

REVIEW

THE UNCERTAIN FUTURE OF THE FALKLAND ISLANDS

[Review by David J. Drewry* of *Economic survey of the Falkland Islands* (compiled by the Falkland Islands Survey Team under the chairmanship of the Rt. Hon. Lord Shackleton, and prepared by The Economist Intelligence Unit Ltd), London, Her Majesty's Stationery Office, 1976, 2 vols, 454 p. £8. (Vol 1. *Resources and development potential*, 344 p; Vol 2. *Strategy, recommendations and implementation*, 110 p.)]

The Falkland Islands lie in the South Atlantic, between 51° and 53° S, roughly 500 km east of the South American mainland: a colony 12 000 km distant from the United Kingdom. They cover an area of approximately 12 000 km², and their dependencies include the South Sandwich Islands, South Georgia, and a few other small islands. The population, almost exclusively of British origin, numbers about 2 000, distributed in a ratio of 55:25:20 between Stanley (the capital) and 'camp' settlements in East and West Falkland. The principal, almost sole, economic activity is wool production for the UK market. In recent years both population and economy have declined. The majority of investments by islanders and the Falkland Islands Company has been made outside the islands. In future years it appears likely that the situation will be exacerbated, with the Falkland Islands government finding it increasingly difficult to remain solvent.

It was against this background that the necessity for Lord Shackleton's survey emerged and its terms of reference developed. These were to review the resources of the islands and dependencies and evaluate prospects for future growth. In addition the fiscal, constitutional and social structure of the colony were to be examined, although the latter two aims were not specifically included in the original brief. Recommendations for economic improvements were to be made and their likely impact assessed. Consequently, the Shackleton group visited the islands in early 1976 for a period of approximately four weeks. The report, 454 pages long and in two volumes, was produced within five months—a considerable achievement. The survey is highly readable and absorbing; it should be examined by all those interested in the future of the islands. Volume 1 sets out, in clear style, the present socio-economic status of the Falkland Islands, supported by a considerable body of statistical information. Two minor criticisms are that graphs and diagrams would have told the story more clearly and concisely than the tabulation of data, and that for most readers the lack of consistency of units will make ready comparisons difficult.

The proposals outlined in Volume 2 (which begins with a summary of Volume 1) seek a sharp increase in the level of all sectors of activity in the Falkland Islands—further research, for example, exploration, investment, commercial enterprise—with the emphasis laid on short to medium-term development. The proposed measures are claimed to be essential to secure the islanders' present standard of living and quality of life, and to reduce economic dependence upon a few, principally agricultural opportunities. An immediate investment in the islands (essentially from UK sources) of £5.4 million is called for over the next five years. Although sizable, the same sum has been transferred from the islands to the benefit of the UK during the last 20 years. In the paragraphs below, some of the principal points of the wide ranging development plan outlined in Volume 2 have been picked out.

For agriculture, significant improvements and diversification are requested. To achieve them the report suggests expansion of the Grasslands Trial Unit, the establishment of an agricultural department and the encouragement, by provision of financial and other machinery, for greater farm ownership/tenancy, and a consequent trend towards smaller farming units.

The report recommends encouragement of local industries and crafts such as sheepskin pickling, skin processing, weaving and knitwear, and meat freezing. Tourism is seen as an important potential growth area. Introduction of a comprehensive banking service is given high

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priority together with incentives to allow easier development of such enterprises by the investment of local savings.

On a longer time-scale the report concentrates on the islands' offshore resources—principally kelp, fish and krill. Inshore, kelp is abundant and suitable for the production of alginates (used in many industrial processes such as the manufacture of pharmaceuticals, foodstuffs, textiles). Plans already formulated for investment in a factory, annually producing 5 000 tonnes of dried kelp, are encouraged, but will probably have to await an upswing in currently depressed world demand.

South of the Antarctic Convergence (around the dependencies) nutrient-rich and highly productive surface waters support enormous populations of krill. It is possible that in the foreseeable future this shrimp-like creature could constitute a protein supply of global significance. Stock levels and marketing techniques are already being investigated by Japanese, Soviet and German groups and the report recommends active UK involvement in this research.

Some of the best possibilities for the future, however, are seen in the development of the fish potential off the shores of the islands and on Burdwood Bank, where there is a rich harvest of hake, Blue Whiting, croaker and Falkland Herring to be gathered. Exploratory survey followed by a pilot development scheme, costing in the region of £7–8 million, are required in advance of any longer-term, and internationally agreed, commercial exploitation.

Offshore minerals, especially hydrocarbons, may be present in quantities sufficient to be attractive commercially. The current state of knowledge of sedimentary basins of the South American continental shelf and slope is, however, minimal and considerable future geophysical exploration will be required prior to any prospective exploitation. Future developments in this area are seen to be critically dependent upon bilateral negotiations with Argentina.

A factor crucial to future sustained development of the Falkland Islands' economy is the provision of improved transportation. At present a permanent airfield is being constructed at Cape Pembroke, near Stanley, to replace the temporary strip operated by the Argentinian government. The length of the new runway is insufficient, however, to take the majority of short/medium haul jet aircraft. The report strongly recommends that the highest priority be given to extending and strengthening this new runway. Costs are estimated in the region of £4 million.

Changes to the Falkland Islands government service are considered vital for effective implementation of the proposals. The report stresses the need to create new senior posts, including those of executive and development officers whose roles would be to initiate, co-ordinate, guide and implement a future development strategy. Closer links are proposed with the Falkland Islands Company (now a subsidiary of the UK-based Charrington, Gardener Locket Group) in consideration of the dominant role it plays in the islands' economy. Direct government involvement in formulation of the company's policy is requested.

This substantial report all too briefly outlined above may be viewed in several ways. An immediate impression is that it represents an up-to-date survey, of reasonable thoroughness, regarding the resources and potential of the Falkland Islands with an outline strategy for future development. In another sense Lord Shackleton's dossier can be interpreted as a clear warning that a significant watershed has been reached in the history of this minor British colony, and that decisions of far-reaching magnitude may soon have to be taken. The choices available are not spelt out, which is a pity; and much has been left unsaid. Nevertheless the options, possibly unpalatable, are clearly implied.

To ignore the recommendations made in this survey and maintain the present economic, social and government posture will inevitably lead to an accelerated decline of living standards and the social infrastructure. The report indicates that, unaided, the islands are powerless to command the necessary investment capital, expertise and organizational machinery to offset this process. A natural consequence may well be a growing dissatisfaction among islanders and a marked increase in emigration. It is possible to foresee that, within a generation, the islands may become effectively depopulated, reverting to a territory occupied solely by a few UK military and scientific establishments.

Yet, to implement the Shackleton strategy may well lead to equally dramatic changes. It appears likely that demands for substantial economic diversification and increased commercial activity must result in irrevocable alterations to the composition of the small population of the

islands and possibly to their political status. At present there is almost no pool of unemployed skilled manpower. Even some of the more modest, short-term measures suggested will require imported labour. Instigation of any of the vital medium-term projects, such as offshore fisheries development, would result in a substantial influx of workers. Most of them would be from nations other than the UK, and in particular from neighbouring South America. The urgent requirements for improved communications must of necessity lead to closer ties with South American nations (especially Argentina), who will be primarily responsible for operating air and sea services to the mainland. Any implementation of the Yacimientos Petroliferos Fiscales (the Argentinian state oil company) fuel agreement will also induce closer co-operation with Argentina. Indeed Argentina has already built, at its own cost, bulk storage oil facilities near Stanley. In the event of any movement towards the development of potential offshore hydrocarbon resources, close collaboration with Argentina is mandatory, and it is likely that concessions will have to be made in order to secure a mutually beneficial settlement.

In conclusion, it is the reviewer's opinion that the report holds bleak comfort for those who wish to see the survival of the Falkland Islands community in its present state. Although a commitment may be forthcoming from the UK to assist a prospective development strategy, its success will surely depend upon the degree of support given to it by the islanders themselves. In any event it must be recognized that the future of these islands is uncertain and that radical changes lie ahead.

[*Economic survey of the Falkland Islands* has already been the subject of fierce controversy and will doubtless continue to provoke strong reactions. The editor would welcome comments from other readers of the report, in particular from those who could be most directly affected by its content—the islanders themselves.]

THE GEOLOGY OF GREENLAND

[Review by David Matthews of *Geology of Greenland*, edited by A. Escher and W. Stuart Watt, Copenhagen, Grønlands Geologiske Undersøgelse, 1976, 603 p. DKr 195.]

This compilation on Greenland geology has been long-awaited. Published by Grønlands Geologiske Undersøgelse (GGU), it is a comprehensive review of the current state of knowledge and understanding of this complex land. Although it is acknowledged in the preface that the work has been some years in preparation, revision and amendment of most of the contributions up to 1975 or, in isolated cases 1976, has been miraculously achieved by the editors. This is, in fact, the first comprehensive geological work on Greenland since Lauge Koch's *Stratigraphy of Greenland* (1929), other recent volumes being more restricted in scope and confined to specific topics. It draws on the immense amount of data stored in *Meddelelser om Grønland* and other journals.

The book is an edited collection of contributory chapters written by specialists on individual aspects of Greenland geology; most of the contributors are present or past staff members of GGU. Presentation varies a little from chapter to chapter, but in general each contains a major statement and review of current information, including some new and original data, followed by an interpretation, which tends to be more personalized but is none the less valuable for that.

The study of the Precambrian in particular has, over the past decade or so, received a major boost from work in Greenland, thanks to the magnificent rock exposure and relative ease of access in southern Greenland. It therefore seems right that almost one-third—nearly 200 pages—of this book is devoted to the Precambrian. Archaean rocks, including the Amitsoq gneisses, currently among the oldest known in the world, are described and figured in detail, together with the layered complexes and associated supracrustals. A structural synthesis is provided, but as yet no overall theory of crustal genesis. The latter is no doubt partly due to lack of comparable data from elsewhere, but is likely to materialize within the next ten years.

Similarly, the later Precambrian, post-Archaean areas preserved in the various mobile belts, the Nagssugtoqidian (separated into east and west Greenland areas), Rinkian, Ketilidian, and the Gardar period with all its exotic igneous rocks, are each accorded a chapter and reviewed in