide also a work of reference, as well as detailed recommendations for the future development of the Falkland Islands.

➔ Lord Shackleton, KG, PC, OBE, is a past President of the Society and was Chairman of the Economic Survey of the Falkland Islands. This paper was read at an evening meeting at the Society's house on 15 November 1976, with the President in the Chair.

In the course of our preparation, I gave some thought as to whether there were any situations analagous to the Falkland Islands. It seemed that there were certain parallels with the highlands and islands of Scotland. I therefore decided, after a visit to Shetland, that indeed the experience of the Highlands and Islands Board in coping with their problems could be relevant to the Falklands and we therefore recruited Bob Storey, with a special responsibility to help supplement the work of our economic survey by adding a social dimension. To this extent, therefore, the survey became a socio-economic study. May I at this point also express my thanks to the Highlands and Islands Development Board. I should add that it is to Bob Storey I owe the description, very relevant to the Falklands, that 'an island is a piece of land entirely surrounded by advice'.

The Falkland Islands, 12 000 km away from Britain and 500 km from the coast of South America, are about half the size of Wales, about 10 times the size in land-extent of Shetland. (Fig. 1). Whereas Shetland has a population of over 13 000, the Falklands have just under 2000. Indeed, the population has never reached a figure higher than 2500. There are two main islands—East and West Falkland, where most of the population live. To some people the Falkland Islands may seem rather bleak (*pace* Dr. Johnson), but to those who like windy, sunlit, lonely hills—such as may be found in the north-west of Scotland—the Falklands have great charm. Much of the land is rugged, with a few hills rising above 2000 feet. The climate is very temperate—the lowest temperature recorded in winter is -5.6°C and the highest temperature in summer is 24.4°C . (Plate IIa).

I have already mentioned that a great deal of information was available in England about the Falklands from the many surveys and Government publications, but we attached great importance to our field work. We had little more than a month for our visit and we were determined to meet everybody, or nearly everybody, who lived in the Falklands. But it is a scattered population living, apart from Stanley, in tiny settlements varying in size from around 100 to, on some farms, just a couple. The people who live in the Falklands are totally British—not Scots or Welsh—but British. If they have a regional accent at all, other than southern English, it is a New Zealand one.

We arrived early in the New Year of 1976, at Stanley. From the sea, its many coloured roofs suggest a bright and cheerful place. Although it is the capital of the Falklands, one has to remember that it is very small, with a population of under 1000. There are virtually no roads in the Falkland Islands outside Stanley. Communication in the *camp* (as the countryside is known) is by Landrover, boat, or on horseback. Indeed horses still play an important part in shepherding. The saddles are South American style, from which it is almost impossible to fall off. However, the animal I rode seemed to be fairly schizophrenic. In recent years, communication by aircraft has become much more important, especially since the introduction of Beavers. These have been providing a marvellous service run by an ex-RAF Lancaster pilot and a young Falkland Islander, who, tragically, was killed in the first fatal crash a few months ago. The Beavers, which are maintained by two RAF Chief Technicians, also provide the flying doctor service.

Many of the small islands are uninhabited, but some have single families, for instance Sedge Island right out in the ocean, which carries 800 sheep and one family who originated from Inverness. All in all, there are about 36 farms, and we managed to visit every one. I think I myself made over 31 landings, excluding return landings at Stanley. Everywhere we were met with great kindness and hospitality. The farm owner—or, more usually, the farm manager—was, as were all the other people, very hospitable. For those who like it, it is a good life. I

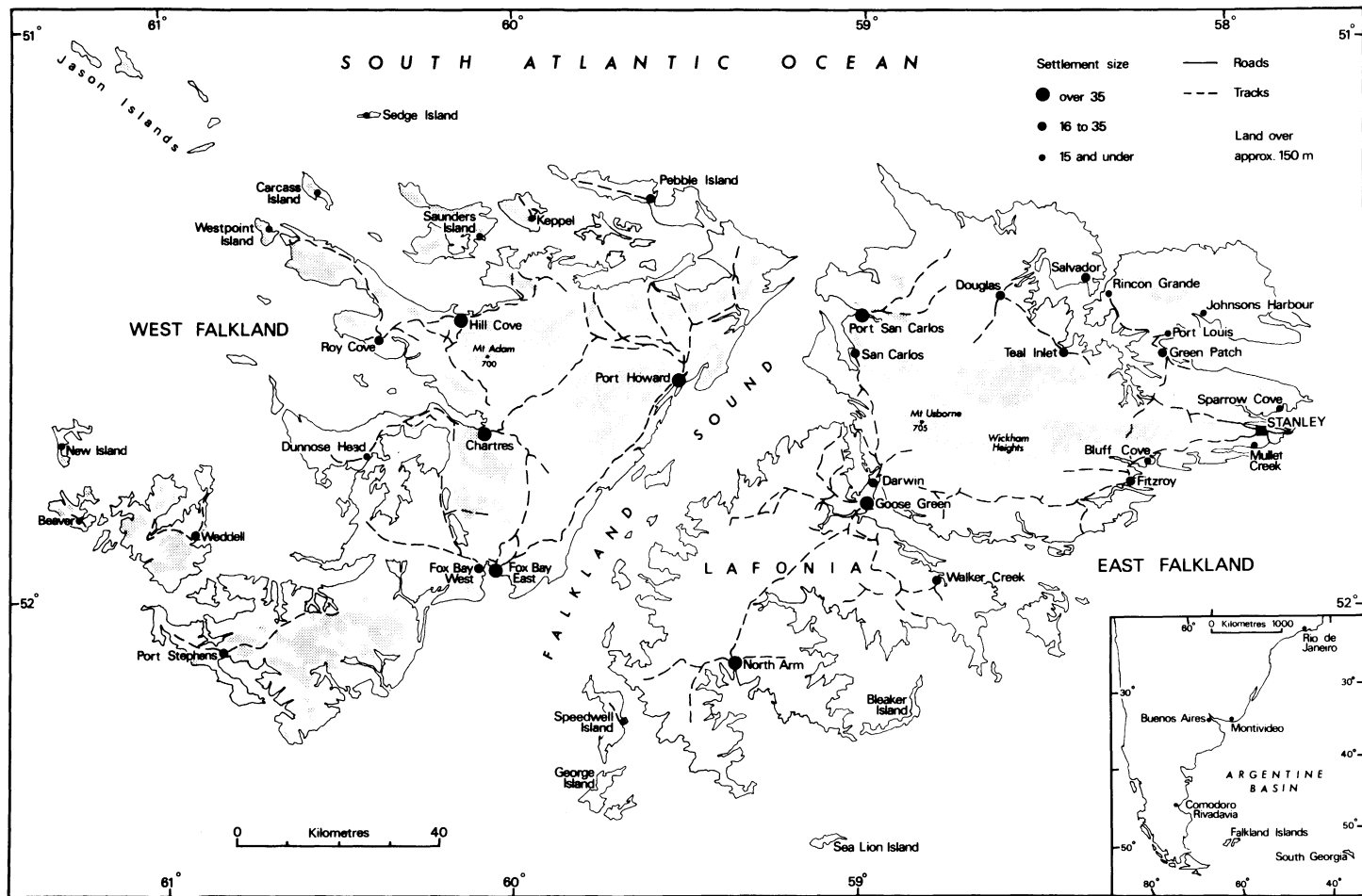


Fig. 1. The Falkland Islands

remember meeting one young man who had come from the Midlands, and he said how marvellous it was to be away from the 'rat race'. Most of the housing in the camp is pretty good. The standard of living also is high, but there are, nevertheless, obvious shortages, especially of amenities. There is, of course, no television but at every settlement they regularly show films (often ancient). There is a broadcasting service and a radio telephone service, which is in itself—since people can listen in to it—a main source of entertainment. There are acute problems when it comes to education.

The main, indeed the major and virtually the sole, industry is sheep farming. At the end of 1975, there were something over 644 000 sheep, yielding high-quality wool—but there was no outlet for the meat. There is scope for more horticulture, but no satisfactory means of transport. The range of vegetation is limited but certain flowers, such as lupins, grow freely. There are strawberries and raspberries but no hard fruit. The indigenous grasses are generally rather poor, with few exceptions, for it is essentially marginal land with low soil temperature and a very acid soil. The rivers are not very dramatic, but brown trout have been introduced and have in a generation, so I am told by fishery experts, started going down to the sea, and, with a change in kidney function, become like sea trout. Although there are virtually no fly in the Falklands (apart from bluebottles), some keen fishermen do catch fish on fly nevertheless. There must be a moral for fly-fishers here. There are, of course, considerable sea fish resources, as yet unexploited. The islands are surrounded by kelp and vast areas of seaweed, which could provide a valuable algininate industry.

There are some interesting historical remnants, for example the ruins of the first British settlement, Port Egmont, dating from 1775; there is also the mizzen mast of the old *Great Britain*, the ship which is now on show at Bristol.

Despite the wind, there are some really beautiful gardens, and at one attractive settlement, Hill Cove, there is the only forest in the Falklands in about a hectare of woodland. Gorse also plays a role in providing some of the few hedges that exist, as well as giving protection. Some of the houses have their own greenhouses.

The upland goose is the most controversial of the wild life—to some it is a menace because it eats so much grass, but others regard it as a natural resource. It is at the moment under scientific investigation. And again, of course, there is the marvellous wild life in the more isolated areas of the penguins and the seals.

Socially the Falklands have problems. For example, it is difficult for a shepherd to become a manager. There is virtually no small-scale enterprise. Stanley has no shopping centre, apart from the one big Falkland Islands Company store, and a number of small, almost part-time, shops.

Can the problems of the Falklands be overcome? Can you make a community of 2000 viable? It is the view of my team that there could be a good and prosperous future for the Falklands, not only from sheep and fishing, but also from alginates and tourism. There is almost certainly oil at sea, but we don't believe it is of immediate value to the Falklands—and in some circumstances could be a threat. Above all, there is the need for improved communication. At the moment there is a temporary runway, built by the Argentinians, but we believe—and have sought to justify this—that a future for the Falklands will be infinitely more promising if a runway capable of taking larger aircraft is built.

We arrived at many conclusions—but two deserve mention here. First, the old colonial-style government, however admirable, is no longer appropriate today. Although in the past, under a Governor like Sir Miles Clifford—who was there for several years—much was achieved, it is no longer really suitable for the present-day

Foreign Office career pattern with appointments of two to three years. The other major conclusion I would make is that, far from the Falkland Islanders living off the British, the British have been doing very nicely out of the Falkland Islanders over many years. Far more has come back to Britain in the way of profits than has gone out in the way of new investment. More importantly, we concluded that the Chancellor of the Exchequer has, over the years, taken twice as much out in tax as has gone in in the form of aid to help to develop the Falkland Islands. This is a crucial aspect of our findings.

The people are loyal and splendid; as hospitable as one could find anywhere. But, as Bob Storey will indicate to you, they are a dependent society, and changes in the social structure are essential. We hope that our comprehensive approach may contribute to the carrying forward of an appropriate plan.

II. SOCIAL ASPECTS

R. J. STOREY

I WOULD LIKE first to touch on the quality of life in the Falklands. This is obviously affected by the huge physical problems of the islands, which should make people like myself re-examine our concepts of isolation and remoteness. The ingenuity and toughness of Falkland Islanders in coping with these problems is a lesson in itself. For instance, when we grumble about sea transport in the Scottish highlands and islands, we might consider that in the Falkland Islands virtually all goods come in in four boatloads a year!

But with rising aspirations of the young, it becomes less easy to see necessity as merely a stimulus. The most obvious difficulty for these tiny communities scattered over a vast area without roads is the provision of social services: education, welfare, recreation etc. Thus, in spite of recent improvements, educational standards are low in the Falklands. This is particularly true in much of the camp where travelling teachers come for as little as a fortnight every two months, and may have to teach in private houses. Provision for recreation is also a problem. It is not funded largely by public grants, as in the United Kingdom; and outside the larger settlements, if a community hall exists, it may be simply a Nissen hut where activities are confined mainly to a whist drive and a film show. Of course the people have interests which they pursue at home, but the lower level of education does not help. Isolation is now a burden—particularly for the women (as was demonstrated recently in a survey of recreation in the Highlands and Islands).

A related feature is the unusual structure of the communities in terms of sex and age. In West Falkland, for example, there are over twice as many men in their twenties as women. Indeed, the last census showed only one unmarried woman in West Falkland over the age of 19. Most of the young single males, many of them on short-term contracts from the UK, live together in bunk-houses. Another feature is the departure of older people to Stanley, on retirement, because houses in the camp are tied to the jobs. This is a serious social problem. Adjusting to life in Stanley is often hard for these old folk, and the gap they leave behind must be great, culturally and in other ways. The extraordinarily high incidence of divorce in the Falklands—more than one marriage in four—may have something to do with the lack of grandmotherly advice. Older people can also be politically important—as we find

➔ Mr. R.J. Storey is the Social Research and Development Officer of the Highlands and Islands Development Board.

in the highlands and islands, where local leaders are often retired people, free to give their time to affairs in their own communities. The young, too, are tending to find the quality of life unsatisfactory, as many of them made clear to us. This is not to deny that the camp is a superb natural environment for children up to their early teens. After that age camp life often fails to meet the expectations of modern youth. Young people are also critical of facilities in Stanley. A Youth Club was started there two or three years ago but the building has lain uncompleted for about two years. Incidentally, one young man pointed out to me that a factor in migration (which could soon amount to a net loss of 2 per cent per annum) is the problem of finding a marriage partner. Bearing on this is the fact that some 10 girls left in 1975 with husbands and fiancés from the detachment of Royal Marines stationed in the Islands. This represented two-thirds of the women who left the Falklands that year. However, I should also say that the Marines have played a very helpful part in other areas of social life!

Related to the quality of life is the structure of society, which in the Falklands is distinctly fragmented. There is, for instance, the group of 'expats', as they are known, who come to the islands from the UK, usually on short-term contracts. With their families, they amount to about a fifth of the Islands' population. In Stanley, they include civil servants and specialists employed by the government, and they often settle happily into local life, and contribute much to leadership. The Youth Club which I mentioned earlier was started by a UK civil servant whose contract ended before the Club was complete. Yet in spite of such contributions, expatriates cannot be expected to have the same kind of commitment to the Islands as the local people. The same can be said of the farm labourers brought out from the UK. Taking such groupings into account, together with the sense of distinction which exists between Stanley and the camp, and a general consciousness of class differences, there is a lack of social cohesion which could be a problem in achieving community actions. (One area, however, where there is enormous solidarity is the sovereignty issue.)

Lack of social cohesion may well inhibit something which is very badly needed in the Falklands, namely, a sense of identity as Falkland Islanders. At present, there is an obvious preoccupation with 'Britishness', but there are not many signs of a distinctively local culture. Some reasons for this are apparent: the Islands have not been long settled; the settlers came from different parts of Britain and were widely dispersed; and, as we have seen, a quite large proportion of the population does not have its roots in the Islands (the indigenous stock is in fact dwindling significantly). Yet the Islands have an interesting history, and it is a great pity that education has done little to pursue local themes and encourage a sense of identity. I am not suggesting that there is no local culture at all, but rather that it should be encouraged to find expression. If this does not happen, there may be a tendency to underestimate the social costs of large-scale development. Bearing this in mind, one would like to see development from within wherever possible—evolution as opposed to revolution.

This brings me to my final topic: what social features will help or hinder this kind of development? Looking back over our experience in the Highland Development Board, I can say that local confidence was crucial. It was lacking to a great extent when we started and, in my view, it is lacking in the Falkland Islands today. One reason for this has, of course, been the lack of financial aid such as we can give in the Highlands, but there are other causes which cannot be so readily overcome. One is the fragmented nature of society that I have already referred to, but much more important is the pattern of dependence which exists in the Islands. It is very

marked in the camp, in the situation of the farm workers. Materially, theirs is a comfortable situation; they receive free from the companies their meat, milk, fuel and their housing. They buy most of their goods in the companies' stores and they often save their money through the company. They do not readily jeopardize their jobs—there is no unemployment benefit. They depend to a significant degree on the company and, indeed, on the company's manager or owner, or his wife. On many of the settlements, in cases of illness, the only possibility open to a worker is to go to the 'big house' and report to the manager or his wife, who will relay the symptoms by radio to the doctor in Stanley. This pattern of dependence is no longer acceptable to many people, particularly the young. They see no way of ordering their own affairs, as, for instance, by getting a stake in the land of the Falkland Islands. Turning to Stanley, there is dependence on the Falkland Islands Government, on the Company, and often, for social and other activities, on the 'expatriate' community. For everyone, there is the dependence of a colonial situation, and on Britain for most goods, for defence and for identity; and also on Argentina in a number of important respects. The effect of all this, we would suggest, is to inhibit confidence and initiative rather seriously; for example, in regard to the kind of small-scale opportunity which would be a feature of an appropriate level of development. (Although one could scarcely contemplate crofting in the Falklands, it would be good to have people of the relatively independent status of crofters, capable of becoming entrepreneurs as we've seen in the Highlands and Islands.) Allied to this is the question of political involvement. So far as I know, there has never been a farm worker on the Legislative or Executive Councils, and little was done to prevent the disbandment of Stanley Town Council a few years ago. Apart from the trade union and the Falkland Islands Committee, which is preoccupied with the sovereignty dispute, there seems to be no popular movement concerned with local issues. A People's Party was formed some years ago, but it did not last. In our Report we have proposed the establishment of 'community councils'. (I should add that we have made numerous other recommendations on social matters, but time does not permit me to describe them here.)

If I have given a rather forbidding impression of life and society in the Falklands, let me repeat my earlier tribute to the resilience and fortitude of the islanders. These and other qualities reinforce the argument for helping them to help themselves.

III. ECONOMIC PROSPECTS

R. JOHNSON

I WOULD LIKE to begin with a few remarks about certain other features and conditions prevailing in the Falklands so that you might better understand some of the main recommendations that we put forward, and the conclusions behind these.

The Islands are, as Lord Shackleton indicated, at the southern cold limit of the southern cold temperate zone. This means that there is a low soil temperature from 2–9°C, and a limited growing season. The soil is uniformly acidic, lying as it does over sandstone and, in most areas, covered by thick layers of peat, which provides the chief form of domestic fuel for all the Islanders. Indeed, digging peat is very much a way of life for many Falkland Islanders. The low temperature, combined with the acidity of the soil, means that uniform use of nitrogenous fertilizers is

➔ Mr. Richard Johnson is a Senior Consultant of the Economic and Management Studies Division of the Economist Intelligence Unit.

wholly uneconomic, and one would have to use very large quantities of lime to remedy the acidity of the soil.

The grasses are generally poor, the white grass being very much like thin straw in quality. The other main type of vegetation is what is known as *diddle dee* which is a small shrub, rather like heather, with berries on it, which the Islanders turn into jam. There are exceptions to this. Round the farms some of the rather greener meadow grasses, which are familiar to us in the UK, are to be found, and these also exist in the valleys. Particularly distinctive to this part of the world, however, is what is known as 'tussac' (*poa flabellata*); clumps of tussac grass grow up to six feet high, and exist mainly in the 400–600 metre coastal belt, and on the small islands. They are an excellent source of winter feed, and so popular is tussac among livestock that, through uncontrolled grazing in the past and the activities of the sealers in the earlier part of the twentieth century, it has been very seriously diminished. New efforts are now being made to restore the tussac because of its great value as animal feed. (Plate IIb).

The majority of the farms in the Falkland Islands are very large indeed. There are 36 which range in size from about 405 hectares to about 157 000 hectares, with the average about 30 000 hectares, so one is talking about ranching rather than farming as we know it in this country. The sheep are chiefly a Corriedale crossbreed with a high proportion of Merino strains. Farmers have made efforts to improve the pastures by controlled grazing with many thousands of miles of fencing, by rotavation, and by planting imported grass mainly of the type known as Yorkshire Fog. These efforts have met with varying degrees of success.

It is important to realize that wool accounts for the overwhelming economic activity of the Islands. Past efforts to diversify into other forms, such as the freezing and canning of mutton and the sale of livestock, have all failed; and so far as wool is concerned, the average output has remained more or less static over the last 10 years, up until 1975. Shearing, sorting and baling of wool is carried out in special woolsheds, and the coastal ship, which visits the various settlements probably about three or four times a year, takes away the wool when it brings in the settlements' supplies.

I would just mention one serious problem affecting the Islands internally and that is the difficulty of communication. Many of the camp tracks are impassable in winter, and while we do not believe that the cost of road building could be justified on any economic scale, it is nevertheless a fact, as has been found in the Highlands and Islands, that roads serve a very important cohesive social function.

There are other unsatisfactory aspects which must be mentioned. The government machinery is limited, obviously, by the size of the economy, but it lacks the skills and the continuity to promote and implement development. If the present trends continue, with the price of wool not keeping pace with the price of imported goods, and the lack of diversifying job opportunities, emigration from the Islands, including a high proportion of young people, is likely to continue and accelerate to a point where the viability of the community becomes seriously in doubt.

We do believe, however, that the Falkland Islands are capable of development. Indeed, some of these potential developments could well be of a size which would have a very marked impact, both economic and social, on the Islands themselves.

First, the question of oil is much involved in the future of the Falkland Islands. Figure 2 shows the main sedimentary basins of the south-west Atlantic. Current opinion is that the Malvinas Basin, west of the Islands, is a continuation of a sedimentary basin stretching down to the Tierra del Fuego where oil and gas are produced today by the Argentinians and Chileans. However, the amount of seismic

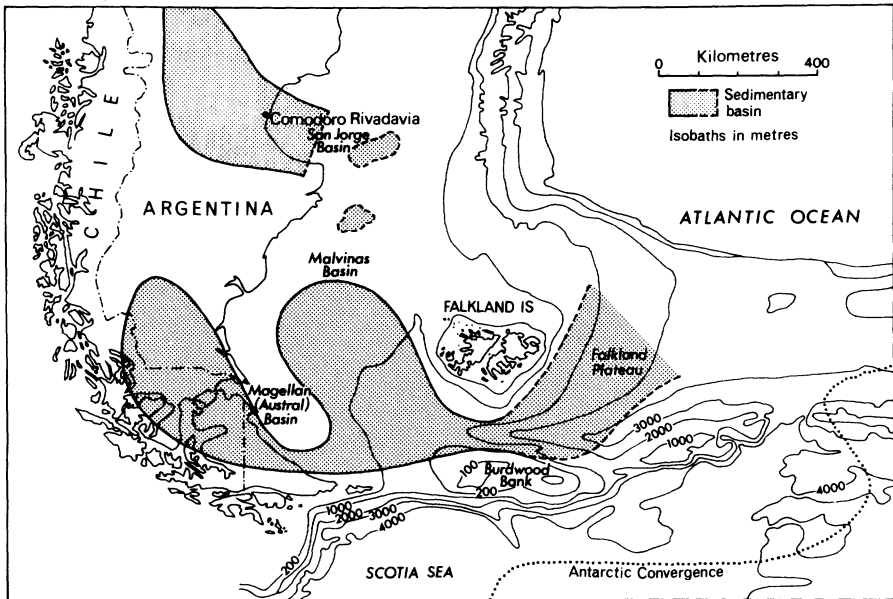


Fig. 2. Probable sedimentary basins and bathymetry of the south-west Atlantic

survey work carried out to date in the offshore area of the Falkland Islands is very limited indeed. That which has been done was carried out by a team from Birmingham University from 1971–74, supported by the Natural Environmental Research Council, and we are quite certain that there are sediments of sufficient thickness to interest oil companies if exploration licences were ever offered. However, at least another two or three years intensive survey would be needed before one could say with any certainty what the oil prospects of the offshore areas really are, and, in addition, there remains the political issue which overhangs any form of oil development, both exploration and production. It is also important to realize, that if a point were reached where exploration took place, and a field of sufficient size to justify the very high cost of exploration and production in this area were found, then it is most likely that Argentina would be the base for this exploration and production effort. It is, therefore, by no means certain that, even if such a stage were reached, the Falkland Islands would be involved. Were they to be so, it is certain that the impact on the Islands would be very radical indeed. The population, including wives and children, required to support the pipeline and transshipment terminal would have to be at least double the present size, and, of course, the bulk of new labour would be Argentinian and Chilean. We do not feel that oil, because it is both speculative and surrounded by political uncertainty, should be a major plank for the future development of the Falklands. (Fig. 2).

Fish is another resource which could be developed, potentially on a very large scale indeed. There is no offshore fishing in the Falkland Islands today, a surprising fact to many who have never been there, given the location of this particular piece of land. However, it and its dependency, South Georgia, lie close to what is probably the largest source of untapped protein in the world today. It falls into two areas, divided by what is called the Antarctic Convergence. This remarkable oceanographic feature divides the very cold South Antarctic seas from the relatively warmer waters influenced by the continental shelf of South America. The waters

north of the Antarctic Convergence are known to contain large populations of hake, croker, blue whiting, Falkland herring, and, in the coastal waters, mullet—not like our own mullet, but very edible nevertheless—and crabs. The blue whiting resource alone is thought capable of supporting an annual yield of around a million tons a year, considerably in excess of our present total UK fish catch. The area south of the Convergence is chiefly remarkable for the enormous populations of krill. Krill is a five cm shrimp-like animal, which could be harvested from these waters, and estimates of yield have been put as high as between 75–100 million tons a year. The krill contain about 16 per cent protein. To put these enormous figures in perspective, the present total world catch of all fish is about 70 million tons a year. In the 1930s, blue whales were thought to eat something of the order of 150 million tons of krill a year but, because of the subsequent exploitation of this mammal, the krill population has grown enormously. There are also other fish to be found in these waters, particularly the Antarctic cod, and those who have been lucky enough to taste it will vouch for it as an infinitely preferable species to its northern brethren.

It must be recognized, of course, that before any development can take place, more has to be known about catch rates, and naturally the price of protein elsewhere in the world will determine when the development of these resources is economically sensible. The British have a history in this area of early fisheries exploration, and in the 1920s and 1930s, under the *Discovery* investigations, much pioneering work was done; but today, Russians, Japanese and Germans are undertaking the exploratory fishing. While one cannot be certain now when and where the development of the southern ocean resources may take place, one can say with some degree of certainty that they *will* take place. Sooner or later the world will require this source of protein. The Falkland Islands could well play a part, lying, as they do, fairly close to the Burdwood Bank, and they could also be the location for a fish-meal processing plant, which might be the way in which blue whiting are exploited. Indeed the social impact of fisheries could be as great as that I described for oil. One would not expect the population necessarily to be northern European—Portuguese, Greeks, Spanish and South Americans are just as likely, and perhaps more so, to be employees of such an enterprise.

There are, however, other sources of possible income for the Falkland Islands which are more nearly on a scale with the existing economic and social structure. Firstly, of course, there must be agriculture. The present Grassland Trials Unit is performing a valuable function in trying to find means of improving the output of wool, and one of our major recommendations was increased support for this unit and the diversifying of its activities. We also felt strongly that a chance should be given to those shepherds and foremen in the Falkland Islands who want a stake in their own futures, either to lease, or perhaps to buy through loan facilities, some land of their own. It has been done—Sedge Island was settled some years ago by a man from Inverness. It is some 370 hectares in area, and there was nothing on it when he first went there, but he now supports a livelihood for himself and his family. We believe that it is very important that such opportunities be created in the future in a way that does not damage the overall economy of the Islands. There is also a great need for some diversifying in agriculture; vegetables grow very well and dairy produce could be expanded considerably. Since the largest import to the Falkland Islands by far is food, small farm development could well play an important part in reversing the trend.

Another possible development might be in alginates. These are a colloid of alginic acid used in thickeners for foodstuffs, pharmaceuticals, etc., and are found

in the giant kelp which surrounds all the coastal waters of the Falkland Islands. This giant seaweed grows anything up to 15 metres long, and, for some years past, a UK company has been interested in exploiting this resource.

Next, tourism must be considered. The tourist potential of the Falklands is of a specialized kind, for it would not have a mass appeal. For those who are interested in remote island scenery and particularly for those interested in wildlife and wildlife photography, there is a great potential waiting to be tapped. Some ships today take tourists interested in wildlife to these Islands and around them and many are amazed at the colonies of penguins which abound, there being six different species currently inhabiting the white sand beaches and the sea. There are other large colonies of seabirds, the albatross being particularly fine, as well as colonies of seals—sealing was one of the Falklands' industries until about 30 years ago. The western islands are probably the areas of greatest interest, though by no means entirely so. Occasionally yachts visit the Islands but this is rather exceptional. For several reasons, investment in the Islands is needed in order to stimulate tourism. Hotel facilities will have to be expanded for there is only one hotel existing in the Islands today, the Upland Goose in Stanley where we all stayed. In particular there will have to be chalet development on some of the areas of interest, and improvement in communication between the Islands.

There is also the possibility that small industries and crafts, such as knitwear, could be expanded but there would have to be further feasibility studies made of them if they are to be successful. The distance from the markets is a very real constraint to economic development in the Falkland Islands.

None of this development is likely to be on any significant scale unless there are improvements in the external communications, particularly, of course, the lengthening of the airfield to allow it to take short-haul jets from South American major cities such as Buenos Aires, Montevideo and Rio de Janeiro. Although from our cost-benefit analysis we could not with certainty justify in economic terms this expenditure, which amounts to some 3.5 to 4 million pounds, we can say with certainty that, without it, development in the Falkland Islands is likely to remain limited. Internal communications also need to be improved. Roads, as mentioned above, could be important in improving the quality of life for Falkland Islanders, though they are expensive. In the long term, to encourage people to remain in the Islands, the social infrastructure must be improved, particularly education.

It is also important to recognize the need for very careful environmental control and conservation of the magnificent natural resources in the Islands, and in our report we have put forward several recommendations which should help to achieve this. We also carried out studies in many other areas, including the scope for wind power, the provision of banking facilities, fiscal measures, government finance, manpower considerations, to name but a few.

But to achieve any of this to a significant degree in the future, and in a manner likely to be of maximum benefit to the Falkland Islands, there must first be aid from the UK. As Lord Shackleton mentioned, the people of the Falkland Islands have not been living off us in the past, and in fact the contrary is true. With this knowledge behind us, we put forward a development programme involving capital expenditure of between three and five million pounds, of which the airfield extension was by far the major item. Continuing expert opinion must necessarily be provided through UK aid, and the fisheries exploration would need to be supported by something in the region of one to one and a quarter million pounds. But the latter is a long-term consideration, and perhaps to some extent outside the context of Falkland Islands development. It is to do with the development of a major

resource of the world, which will be needed at some stage in the future. In the second place, there must be a response and commitment to the future, not only from the Falkland Islanders themselves, but from the companies who operate in the Islands, both those resident in, and particularly those resident outside, the Falkland Islands. And lastly there must be encouragement and greater involvement from the Falkland Islands Government, and for this to take place we have recommended changes in the government structure which will provide some of the skills, and particularly the continuity, necessary for the future.

IV. VISIT TO SOUTH GEORGIA; END OF THE MISSION

LORD SHACKLETON

IN CONCLUSION, I would like to pick up a number of observations and re-emphasize certain points.

A major feature in our Report is the proposal for constitutional and organization change. In considering this, we took account of experience in local government, particularly in Shetland, where a strong chief executive has been able to make an important contribution to the prosperity of Shetland. Another major point we must emphasize, as we have done in our Report, is the vital need to enforce strict measures of conservation and we have also suggested that the Falklands could provide a valuable and satisfactory source of research for some university or universities.

Of course, it is perfectly clear that the Falkland Islands could develop much more rapidly through cooperation with Argentina, but it is also our firm view from a genuinely uncommitted stand-point that, with sufficient will and determination both on the part of the British Government and the Falkland Islanders themselves, there is a real prospect of a good future for them.

I would like to end by referring to the very remarkable experience some of us—and I in particular—enjoyed; a touch of nostalgia and sentiment when we visited South Georgia.

South Georgia is, of course, a dependency of the Falklands. It lies on the other side of the Antarctic Convergence and, although situated in the same latitude south as Manchester is north, it has an Antarctic climate totally different from that of the Falklands. It is an area where, in the past, much of the whaling has taken place—and where, in the future, the harvesting of krill may contribute to world living standards, for Antarctic krill is the most important untapped source of protein in the world.

We sailed in *Endurance*—almost, I felt, our own family ship, for it was named after my father's ship which was crushed in the ice. We landed by helicopter at Elsehul where the wild life is fascinating—hundreds of baby seals, penguins everywhere, and the most enormous rookeries of albatrosses. As we sailed down the coast, we could see the glaciers coming down under the clouds, right to the sea.

South Georgia is one of the most dramatically beautiful places, with mountains like Mount Paget, whose snow peaks tower 2750 m above sea level. We visited the British Antarctic base in South Georgia, where we were well entertained. This is one of the main bases for that extremely important scientific work that is carried out in the Antarctic on scientific survey. We visited Grytviken, the old abandoned ghost town and whaling station. There are other ghost towns full of the ghosts of dead ships, whale catchers and others.

While we were in South Georgia, the Base Commander and the Captain of *Endurance* arranged a rather moving little ceremony by my father's grave (Plate I). We arrived early and I went ashore to look at the grave in the old whalers' cemetery. There I found a member of the British Antarctic Survey, with a pot of paint and some planks, mending the fence, which had been knocked down by a sea elephant during the night, in time for the ceremony.

When the helicopters had been landed from *Endurance*, it seemed to the Captain and myself to be a marvellous opportunity to fly over my father's route when he crossed South Georgia at the end of his boat journey after the *Endurance* had been crushed in the ice. Alas, when we took off in the helicopters, the weather closed down and we weren't able to continue. We had intended to fly to King Haakon Bay, which is where my father had landed. If he had encountered similar weather, it might have been impossible for his famous crossing of South Georgia to have been completed.

In conclusion, I would like to refer again to our Report—over 400 pages—and to express the hope that action will be taken to implement the many proposals we have there set forth.

DISCUSSION

Evening meeting 15 November 1976

THE CHAIRMAN (Sir Duncan Cumming): Lord Shackleton needs no introduction from me, since he was a very popular president as recently as from 1971 to 1974. As a statesman, Lord Shackleton has held the offices of Lord Privy Seal and Leader of the House of Lords, but tonight he speaks to us in his role as an explorer. He received the Society's Cuthbert Peek award in 1933 for his work in Borneo and his writings include books on such very different environments as Arctic exploration and the Borneo jungle. In the Falkland Islands he was, of course, close to South Georgia, where in May 1916 his father, Sir Ernest Shackleton, ended the epic journey to save the lives of the survivors of his sunken ship, *Endurance*. Tonight Lord Shackleton will tell us about the findings of a team he led to the Falkland Islands earlier this year. He will be joined in the lecture by two other members of the team, Mr. Richard Johnson, of the Economist Intelligence Unit, and Mr. Bob Storey, Social Research and Development Officer of the Highlands and Islands Board. The team has already published a comprehensive two-volume report, which Lord Shackleton has kindly donated to the library of this Society, *The Economic Survey of the Falkland Islands*. It is full of information about these distant British dependencies and it contains a very detailed list of recommendations for the Islands' future. I can recommend it wholeheartedly to any geographer or anyone interested in the problems of economic development of these remote places.

Lord Shackleton and the members of his expedition then gave their lecture.

The CHAIRMAN then offered his warm thanks to the speakers, and called upon the Earl of Lauderdale to propose a vote of thanks on behalf of the Society.

THE EARL OF LAUDERDALE then thanked Lord Shackleton and his team for their most interesting lecture.



Memorial service; Grytviken, South Georgia 14 January 1976. Lord Shackleton at his father's grave

PLATE II



(a) Small settlement on New Island



(b) Tussac grass, Falkland Islands