

Confidential
No. 21.

1917

Sec. of State

(SUBJECT).

1917

8th May

Whaling. Transfer to Messrs. Salvessen of
whaling business of the Cia. Argentina
de Pesca

Previous Papers.

G.N. C 45/17 Cs. 590/17. 1016/16. 286/16. 383/14. 196/15. 247/14

(MINUTES).

Minute from Governor asking for observations
on proposed transfer - & enclosing copy of
S/S's despatch. 13. 8. 17 } vide
G.N. C. 45/17.

Minute to Governor 13. 8. 17

Minute from Governor. 6. 12. 17
Covering copy of S/S Confidential despatch of 22nd Oct. 1917.

H. E. / many thanks. Noted.

Issu. D. / W
6. 12. 17
C.S. / S.
6. 12. 17.

Subsequent Papers.

No. C 69/17.

FALKLAND ISLANDS.

CONFIDENTIAL.

*Hon Col Secy.
For your information
D.
W*

Downing Street,

22nd October, 1917.

6.12.17

Sir,

I have the honour to acknowledge the receipt of your despatch No. 76 of the 16th^{of} June last, enclosing a copy of a Minute by the Colonial Secretary on the subject of the grant of whaling licences to Messrs Salvesen and Company.

2. The position which this firm has attained in the whaling industry has not escaped my notice and the matter was referred to in my confidential despatch of the 16th June, 1916. But as was pointed out in the last paragraph of that despatch there is little prospect that any additional firm entirely British in character will wish to enter into the whaling business so long as the war lasts.

3. It is not proposed that Messrs Salvesen should be granted any new whaling concessions of a permanent character beyond those which have already been made or promised to the firm, but so long as the war lasts it is essential in Imperial interests that the governing consideration should be the maintenance of the output of whale oil and this consideration may make it necessary to allow Messrs Salvesen and Company to acquire a stronger position than would otherwise be desirable.

4. I appreciate the danger's to which Mr Condell's Minute calls attention, but I find it difficult in existing circumstances to see what remedy can be applied.

I have, etc.

(SD) Walter H. Long.

GOVERNOR

W.D. YOUNG, ESQ., C.M.G.

&c., &c., &c.

C. 21/17.

H.E.,

Y.E. has asked me to submit any observations I may have to offer on the proposed transfer of the whaling business of the Compañia Argentina de Pesca to Messrs. Chr. Salvesen and Company. I have consequently the honour to submit :-

(A) I think it is extremely desirable that our whaling leases and licenses held by foreign companies should, as opportunity offers, be transferred to British Companies, because

(a) in general, experience gained during the last few years has made evident the grave disadvantages and even dangers that result from allowing the sources of necessary industrial supplies drawn from British Colonies and Dominions to be controlled by aliens,

(b) in particular, foreign companies being outside the taxing jurisdiction of British authority escape the payment of such taxes as that on "excess profits", that thus there is a direct loss to the Treasury on the one hand, while on the other the foreign companies are placed in a privileged position as competitors vis à vis British companies. This is a point, it seems to me, which will be of great importance after the conclusion of the war when we shall be engaged in rebuilding our financial position.

(B) At the same time I am inclined to the view that were it possible to transfer the business of the Compañia Argentina de Pesca to some British firm

other

other than that of Messrs Salvesen and Company it would be preferable that this should be done, because

(a) the firm of Messrs Salvesen and Company is of non-British origin, and has, on more than one occasion since the war began, shown a spirit which does not appear to me that of a British firm giving to Imperial interests the consideration which is their due; see, inter alia, the subject matter of the S. of S.'s despatches Nos 47 of 18.4.16., and 41 of 10.4.15,

(b) chiefly and from a general point of view it seems to me, as I stated in my Minute of 15.6.17 in M.P. 590/17, that Messrs Salvesen are trying to create for themselves with regard to the whaling industry &c. a position, in this Colony, similar to that which Mr Lafone and his successors the Falkland Islands Company Limited managed to create with regard to, first, the cattle, and, then, the sheep industries on land, and that if care be not taken we shall find Messrs Salvesen very shortly in a very strong position. The S. of S. has, I know, stated that this point of view had been noted at the C. O., but at the same time the war and the British nationality of the firm seem to me to be carrying things very far. I am strongly of the opinion that other British firms should be given whaling facilities and that the ~~whaling~~ activities of Messrs Salvesen should not be unduly encouraged. Past correspondence re the

Falkland

Falkland Islands Company shews the danger of an
"imperium in imperio"; we do not want another.
In conclusion I may add that I presume that the
special permission to sell in Argentina which has been
accorded to the Compania Argentina de Pesca would not be
continued if the business of that Company were trans-
ferred to a British firm.



13th August, 1917.

Colonial Secretary.