

SGA/WHA/6#8

SG / 1 / 3

VOL. 1

See Vol. 2

**CLASSIFICATION** .....

GROUP .....

SUB-GROUP .....

SUBJECT SOUTH GEORGIA LEASE  
OF WHALING STATIONS

OFFICER DEALING .....

**ARCHIVE**

FILES SG-111

FILE OPENED 14-7-78

FILE CLOSED .....

Miss		
Lawrence		AC
Miss		14
L.	→	
Del.	73.	
Pa		

Cost of Value



Bu 1/5

B/W 1 June 74

*[Signature]*

B/W 1 AUGUST 1974

*[Signature]*

Ag.C.S.

Whilst drafting the 1974/75 South Georgia Estimates I find that Messrs Albion Star have not paid any land rent in respect of their station at Grytviken, South Georgia since the year ended 30/9/71.

Do you know if these charges have been waived. If not can Crown Agents be asked to collect the outstanding rental due please. Rental is £500 per annum.

*[Signature]*  
Ag.F.S.  
25.7.74.

B/W 20 AUGUST 74 ✓

A.18 / *[Signature]* 20 Aug

Will write from my A. P. / Please ask the

Crown Agents to collect

B/W 15 SEP 74

*[Signature]* 14 Aug 74  
*[Signature]*

Q. 2.

If the building containing the dangerous explosives is on land leased by Albion Star Ltd that company is strictly liable for any damage caused by an explosion through their own fault; but little hope is expressed of payment of compensation for damage by the company. Even if the dangerous explosives were destroyed by M.O.D Albion Star does not appear to be in a position to pay the expenses or any resultant compensation.

2. Even if the building in which the dangerous explosives are stored is outside their leased area Albion Star must possess some authority to store explosives there and if an explosion is caused by deterioration Albion Star could not claim compensation for any damage sustained by them.

3. As Albion Star has not paid rental for the past two years and if they fail to do so upon demand Gov. has the right of re-entry on non-payment. Gov. could then destroy the dangerous explosives and recover some of the cost by selling the Station to Salvesen.

4. Time is now the principal consideration and as it appears Albion Star has no intention of destroying its dangerous property, I think M.O.D should be asked to destroy it; provided sufficient Dependencies funds are available. Albion Star should be asked to signify their approval (in writing) of any action on the part of M.O.D. and renounce all right (if any) to compensation as a result of M.O.D. action. Such action should be taken before the lease is transferred unless Salvesen agrees to accept responsibility which is hardly likely.

5. There is also the question of insurance against claims for compensation; but I understand this is quite a problem where dangerous explosives are concerned.

6. The Explosives Act 1875 which applies to the Dependencies by virtue of section 14 of the Interpretation and General Law Ordinance of the Colony would give M.O.D some protection against liability for damages in the circumstances.

H.B.

6. IX. 74.

C.S. - PSALR  
DOR 3.10.74

To see this file please.

16. 9. 74.

R 9  
B/W H NOVEMBER 74

24/10/74

Bu 10.10.74 (304)

Bu 17.10.74

Bu 30/10/74 (304)

10

DCS  
AS

Account pp 306 or 310 spi.

on  
5/3/11

11

Seen, t.y. *John*

14.11.74

12

C.S.

seen Hawk 70m.

14.11.74.

13

R.

PLA

on  
5/17/11

14

R. Pl. attach 'connected file' station to the 2  
Albion Star files as well.

on  
5/17/11

15

R. H. n.

on  
5/29/11

5/29/11

(X EN202)

BU. 27.1.95



16

P.S.

I attach a receipt for H.E.'s signature

ch

21/2/75

17

PS

Do we yet know the firm cost of the work? How is the amount of £12,500 arrived at?

Shu

18

P.S.

no. maximum estimate of £10,500 is given

at 298 level.

ch

27/2

19

PS

S/P at centre wh. it is in order for GE to sign. This is maximum 'worst case' contingency provision and is reclaimable from the losses of Symbion S.G. It arose a recent operation by Lt. Col. White to dispose of dangerous explosives left at Symbion.

Shu  
28/2

P.S.

Warrant signed

20

Shu  
1/3

21

CS,

Do you want to action 213 before FS

See the file

Susan

22

K No. to FS then no pt.

5/3

23

b. D.

Noted, t. y

at

7/3

24

AS  
(213) Pl. trace papers on these leaves  
and speak.

9/3

25



RESTRICTED

25

CS

SOUTH GEORGIA - WHALING BASES

1. I should be grateful for your advice and/or a draft reply to WIA department's letter to me about the sale and transfer of the leases of certain of the whaling bases in South Georgia.
2. If a substantive reply is likely to require further study I think we should aim at some interim response by the next bag to FCO.



N A I French

24 March 1975

26

AS  
Pl. speak w. files room.

26  
25/3

27

Susan,

would I have the files pl.

28  
25.3.75

28

29  
May consider draft at once  
29  
26.3.

29  
B.S. - May hands. Reply to Sue  
with a few amendments.  
27/3

RESTRICTED

30

30.

7.5.

Para 10 of (213A) and para 6 of (216) how  
you say whether our claim on Brandts'  
i. r. o. the clearance of explosives at  
Lugstücken is being satisfactorily processed pl?

2. would you agree that we should advise  
C/AA of any local changes in the matter?

§

7 C.S.

29.5.75.

31

PS to HFE

(220) May / pl see letter  
HWE/7/7 - 24/4 pl?

30/6

32

R

Divide intro. 1. Pushing Policy +  
hard Policy.

33

ES  
AS

(224) Brandts have received (+ paid)  
the claim?

34

24/8.



L. S.

It appears from (224) that  
the F. B. O. will be submitting the claim  
either to Brackets or Nelson's.

2. In order that the issue is  
not confused I have sent a claim for  
the charges which have appeared in our account-  
to the F. B. O. for correct transmission. Please  
see (227).

3. We have not yet received a claim  
from the Ministry of Defense for the cost  
of the three men disposed of and it  
may be that this has been submitted direct  
to the F. B. O. I have mentioned this in  
the last para. of my letter (227) to  
Miss Hart.

Please see

(228) + (229)

35

at

J.A.

3/9/75

76 Enquired whether FIG had been paid for the  
cost of destroying the explosives at South Georgia.  
We have not yet. FS has now written at (227) to  
COO.

5/3/79

ES  
6.8

36

Thank you I think  
of Keeling has fallen over  
your Hunt's Jellands duties

St  
5/9

37

B. A.

Noted thank you. He should know that will  
pass my letter on to Mr Keeling.

4/9/75

38

ES

(232) In with like action at 4/9?

5/6/9

39

B. A.

Action taken. Copy of the claims requested  
at 8 is at (233).

2. I have authorised payments to MOD  
re B. A. S. by telegram.

3. I have sent a copy of (233) to Mr Keeling  
for info.

St  
B. A.  
18/9/75



40

Hy. C. S.

(234) . you have received a reply - pl?

28.5.76

26th 28/5

Bu 11.6.76

141

CS Please see minute above.

Grateful for advice on reply to FCO Tel.  
No. 288 (attached).

Plister 3/6.

42

RSC Pl. see 4 & 235. Will you kindly  
let me know what conditions attach to  
registration of companies in S.G. if such  
conditions differ from those for companies  
in the Group.

I believe you may have a file on Salvagers  
&/or Brandt's. From these can you say whether  
the companies are wholly - British owned?

58/6.

NOTE for Registry. This is not the correct file for  
these papers. Pl. discuss w. DM.

58/6.

B. S.

Salserens is a British registered company with registered offices in Edinburgh.

2. Overseas companies are only obliged to file a copy of their memorandum and articles of association, a list of directors and the name and address of some person here authorised to accept service of process here ~~acting~~ on behalf of the company, with the Registrar.

3. I believe Salserens to be a British owned company but my file was lost in the fire which destroyed the Town Hall.

4. Brandt Nominees Limited are of 36 Fenchurch Street, London, and hold all but 2 shares in Albion Star (South Georgia) Ltd., which has registered offices in South Georgia and its register of members in Gibraltar.

5 The conditions of registration in South Georgia are the same as in the Colony. The Companies at Private Partnership Ordinance as amended applies to S. G.

R.B.

10.VI.76.

44.

Draft let at contrs.

5.11.76

45

C.S.

Thank you.

Tel. let

issued under some

amplification

17/6

46.

C.S. Please see J.C.O.'s tel. No. 370 of 11 August. Where do we now stand

over the account for detonation of explosives and the rent for year ending 30/9/76

12/8



47

FS.

Pl advise on 4625th 17/848

C.S.

Recd note that copies  
 of the documents a Letter  
 have been sent to the  
 J.C.O. by today's bag  
 (Thursday 26/8) in  
 response to a telegraphic  
 request.

26/8

49

Recd C. J.  
 H.B.  
 1. IX. 76.

CS

RSC will wish to consider the draft new lease sent with Mrs Brookfield's letter ALW 153/1 of 1 Dec. ? (attached)

*J. H. H. 20/12*

51

RSC and AS

Will you kindly look at the draft lease attached to folio at centre. As this has been prepared by Government's Legal Adviser we may assume that it is legally correct, but I shall be grateful if you will please advise if there are any points on policy that we would wish to have incorporated into the agreement.

*CS*

1.5.77

52

C. S.,

I understand the land referred to in para. 2 and the Second Schedule to be at Hurvick Harbour and Strommers Harbour in Strommers Bay.

2. Personally I prefer the use of the words "land at the Harbour" to "land in the Harbour".

3. Reference to "the Land Ordinance 1949" should read "the Land Ordinance (Chapter 36)".

J.P.B.

10.1.77

53

CS 50, 51, 52, ~~53~~ above, and letter/lease at centre.

H.E. has been asked for urgent views on these leases. Grateful if you could let me know by phone if they are acceptable to FIG in principle, & also in detail - subject to the minor points noted by RSC at 52.

Incidentally, the auditor's called today for this file, which we asked for yesterday 7/3

*J. H. H. 8/3*

Auditor's  
call  
8/3

DG/ *Ranks*

54

Reference your minute 53. My comments on the leases are distilled into folios 217 and 220 which I drafted. I see nothing in the leases at variance with 220 and therefore subject to the changes proposed by RSC at 52 I think we should agree.

*[Signature]*  
C. S.

8-3-77

55

NOTE:

Not sent

*[Signature]*  
17/3

CS

*FCO have been sent copy of lease with  
RSC's amendments incorporated*

*[Signature] 9/5*

CS - ref (249) at centre

HE would prefer that the Secretariat deals with the leases. He understands that you have no objection to the leases if they incorporate RSC's minor amendments (written into the attached photocopies), and suggests that you send the amended versions to Miss Brookfield or Dr Heap saying you have no objection - if that is the case.

In an unreferenced letter dated 25 February to HE, Dr Heap also enclosed some papers received from Mr H Martinsen of Marine Resources and Development SAM of Monte Carlo. These were sent over to the Secretariat earlier. You might also wish to mention to Dr Heap any action taken on these?

*[Signature]*  
G J A Slater  
26 April 1977

56

AS

Please see 55 above. RSC has already commented on the leases; the only point <sup>that</sup> appears to be worth further consideration is whether the charges are high enough. Please obtain FS's advice. I will then write to Miss Brookfield.

2. Will you please deal with the letter from Marine Resources & Development SAM of Monte Carlo.

*[Signature]*  
C. S.

26.4.77

57

FS.

*For your advice as indicated in para 1 of 56 above pl.*

*[Signature]*  
C. S.

30.4.77

DE 19/7

SOUTH GEORGIA LEASES

These papers have been recovered. You will note there was a small point we were hoping to clear with FS whether the charges for the leases are high enough. I think we should agree to them as they are.

2. We should now reply to FCO that leases will be prepared and dealt with here, and they can now forget about the matter. I have accordingly put a draft at centre,

CS  
19.7.77

59

RSC

S G Leases

You will note from folio 254 that the leases for the bases at South Georgia will be issued from your office.

2. You have seen the papers in the past and I believe there is adequate information in the draft leases and in the minutes to enable you to go ahead and prepare leases for HE's signature. However you may wish to discuss in advance.

3. Mr Browning has commented that it might be prudent for us to insert a clause in the lease for Grytviken safeguarding government's property bought from Brandts who are the agents for Albion Star, the former owners.

C. S.  
25 Jul 77

60

B.S., I have typed the new lease and copy attached hereto.

2. A further typed lease is required so that Government and Salvarens may each have an original but as I am a little pressed at the moment I would be grateful if one of your typists could undertake this task.

3. Regarding Government's movable property at the Grytviken Station, I think this matter could best be dealt with by exchange of letters.

B.B.

1. VIII. 77.

61

Mrs Booth

You will note from 60 that the lease at centre has to be retyped. RSC is without his typist and would you please therefore arrange for one of the office typists to make the requested copy on suitable paper.

2. There is no present need of urgency about these and they should not take priority over other typing please.

CS 2.8.77



RSC

62  
Your minute 60. The additional copies of the leases have now been typed. Presumably it is now in order to send them to Salvendy to be executed. If so, perhaps you could prepare a rough draft. There is no great urgency about this.

C. S.  
18 Aug 77

62

C. S., Draft attached pl.

2. The leases should be signed by J. B. and sealed before being forwarded to Salvendy.

J. B.  
22. III. 77.

64

Mr McMillan

Will you please see Mr Browning and obtain his advice on how the attached leases should be prepared for signing and delivering by H.E. and then prepare the documents accordingly and re-submit to me.

C. S.  
23.8.77

65

C. S.

Lease at centre (in triplicate) submitted for signing pl.

J. B.  
22. 9. 77.

66

65

P. confirm that it is in order for HE to sign first.

5/23/9  
67

D. C. S.

65-66. The R.S.C. has now advised that it is

immaterial which party signs first, but suggests

that it would be quicker and easier  
if the Acting Governor signed first and  
the deeds were then sent to Britain  
for completion.

2. Papers re-submitted please.

68  
7.10.77.

Y.E. 7/10

67 RSC advises that Y.E.  
should sign first which would  
be quicker and easier.

2. If Y.E. is able to state a time  
I'll call and witness Y.E.'s signature.

7.10

69

14.12.77  
Dec 2.11.77.  
(255)

RSC

I should be grateful for your comments  
+ advice on the points raised in Folio 251

107.

70

C. S.,  
When I wrote 63 I was under the impression that  
the draft leases had also been forwarded to Salvador.  
1. The term of years should commence on the date  
the remainder takes effect.  
2. The leases were originally drafted by Mr. Cooke.  
3. The second proviso to clause 2 is clear to me  
except that the word "way" appears to have been omitted  
between "as are in arg." and "by these provisos". It provides  
that the covenants, provisions and agreements of the lease in  
question will be included in any renewing lease and this  
includes an option for renewal.

J.P.B.  
12.1.78.

C. S.

I have prepared the attached paper in accordance with J.P. E.'s instructions, pl.

J.P. B.  
22. III. 78

72

VE J.P.C.'s paper, at centre, for your consideration.



73

J.C.S. 20th 17/5/79

He had just signed the documents, terminating the Albion Star lease; a copy of this is advised from the Company, who only despatched the original document to us (now returned to them).

The new lease has yet to be sent to us by Subwater.

Yours.  
18/5.

74.

276  
200 ①

F A L K L A N D   I S L A N D S .

THIS LEASE is made this            day of  
one thousand nine hundred and seventy one BETWEEN  
Her Most Gracious Majesty Elizabeth II, by the  
Grace of God, of the United Kingdom of Great  
Britain and Northern Ireland and of Her other  
Realms and Territories Queen, Head of the Commonwealth,  
Defender of the Faith, of the one part, AND Christian  
Salvesen Limited whose registered office is situate  
at 31 Bernard Street, Leith, Scotland (hereinafter  
called the Lessee) of the other part WITNESSETH that  
Her Majesty doth hereby lease unto the Lessee and  
its assigns ALL THAT piece or parcel of land situate  
at Prince Olaf Harbour in Possession Bay in the  
Island of South Georgia, one of the Dependencies of  
the Colony of the Falkland Islands, containing  
five hundred acres or thereabouts and more particularly  
delineated and described in the first schedule  
hereto, TO HOLD the same unto the Lessee and its  
assigns for the term of five years from the first  
day of October one thousand nine hundred and sixty  
nine and thereafter from year to year subject to  
determination as hereinafter provided YIELDING and  
paying therefor the clear yearly rent of FIFTY POUNDS  
STERLING payable in advance on the first day of  
October in every year to the CROWN AGENTS for  
Overseas Governments, or the Treasurer of the  
said Colony of the Falkland Islands : and the  
Lessee does hereby for itself and its assigns  
covenant with Her Majesty to pay, or cause to be  
paid unto Her Majesty her heirs and successors that  
said clear yearly rent or sum of fifty pounds  
sterling at the times and in the manner hereinbefore  
appointed for payment thereof : AND that they will not  
at any time during the said term hereby granted  
without the previous consent in writing of the  
Governor of the Colony of the Falkland Islands  
(hereinafter called "the Governor") assign, underlet,  
or part with the possession of the said piece or  
parcel of land hereby leased or any part thereof.

PROVIDED that this lease is granted subject to  
the reservations, conditions and restrictions set  
forth in section twenty-eight of "The Land Ordinance  
1949" of the Colony of the Falkland Islands save  
and except as in so far as any reservations, conditions  
and restrictions in whole or in part are herein  
expressly excluded and subject also to the  
covenants, reservations, conditions and restrictions  
set forth in the SECOND SCHEDULE hereto and  
PROVIDED always that if the said yearly rent of  
fifty pounds sterling shall be unpaid sixty days  
after any of the said days whereon the same is  
hereinbefore made payable (whether lawfully demanded  
or not) or if the Lessee or its assigns shall not  
observe, perform, fulfil and keep all and every the  
covenants, conditions and agreements hereinbefore



and in the second schedule hereto contained which on their part ought to be paid and performed and more particularly shall omit to use the land hereby leased in the manner and to the extent specified in the second schedule hereto then and in either of the said cases it shall be lawful for Her Majesty, her heirs and successors, unto and upon the land hereby leased or any part thereof in the name of the whole, to re-enter and repossess the same as her and former estate : PROVIDED also that the Governor or the Lessee may on the first day of October in any year on or after the first day of October one thousand nine hundred and sixty nine determine the tenancy hereby created by giving to the other one years' notice inwriting. And her Majesty for herself, her heirs and successors doth hereby covenant with the Lessee and its assigns that they, the Lessee and assigns, paying the said yearly rent of fifty pounds sterling on the days and times and in the manner aforesaid and observing, performing and fulfilling and keeping all the covenants, conditions and agreements in this Lease and the second schedule hereto contained on their part to be observed, performed and kept shall and lawfully may peaceably and quietly have, hold, use, occupy, possess and enjoy the said piece or parcel of land hereby leased for and during the said term hereby granted .

PROVIDED also that if at any time during the continuance of this lease the Lessee shall notify the Governor in writing that it desires to start or restart whak fishing or any commercial fishing or other activities in connection with the land hereby leased or to assign underlet or part with possession of the whole or any part of such land, the rent hereby reserved shall be subject to increase and the other terms of this lease shall be subject to modification. The Governor and the Lessee shall forthwith enter into negotiations with a view to agreeing such increased rent and such other modifications as shall be appropriate having regard to all the circumstances and in particular the commercial operations to be undertaken and/or the rent or premium to be obtained by the Lessee from such assignment underletting or parting with possession. If the Governor and the Lessee shall have been unable to agree the amount of the increased rent and the other modifications to this lease within six months of the notification provided for above they shall be decided by an arbitrator to be agreed upon by the Governor and the Lessee within one month of the end of the six month period, and if not so agreed within such one month to be appointed by the President of the Law Society of England on the application of either the Governor or the Lessee, and pending the decision on such increased rent and other modifications by agreement or arbitration, the proposed commercial operations, assignment, underletting or parting with possession shall not take place unless the Governor so consents, and the Governor in granting such consent may impose such conditions as he thinks fit.

The FIRST SCHEDULE.

---

The piece or parcel of land in the Island of South Georgia leased is five hundred acres, more or less, in the Bay marked Prince Olaf Harbour, bounded on the coastline by a road reserved to Her Majesty measuring thirty feet wide from high water mark and inland by Crown Lands.

The SECOND SCHEDULE.

---

1. The piece or parcel of land hereby leased is leased to be used by the Lessee against the eventuality of its restarting whale fishing or starting fishing or other commercial operations and it is hereby expressly declared that nothing in this lease shall permit the use of the land hereby leased in connection with whale fishing, fishing or other commercial operations or for any other purpose whatsoever except as expressly mentioned in this paragraph or elsewhere in this lease.
2. Except with the consent ~~in~~ writing of the Governor or an Officer authorised by him in that behalf the Lessee -
  - (a) is prohibited from taking, removing, appropriating, killing or in any way using, either for his own benefit or for the benefit of any person or persons, any product, seal, bird or animal whatsoever in South Georgia or any Island adjacent thereto, and any fish, marine algae (including Kelp) or any other marine life within territorial waters ; and
  - (b) will not knowingly import any living bird, animal, fish or plant.
3. The right to take and win minerals, including mineral oil, on the piece or parcel of land hereby leased is reserved to the Crown.
4. The Lessee shall be permitted to take fresh water for all purposes in connection with the land station and shall have the right to take such steps as may be necessary to ensure that an adequate fresh water supply is available at Prince Olaf Harbour.
5. The Lessee hereby for itself and its assigns covenants with Her Majesty her heirs and, successors that during the continuance of the above written lease all persons holding leases granted by Her Majesty her heirs and successors or who proceed to South Georgia, with the sanction of the Governor will have full access to the shore on which the piece or parcel of land hereby leased is situate.

IN WITNESS whereof His Excellency Ernest Gordon Lewis Officer of the Most Excellent Order of the British Empire, Governor and Commander-in-Chief in and over the Colony of the Falkland Islands and its Dependencies, hath with the special sanction of the Secretary of State for Foreign and Commonwealth Affairs hereunto set his hand for and on behalf of Her Majesty and caused the Public Seal of the said Colony to be hereunto affixed, at Stanley in the said Colony, and the Lessee has caused its Common Seal to be hereunto affixed the day and year first above written.

Signed etc....



Foreign and Commonwealth Office  
London S.W.1



UNCLASSIFIED

HGF 16/1

J A Jones Esq OBE  
Colonial Secretary  
Stanley  
Falkland Islands

14 June 1971

Dear John

SOUTH GEORGIA LEASES

1. Further to my letter of 21 May I have now received from Sir Hubert Flaxman a draft lease for the land at Prince Olaf Harbour to Salvensen Limited and I enclose a copy for your reference. 273-76

2. Sir Hubert has drafted the lease to commence from 1 October 1969, the date of the other South Georgia lease, and has stated the rent as £50 per annum. As you have agreed to reduce to £25 the Crown Agents have refunded the excess paid by Salvensen with effect from 1 October 1969 and Sir Hubert suggests that the reduction to the figure £25 can be effected by an exchange of letters between you and Salvensen. As however, the date of the lease and the date of the reduction are the same, I suggest that ~~the~~ figure of £50 included in ~~paragraph 3~~ clause I of the draft lease should be changed to £25.

X 3. I should be grateful if you would let me know by telegram if you agree with the draft lease and wish the rent stated in it to be reduced to £25 so that the draft can be sent to Salvensen for their agreement.

yours ever  
George.

Reply at 278

G F Kinnear  
Atlantic and Indian Ocean  
Department

from 260.

RSC via H.C.T.

273

Enc

Unless you have cogent reasons to the contrary I propose to send an affirmative telegraphic reply to X of above letter.

A.A.

no cogent reasons to the contrary r.y. Col. Sec.

On 14/7/71

I have no contrary reasons to offer.

88.13. 14. VII. 71.



DECODE.

(3) 278

TELEGRAM SENT.

From GOVERNOR to SECRETARY OF STATE

Despatched: 15.7.71 Time: 1455 Received: Time:

Addressed F.C.O. as telno 146 of 15th July.

277 Yourlet HGF 16/1 of 14th June.

Prince Olaf Harbour lease.

Draft lease agreed. Rent to be reduced to £25.

Lewis

PL: JE

R.L.V. J 11/7/71

Ben 22.8.71.

Copy to: - THE COLONIAL SECRETARY,  
STANLEY,  
FALKLAND ISLANDS.

(u)

O Department

07/FALKLAND IS 28/2

TBMBS/ARK Dated 25.3.1971



2<sup>nd</sup> JUNE 1971

Christian Salvesen (Managers)  
Ltd  
C.P.O. Box 217  
29 Bernard St  
LEITH EH6 6SW  
Scotland

Dear Sirs

RENT - S. GEORGIA WHALING STATIONS

... We enclose a payable order for £600, in refund of overpayment resulting from reductions of rent, as follows:-

Your payment 7-10-1969 £1050

Rent LEITH HARBOUR &  
STROMNESS STATION  
1-10-1969 to 30-9-1971  
at £200 a year £400

Rent PRINCE OLAF  
HARBOUR 1-10-1969 to  
30-9-1971 at £25  
a year £50

£450

£600

Yours faithfully

M. J. PRICE

for the Crown Agents.

Telegrams  
Telephone  
Telex

Crown London SW1  
01-222 7730  
916205

⑨ 28  
CROWN AGENTS

FOR OVERSEA GOVERNMENTS AND ADMINISTRATIONS  
O Department  
4 MILLBANK  
LONDON SW1

Your ref

07/FALKLAND IS 28/2

Date 17 June 1971

The Colonial Secretary  
Stanley  
Falkland Islands



Dear Sir

S GEORGIA WHALING STATIONS

We have to advise that a sum of £600 has been refunded to Chr. Salvesen (Managers) Ltd in respect of rents due from them up to 30th September 1971.

2 This was necessary because of the reduction of rents as confirmed by the Foreign and Commonwealth Office.

3 Details as follows:-

Payment received from Chr. Salvesen and  
credited your account 7.10.1969

£1050

Rent due Leith Harbour and Stromness  
Station 1.10.1969 to 30.9.1971  
at £200 a year

- £400

Rent due Prince Olaf Harbour  
1.10.69 to 30.9.1971 at £25 a year

- £250

£450

trust our action meets with your approval.

Yours faithfully

*Michael J. Price*

for the CROWN AGENTS

*Ag. C.S.*

*In inf. pt.*

*C.S.*  
*15.7.71.*

*Seen T. J.*

*and*

*15/9/71*



Foreign and Commonwealth Office  
London SW1

Telephone 01-

J A Jones Esq OBE  
Colonial Secretary  
Stanley  
FALKLAND ISLANDS

Your reference

D/4/64/11

Our reference

HCF 16/1

Date

24 August 1971

UNCLASSIFIED

Dear John

PRINCE OLAF HARBOUR LEASE

The lease to Christian Salvesen for the property at Prince Olaf Harbour in South Georgia has now been signed by the Company and I enclose two copies for the Governor's signature. Please return one copy to me in due course for transmission to Salvesen's.

Yours ever

George.

G F Kinnear

JK In addition, in my forthcoming h-dy above on local leave, to the for his signature after which the should be returned to me for me to prepare reply to Kinnear.

See front cover

12/5



21st September

71

Prince Olaf Harbour Lease

Thank you for your letter of the 24th August. I now return one copy of the lease in respect of Prince Olaf Harbour duly signed by the Governor and by me. The second copy has been lodged with our Registrar.

(J. A. Jones)

C. F. Kinnear, Esq., O.B.E.  
Foreign and Commonwealth Office,  
London, S.W.1

R.S.C. for information.

One signed copy of the lease is enclosed herewith for retention.

JB

J.A.J.  
21.9.71

By 8.10.71

(to check with C.S. in London)

19



**Foreign and Commonwealth Office**  
London SW1

RESTRICTED

Telephone 01- 930 8440

His Excellency Mr E G Lewis CMG OBE  
Government House  
Stanley  
FALKLAND ISLANDS

Your reference

Our reference

Date 15 February 1974

*Dear Governor,*

**LEASES TO SOUTH GEORGIA WHALING STATIONS**

1. I attach a letter we have received from Mr G H Elliot, one of the directors of Chr. Salvesen Ltd, in which he asks for our views on the possibility that Salvesen might negotiate with Senor Alfred Ryan to take over his leases for Grytviken and Husvik. We have also received from Wm. Brandt's Sons & Co Ltd, a copy of a letter dated 12 February 1974 asking if you have any objection to the transfer of the leases for Grytviken and Husvik from Albion Star (South Georgia) Ltd, to Salvesen (copy attached).
2. Mr Elliot called on me and Dr Heap on 13 February to ask for our views. We said that while the matter was for your decision we could see no objection in principle to such a transfer.
3. Mr Elliot said that Salvesen had no specific plans for re-opening activity at any of their leased stations but that they were aware of the current interest in the potential fisheries of the South Georgia waters and were in contact with a Polish fishing concern which had a trawler in the South Atlantic at present.
4. We took the opportunity to draw Mr Elliot's attention to the fact that HMG had consistently voted for the 10-year whaling moratorium and had banned the importation of primary products from baleen whales, and would, at present anyway, be opposed to any proposal to licence a shore-based whaling industry in a British

/Dependent

RESTRICTED



Dependent Territory. Mr Elliot said that a shore-based whaling industry in South Georgia was not a current economic possibility. We also told him that in 1970 Ministers had refused permission for the leases for Grytviken or Husvik to be transferred to the Russians or the Bulgarians. He replied that he hoped our policy would be to allow short term sub-letting of leases to whoever wanted to operate in the region with a view to moving in ourselves when the sub-lease ran out if the fishery had proved profitable. Although we did not say so to Mr Elliot, this policy, unless very carefully handled, would probably exert undesirable pressure on the lessee to maximise his catches without regard to the need for conservation.

5. We also took the opportunity to mention the problem of the oil tanks and the potential pollution hazard at all the disused whaling stations. We said that you and BAS staff had been to look at the problem recently and that until we had received your ideas we did not know for certain what, if anything, needed to be done or could be done about the pollution hazard but that we thought it best to mention the problem to him now rather than later. Mr Elliot took the point but said that he thought the actual hazard must be small in relation to the scale of pollution which had been prevalent during the height of whaling industry causing only very localised environmental damage. He went on to say that he hoped we would not try to involve him in an open-ended commitment to clear up or prevent oil spillages from existing tanks. If we were to do so, he said, Salvesen would need to consider whether they had any further interest in South Georgia.

6. Mr Elliot said that if the transfer of the leases was agreeable to you he would hope that new leases could be drawn up on the lines of those already held by Salvesen. Since the terms of the leases to Grytviken and Husvik do not take account of the fact that whaling from these stations stopped some years ago the preparation of new leases would seem to be in order and could perhaps be used in answer to the penultimate paragraph of Wm. Brandt's Sons letter.

7. Our view here is that it would be wise to get these leases transferred from Ryan's hands to a lessee over whom you would have more control although we do have slight doubts about the principle of giving Salvesen a monopoly over all the best sites. In practice we think this will prove acceptable as long as you retain the strict control that you have at present over the purposes for which Salvesen's may use their leases. On the question of the oil hazard, we hope that it will be possible to assure Salvesen that we would not commit them to clearing up any small scale pollution which may occur as a result of deterioration of existing tanks. The continued existence of leases to commercial concerns in South Georgia is an important factor in maintaining our claim to sovereignty over the island.

*Yours ever,*

*B. J. Baxter*

B J Baxter  
West Indian &  
Atlantic Dept

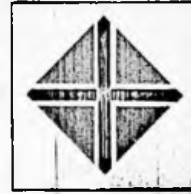
# Christian Salvesen (Managers) Limited

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ  
Telephone  
031-552 7101

Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

For the attention of Mr. Relton

Foreign & Commonwealth Office,  
Latin American Department,  
King Charles Street,  
LONDON, S.W.1.



Your Ref.

Our Ref.

Date

CHE/MBE

30th January, 1974.

Dear Sirs,

## South Georgia

I talked to Mr. Baxter on the 'phone last week about South Georgia. As you will know, we are owners of the whaling stations at Leith Harbour, Stromness, and Prince Olav which we hold on a lease from the Government at a nominal rate. The stations have been out of use since 1965 and are virtually derelict. It is unlikely that they will ever be used again for whaling, which was their purpose, but there is a chance that at some time they may be brought into use to support fishing operations, probably by Japanese or East European fleets, which are developing in the area.

X The other two stations, Husvik and Grytviken, have been owned by Senor Ryan, an Argentine citizen, either directly or through a British holding company. These stations have also been laid up for a number of years. We have now been offered the opportunity of buying these two stations. They have no value, except as possible bases for fishing development in the future.

For our own benefit, and probably from the long term advantage of H.M.G., it would be preferable for all the stations to be in the control of a British company, and we would hope that H.M.G. would encourage us in this. Before we start any negotiation, we would like to know, firstly whether you foresee any problems in extending our present leases for a further 10 years on the same basis as at present - rent is £225 per year with provision for renegotiation if the stations at any time become active. We would also like the same sort of consideration to apply to the ex-Argentinian stations. There have never been any problems about renewing leases with the Government, but it would be wise for us to have a clear 10-year run.

I /

RECEIVED IN  
REGISTRY No

5 FEB 1974

HWF 7/5

Company Registered in Edinburgh, No. 34748

Directors: L.M. Harper Gow, M.B.E. G.H. Ell  
R.B. Weatherstone Barry E. Sealey R.S. Salvo  
T. Baron Dr. F. Clark B.D. Gibb

I would be grateful if you would let me know whether, in principle, you would be agreeable to the Argentinian leases being transferred, and for them to be carried on for the next 10 years at a low rate. If your reaction is favourable, we can send someone down to discuss things further with you.

Yours faithfully,

*G. H. Elliot.*

G. H. Elliot.



# WM. BRANDT'S SONS & CO. LTD.

## DIRECTORS:

LORD ALDINGTON (CHAIRMAN)  
J. M. G. ANDREWS (CHIEF EXECUTIVE)  
M. R. BATES                      A. B. C. HARRISON  
H. A. BRANDT                    F. A. MAWE  
J. M. BRANDT                    C. H. OXLEY  
A. J. CAVENDISH                D. J. PALMAR  
W. M. CLARKE                   R. J. PAYNE  
O. R. R. de BAER               P. P. RALPH  
G. H. DODSWORTH               P. SLATER  
R. N. EDWARDS                  D. B. VALENTINE  
J. G. D. GORDON                C. R. VINCENT  
F. R. WELSH

## REGISTERED OFFICE:

P.O. BOX NO. 95  
36 FENCHURCH STREET  
LONDON  
EC3P 3AS

REGISTERED IN LONDON No. 505042

TELEPHONE: 01-626 6599

TELEGRAPHIC: BRANDTSONS, LONDON, EC3

TELEX: 888981 & 886552

KNP/CS

12th February, 1974.

Doctor John Heap,  
Foreign & Commonwealth Office,  
Latin American Department,  
Room No. 330,  
Great George Street,  
LONDON, S.W.1.

PRIVATE AND CONFIDENTIAL

Dear Sirs,

## SOUTH GEORGIA ISLAND

We confirm our today's telephone conversation advising you that we have negotiated a successful bid for the disposal of Mr. A.R.L. Ryan's assets at Grytviķen and Husvik Harbour to Christian Salvesen (Managers) Limited subject to our obtaining your approval and the approval of the Governor of the Falkland Islands, to transfer the leases to Messrs. Salvesen and a satisfactory assurance from the Falkland Islands Government that there would be a reasonable continuity of the leases at a satisfactory rate.

We have today written to the Governor as per copy enclosed and we would be obliged if, in due course, you would be kind enough to confirm that there would be no objection to the leases being transferred to Messrs. Salvesen so far as you are concerned.

Meanwhile,

we remain, dear Sirs,

Yours truly,

p.p. WM.BRANDT'S SONS & CO.LTD.,



K.N. Pullen.

# WM. BRANDT'S SONS & CO. LTD.

## DIRECTORS:

LORD ALDINGTON (CHAIRMAN)  
J. M. G. ANDREWS (CHIEF EXECUTIVE)  
M. R. BATES            A. B. C. HARRISON  
H. A. BRANDT          F. A. MAWE  
J. M. BRANDT          G. H. OXLEY  
A. J. CAVENDISH       D. J. PALMAR  
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F. R. WELSH

## REGISTERED OFFICE:

P.O. BOX NO. 95  
36 FENCHURCH STREET  
LONDON  
EC3P 3AS

REGISTERED IN LONDON No. 505012

TELEPHONE: 01-626 6599

TELEGRAMS: BRANDTSONS, LONDON, EC3

TELEX: 888981 & 886552

KNP/MP

PRIVATE AND CONFIDENTIAL

His Excellency  
Mr Ernest Gordon Lewis CMG, OBE  
Governor and Commander in Chief of the Falkland Islands,  
Government House  
Port Stanley  
Falkland Islands.

12th February 1974

Your Excellency,

We beg to inform you that we are endeavouring on behalf and for account of ALBION STAR (SOUTH GEORGIA) LTD., to dispose of their assets at South Georgia and Messrs Christian Salvesen (Managers) Limited of Edinburgh, who are already the lessees of Leith Harbour and Stromness, appear interested in acquiring the land stations at Grytviken and Husvik Harbour provided of course, that you, Excellency, would have no objection to the transfer of the leases to Messrs Salvesen.

We trust that our request may receive your kind consideration and we look forward to receiving your favourable reply in due course.

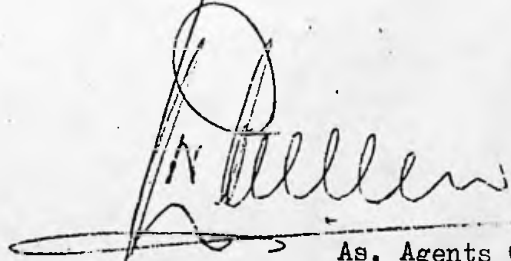
At the same time would it be possible for you to confirm please that there is no reason at this point in time, why the leases should not be renewed.

Thanking you in anticipation of your kind co-operation in this matter.

We have the honour to remain, Sir,  
Yours faithfully,

For and by authority of  
ALBION STAR (SOUTH GEORGIA) LTD

p.p. WM. BRANDT'S SONS & CO. LTD



As. Agents Only.

*W. Brandt*  
**WM. BRANDT'S SONS & CO. LTD.**

281  
⑨

**DIRECTORS:**

LORD ALDINGTON (CHAIRMAN)  
J. M. G. ANDREWS (CHIEF EXECUTIVE)  
M. R. BATES            A. B. C. HARRISON  
H. A. BRANDT           F. A. MAWE  
J. M. BRANDT           G. H. OXLEY  
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KNP/MP

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Governor and Commander in Chief of the Falkland Islands,  
Government House  
Port Stanley  
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12th February 1974

Your Excellency,

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We trust that our request may receive your kind consideration and we look forward to receiving your favourable reply in due course.

At the same time would it be possible for you to confirm please that there is no reason at this point in time, why the leases should not be renewed.

Thanking you in anticipation of your kind co-operation in this matter.

We have the honour to remain, Sir,  
Yours faithfully,  
For and by authority of  
ALBION STAR (SOUTH GEORGIA) LTD  
p.p. WM. BRANDT'S SONS & CO. LTD

*[Signature]*  
As. Agents Only.

285  
(10)

10th March, 1974

B.J. Baxter, Esq.,  
West Indian and Atlantic Department,  
FCO

Dear Baxter,

LEASES TO SOUTH GEORGIA WHALING STATIONS

Thank you for your letter of the 15th February and I have just received the letter from Wm. Brandt's Sons & Co. Ltd. to which you refer in para one: I am not sending a reply until I have received your comments on the recommendations made in my recent Despatch on South Georgia.

Yours ever,

E.G. Lewis

# WM. BRANDT'S SONS & CO. LTD.

Please enter  
Mr Basile to see  
V.H.M.  
2/5  
11  
286

## DIRECTORS:

LORD ALDINGTON (CHAIRMAN)  
J. M. G. ANDREWS (CHIEF EXECUTIVE)  
M. R. BATES                      A. B. C. HARRISON  
H. A. BRANDT                    F. A. MAWE  
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TELEX: 888981 & 886552

PRIVATE AND CONFIDENTIAL

KNP/MP

Doctor John Heap,  
Foreign & Commonwealth Office,  
Latin American Department,  
Room No.330,  
Great George Street  
London S.W.1.

9th April 1974

Dear Doctor Heap,

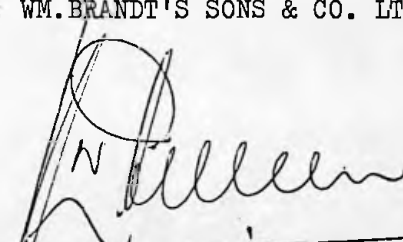
South Georgia Island

We refer to our letter dated 12th February last and would like to enquire if you have received any sort of reaction from the Governor of the Falkland Islands yet to our request for permission to assign the leases of Grytviken and Husvik to Christian Salvesen (Managers) Limited.

As you will appreciate, we are most anxious to keep this interest which Salvesen has shown, alive and if possible, see this transaction through to a speedy and successful conclusion.

We trust therefore that it will be possible to obtain a favourable decision in the very near future and needless to say, any assistance you can render will be very much appreciated.

Yours truly,  
p.p. WM. BRANDT'S SONS & CO. LTD

  
K.N. Pullen



Foreign and Commonwealth Office  
London SW1A 2AL

Telephone 01-

B/W

287  
(12)

His Excellency  
Mr E G Lewis CMG CBE  
Government House  
Falkland Islands

Your reference

Our reference

HWF 7/5

Date

9 May 1974

20/5

Dear General,

LEASES TO GRYTVIKEN AND HUSVIK, SOUTH GEORGIA

1. I am sorry to have taken so long to reply to your letter SG/1/1 of 10 March. Unfortunately, due to a hiccough in our internal communications system your Despatch of 25 February about South Georgia did not reach us until mid April since when we have been considering it with interest.

2. I enclose a copy of a letter from Mr Pullen of Wm Brandt's Sons to Dr Heap asking for action on their letter of 12 February to you. Dr Heap has explained to Mr Pullen that you had recently visited South Georgia and that we were considering the views you had expressed as a result of that visit.

3. In line with paragraph 14 of your Despatch and with my letter of 15 February reporting out conversation with Mr Elliott of Chr Salvesen (Managers) ltd., we see no objection to transferring the leases of Grytviken and Husvik from Albion Star (South Georgia) Ltd (Signor Ryan) to Salvesen. We think that the present leases should be terminated (they do not take account of the fact that whaling from these stations has stopped) and should be replaced by leases in terms similar to those which Salvesen already holds to Leith Harbour, Stromness Harbour and Prince Olav Harbour (incorrectly spelt 'Olaf' in the lease). There should, in our view, be changes and reservations in the new leases to take account of the following points:

(a) Consideration should be given to raising the annual rents.

(b) That the lease should be held 'from year to year' subject to termination by either yourself or Salvesen by giving to the other one year's notice in writing. (This will ensure that the new leases will be on the same footing as will be the case, after 1 October 1974, for the leases already held by Salvesen.)

/C.

Enclosed to SG/12/2 - Oil Platform South Georgia





- 2 -

Referred to SC/12/2 - Die Pouter South Georgia

(c) To reserve the right to 'freedom of action to enter on the property in question and to take such action as may be necessary to reduce pollution hazards' (para 13 of your Despatch).

(d) To reserve the right to tow away and sink the two old whale catchers lying at the Grytviken jetty unless this has been done by the owners before the new leases come into operation (para 13 of your Despatch.)

4. Subject to your view, we see no objection to you replying to Brandt's Sons saying that you would be prepared to arrange for the transfer of the leases to Salvesen if they are willing to accept, in principle, the conditions set out in the above paragraph. Conclusion of the transfer would, of course, depend on mutual agreement of the exact terms of the leases. We would expect to ask Sir Hubert Flaxman to prepare the first drafts after Brandt's Sons have replied to you and in the light of any further thoughts that you may have about the leases.

5. Incidentally, you will wish to know, with reference to para 15 of your South Georgia Despatch, that first steps are being taken in the FCO to effect the transfer of the South Georgia archives to this country.

Yours ever,

Brian Baxter

B J Baxter  
West Indian &  
Atlantic Department

# GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

## SENT

288  
13

Number	Office of Origin	Words	Handed In at	Date
			A/C H/O	28 May 1974

To

SEAF PRIORITIES (ROUTINE)  
PROGRAMS LONDON SFI

2620002

From Falklands

Ref No 184 of 28 May

Routine to FCO

SOUTH GEORGIA LEASES

1. Your letter HMF 7/5 of 9 May.

2. This is most helpful and I will reply to Brandt's in terms of your

Par graph 3.

LEWIS

Time

SG/1/1

29 May 1974

289  
(10)

Wm Brandt's Sons & Co Ltd  
P O Box No 95  
36 Fenchurch Street  
London EC3P 3AS

For the attention of K N Pullen Esq

Dear Sirs

I apologise for taking so long to reply to your letter Ref: KNP/MP of 12 February, but it so happened that following my visit to South Georgia we have been reviewing various aspects of our policies in relation to the Dependency. Such a review was necessary as a great deal has taken place since the whaling stations were occupied, and attitudes throughout the world to such problems as pollution and environment have also changed. I think also that possibly both your firm and Christian Salvesen (Managers) Ltd do not realise the extent of the deterioration of your properties since you last inspected them.

I see advantages in combining all the leases and would be prepared to agree to the transfer of the leases of Grytviken and Husvik from Albion Star (South Georgia) Ltd to Christian Salvesen (Managers) Ltd., on the following terms:-

- (a) The present leases to be terminated as they do not take into account the fact that whaling from these stations has stopped.
- (b) New leases to be issued in terms similar to those which Christian Salvesen (Managers) Ltd already hold in respect of Leith Harbour, Stromness Harbour and Prince Olav Harbour.
- (c) The rental to be raised to a more realistic figure.
- (d) The leases to be held on a "year-to-year" basis, subject to termination by either myself or Christian Salvesen (Managers) Ltd by giving to the other one year's notice in writing.

/(e)

- (e) The right for me or my agents to have the freedom to enter into the premises in question and take such action as may be necessary to reduce pollution hazards. The reason for this is that we may want to cope with the pollution hazard caused by the oil tanks, some of which are seeping badly.
- (f) Provision to be made for me or my agents to have the right to tow away and sink the two old whale catchers lying at the Grytviken jetty unless this is done by the owners before the new leases come into effect. Here again there is a pollution hazard and if the ships sink alongside the jetty they will block a very valuable amenity.

If you are willing to accept in principle the conditions as set out above, I will ask my Legal Adviser to prepare the first drafts for your perusal.

Yours faithfully

E G Lewis

12/6/74

# BRANDTS LIMITED

179  
290 (15)

DIRECTORS:

LORD ALDINGTON (CHAIRMAN)  
J. M. G. ANDREWS (CHIEF EXECUTIVE)  
M. R. BATES                      A. B. C. HARRISON  
H. A. BRANDT                    F. A. MAWE  
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C. R. VINCENT

REGISTERED OFFICE:

P.O. BOX NO. 95  
36 FENCHURCH STREET  
LONDON  
EC3P 3AS

REGISTERED IN LONDON No. 505042

TELEPHONE: 01-626 6599

TELEGRAPHIC: BRANDTBANK, LONDONEC3

TELEX: 888981 & 886552

KNP/CS

4th June, 1974

His Excellency,  
Mr. Ernest Gordon Lewis C.M.G., O.B.E.,  
Governor and Commander in Chief of the  
Falkland Islands,  
Government House,  
Port Stanley,  
Falkland Islands.

PRIVATE AND CONFIDENTIAL

Your Excellency,

We beg to refer to our letter dated 12th February last, concerning the possible transfer of the leases for Grytviken and Husvik Harbour land stations to Messrs. Christian Salvesen (Managers) Limited of Edinburgh and we would be most grateful if we could have your approval to put these assignments into effect at the earliest possible moment.

We cannot help feeling that Messrs. Salvesen are not prepared to hold their offer open indefinitely and we trust that the matter may now be given your urgent consideration in order that this long awaited opportunity to dispose of Mr. Ryan's assets on South Georgia, is not lost forever.

Your early reply, which kindly mark for the attention of K.N.Pullen, Esq., will be much appreciated.

Meanwhile,

we have the honour to remain, Sir,  
Yours faithfully,  
For and by authority of  
Albion Star (South Georgia) Ltd.,  
p.p. BRANDTS LIMITED.

Crowned with  
R 289

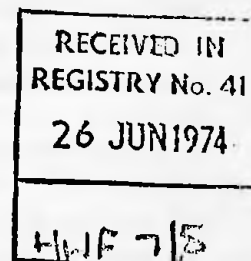
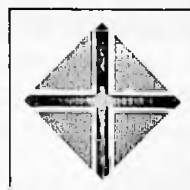
*[Signature]*  
As Agents Only.

**Christian Salvesen**  
(Managers) Limited

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ  
Telephone  
031-552 7101

29/16  
Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

Miss Hunt,  
West Indies & South Atlantic Department,  
Foreign and Commonwealth Office,  
King Charles Street,  
London S.W.1.



Your Ref.

Our Ref.

Date

GHE/TL

25th June, 1974.

Dear Miss Hunt,

Leases at South Georgia

We spoke on the telephone about transfers of leases of whaling stations at South Georgia.

Our Company has had leases of whaling stations at South Georgia since 1908. The original station is at Leith Harbour and we later took on the leases of two dis-used stations at Strømness and Prince Olaf. Whaling operations were carried on from Leith Harbour from 1909 onwards and finally discontinued in 1966. The stations comprise a considerable number of buildings, quays, workshops etc. though, since they have not been maintained for the past ten years, many of them have fallen down and are unusable.

Our leases with the Government have been for long periods and at low moderate rentals, the basis being that these were barren pieces of land of no alternative use and that such value as they acquired was through the development of the whaling stations.

We now have the opportunity to take over the leases of the remaining two whaling stations on the island, Grytviken and Husvik. These are the property of an Argentinian citizen, Senor Ryan, who acquired Grytviken shortly after the last war from an Argentinian company which was the first to start whaling on the island. He bought Husvik in about 1960 when its Norwegian owners ceased to whale from it. We have understood that a move of this sort would be welcome to H.M.G. partly because it would reduce the strength of any Argentinian claim to the island, and partly because it would give H.M.G. more control of any future operations there.

As I have explained verbally to Mr. Baxter and Dr. Heap our reason for taking over these stations would be to be in a position to develop them if and when fishing or oil prospecting took place in the area of South Georgia. This is still a pretty remote hope though it may come to pass some day. Consequently, the purchase price which we are offering for the stations is a low one.

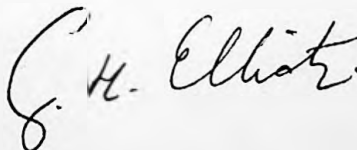


Since the Argentinian stations, like our own, are held under lease from the Falkland Islands Government, we have to apply for transfer of these leases. The conditions that we are asking for are similar to those which presently apply for our own stations, i.e. a fairly nominal yearly lease for the present when the stations are abandoned, but with the provision for negotiation of a higher sum, if and when they are brought into action again. We also naturally require reasonable security of tenure. We have always enjoyed this on our own stations, and when our five year lease expires this year we shall expect to be able to negotiate a renewal for a further five to ten years on the same sort of terms. We are asking the same security for the Argentinian leases which we take over and a similar leasing arrangement.

This has been raised by Mr. Pullen of William Brandt, who are Mr. Ryan's agents, in a letter to the Governor to which he has just received a reply (copy attached). This, however, is unsatisfactory on two counts: the Governor proposes that the rental should be raised to a "more realistic" figure. At present the lease payment is £250 per year, roughly in line with what we pay for our own leases, and it would be quite inappropriate to raise it. A "realistic" rent for these stations in present circumstances would, in fact, be nil. The second unsatisfactory point is that the Governor wishes the leases to be on a year to year basis. This would, of course, be quite unacceptable. No commercial or Government organisation could make any investment or conduct any operation if it risked being dismissed at a year's notice. This proposal is also entirely out of line with the precedents which have been established at South Georgia over a long period of years.

May I suggest that having looked at the papers you telephone me to discuss these points further. The delays in correspondence between the U.K. and the Falkland Islands will have to be circumvented by more modern means of communication otherwise the opportunity of making this move which I believe to be in line with U.K. Government policy will disappear.

Yours sincerely,



G. H. Elliot



292  
17

Foreign and Commonwealth Office  
London SW1

Telephone 01-

---

G H Elliot Esq  
Christian Salvesen (Managers)  
Ltd

50 East Fettes Avenue  
Edinburgh EH4 1EQ

Your reference

Our reference HWF 7/5

Date 27 June 1974

---

#### LEASES OF WHALING STATIONS IN SOUTH GEORGIA

Thank you for your letter of 25 June. Now that I have had a chance to look at the papers I can only say that we think the terms proposed by the Governor in his letter to Brandts are realistic in present circumstances. However, it is possible that there may be a misunderstanding about the precise application of sub-paragraph (d) in that letter, and we are writing to the Governor to seek clarification of this.

Miss M E Hunt  
West Indian and  
Atlantic Department

RESTRICTED



*A. G. B. 15/7*  
**Foreign and Commonwealth Office**  
London SW1A 2AL

Telephone 01-

293/18

His Excellency  
Mr E G Lewis CMG OBE  
Governor & Commander-in-Chief  
Falkland Islands

Your reference

Our reference HWF 7/5

Date 27 June 1974

*Dear Governor*

LEASES TO GRYTVIKEN AND HUSVIK, SOUTH GEORGIA

<sup>287</sup>  
Please refer to Brian Baxter's letter to you of 9 May on this subject. This week I had a telephone call from Mr Elliot of Christian Salvesen, who had received through Brandts a copy of your letter to Mr Pullen of 29 May setting out terms for the leases. Mr Elliot was concerned about items (c) and (d) of the terms, proposing higher rents and leases on a year-to-year basis. Since I had not seen the papers I suggested that Mr Elliot should write to me giving his views. I now enclose a copy of his letter.

2. I also enclose a copy of my reply to Mr Elliot. I spoke to Dr Roberts in Polar Regions Section and we agreed that what originally had been behind our suggestion (b) in Brian's letter under reference was a year-to-year lease so long as the stations remained unused. We would see no objection if you wish to give Salvesen a first option to negotiate the leases on a longer-term basis - say, for five or ten years - if and when it is planned to reactivate the stations. On all the evidence we do not believe that fishery (and possibly mineral) developments based on South Georgia are a "pretty remote hope". And I imagine you would wish to raise the price of the leases further if the sites are used again, since it is their exclusive use which is being leased and not just the buildings.

3. Meanwhile I am sure you will agree that it is unlikely to be in the best interests of the Dependency to give Salvesen an exclusive right for more than a year at a time to use or sublet without much more precise knowledge of what actively they propose.

*Yours sincerely*  
*May Elliott*

Miss M E Hunt  
West Indian and  
Atlantic Department

ENC.

RESTRICTED

294  
19

19

Number	Office of Origin	Words	Handed in at	Date
			A/C H/O	19 July 1974

[illegible]

1.13

20/1/1

277  
20

16th August

74

Answer

4 (315)

Dear Sirs,

Albion Star (South Georgia) Ltd.,  
Rental for Grytviken, South Georgia

It has recently come to light that Messrs Albion Star (South Georgia) Ltd have not paid any land rent in respect of their whaling station at Grytviken, South Georgia since the year ended 30th September 1971.

2. Would you please now take steps to collect the outstanding rental due, which amounts to £1,000, i.e. £500 per annum. The company's agents in Britain are - Messrs. Brandts Limited, P.O. Box No 95, 36, Fenchurch Street, London EC3P 3AB.

3. Kindly credit our South Georgia account.

Yours faithfully,

*Browning*

(W. Browning)  
AS. CHIEF SECRETARY

Crown Agents for Oversea Governments  
and Administrations,  
4, Abbey Orchard Street,  
LONDON EC4A 3DF.

c.c. *Browning*

CA.

B/W  
21/9/74  
RESTRICTED

From FCO

Routine to Stanley

Tel No 235 of 30 August

Your Tel No 297:

GRYTVIKEN

1. Action taken. Salvesen's were grateful for information. They expected Albion Star to accept what they considered very reasonable price. But disappointing reply received from Brandts. Matter has been referred to Ryan in Buenos Aires but Brandts are not hopeful that he will agree to such an expenditure on his account. If he agreed, for sake of speeding up transfer of lease, he might have difficulty in obtaining Exchange Control approval to remit funds from Argentina. Brandts suggest Government arranges for disposal with a possibility of reclaiming expenses later from proceeds of sale of station and transfer of leases. This last depends on Ryan and an agreement being reached with Salvesen on conditions of transfer. We consider there is little hope of subsequent reimbursement from companies.

2. BAS informed. Dr Laws willing, regretfully, to leave matter for another year in view of legal complications which we recognise are considerable.

3. May we have your views on next step, bearing in mind timings in Para 3 of Heap's letter of 2 August to you. We see little chance of obtaining quickly, if at all, from Albion Star the indemnity envisaged in Para 7 of letter under reference. But in view of size of claims which might be made for damage to whaling station in event of explosion it would seem desirable before Government undertake responsibility for operation, including indemnities to MOD.

4. If you wish us to make official request on your behalf to MOD, can you confirm that costs can be met from Dependencies Revenues? If you do so instruct us we will try to obtain indemnity from Albion Star through Brandts, but repeat that there is little prospect of success.



Telegrams Crown London SV  
Telephone 01-222 7730  
Telex 916205

CROWN AGENTS

FOR OVERSEA GOVERNMENTS AND ADMINISTRATIONS

R Division

4 MILLBANK

LONDON SW1P 3JD

Our ref R/FALKLAND IS 10

Your ref SG1/1

Date 11 September 1974

The Secretariat  
Stanley  
Falkland Islands  
SOUTH ATLANTIC

Dear Sir

Thank you for your letter of 16 August 1974 regarding the land rent due to you from Albion Star (South Georgia) Ltd, for the whaling station at Grytuiken, South Georgia.

2 On the last occasion that we wrote to Messrs Brandts Ltd about the rental they enquired whether or not it was possible to lower the rental since no whaling operations have been carried out for several years. (A copy of the letter together ...with our request for your instructions is enclosed). We do not appear to have received your reply.

3 We would therefore be grateful if you would confirm that it is not possible to make any alteration in the rental before we write to Messrs Brandts.

Yours faithfully

*C. M. J. Moody*

C M J MOODY  
for the Crown Agents

/PF



Distribution: File  
/69

07 Department

07/Falkland Is 49

44/A

3 February 1972

The Colonial Treasurer  
Colonial Treasury  
Stanley  
Falkland Islands

Dear Sir

With reference to your letter of 18th January\* we enclose a copy of the response received from M Brandt's Sons & Co Ltd for your necessary attention.

2 We shall be glad to receive your further instructions unless you decide to communicate direct with M Brandt's in future to facilitate this matter.

Yours faithfully

for the Crown Agents

KH

# WM. BRANDT'S SONS & CO. LTD.

ESTABLISHED IN LONDON  
1805

DIRECTORS:  
W. A. BRANDT (CHAIRMAN)  
P. A. BRANDT (CHIEF EXECUTIVE)  
LORD ALDINGTON R. Y. BIRLEY  
H. A. BRANDT J. M. BRANDT  
H. D. CAYLEY M. O. FEILDEN  
J. G. D. GORDON A. B. C. HARRISON  
R. M. MAYS-SMITH P. R. NUTTING  
C. H. OXLEY R. B. PRYOR  
W. M. ROBERTS A. C. F. THOMSON  
F. R. WELSH



P.O. BOX NO. 95  
36 FENCHURCH STREET  
LONDON  
EC3P 3AS

TELEPHONE: 01-626 6599  
TELEGRAPHIC: BRANDTSONS, LONDON, EC3  
TELEX: 888981 886552

DFH/SAB  
PRODUCE DEPT.

1st February 1972

YOUR REF: 07/FALKLAND IS. 49

Crown Agents for Oversea Governments,  
and Administrations,  
O Department,  
4, Millbank  
London SW1P 3JD.

Dear Sirs,

Whaling Stations at Grytviken  
and Husvik, South Georgia Island

We thank you for your letter of the 28th January regarding the outstanding rent for 1970/71 and 1971/72.

As previously advised you we have already written to Albion Star (South Georgia) Ltd on this subject, but so far without any response. We are writing to them again, but in the meantime we wonder whether the Falkland Islands Government would be prepared to consider reducing the rent to any extent. As you are aware, no whaling operations have been carried out for many years at either Grytviken or Husvik, and Albion Star (South Georgia) Ltd., have done all they can to either hire or sell the stations.

They went to a considerable amount of trouble and expense in an endeavour to dispose of the stations to the USSR Ministry of Fisheries, who were extremely keen to use Grytviken as a Fishing base. Unfortunately for our friends, the Foreign and Commonwealth Office refused to allow the transfer of the lease, which meant that through no fault of their own Albion Star (South Georgia) Ltd., were unable to dispose of the station to the one customer who seemed to be really interested.,

As you will realize there is absolutely no revenue coming in to Albion Star (South Georgia) Ltd., apart from the odd sale of some of the equipment to the British Antarctic Survey base at King Edward Point, and we think that in the circumstances some consideration should be given to reducing the rental.

We await your comments in due course.

We remain, dear Sirs,  
Yours truly

p.p WM. BRANDT'S SONS & CO. LTD.

# GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

## SENT

23

Number	Office of Origin	Words	Handed In at	Date
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A/C H/S 24 Sept 1974

To

STAT PRIORITY (IMMEDIATE)  
PRODDOWN LONDON SW1

241600Z

From Falklands  
Tel No 336 of 24 September

Immediate to FCO

SOUTH GEORGIA

1. Your letter Ref HWP 10/5 of 13 September.
2. Your action noted and I agree with your Paragraph 3.
3. In regard to the all-embracing indemnity, signing such a document appears to me to be an open-ended commitment and rather like playing Russian Roulette - with me holding the revolver. If I sign, would it be possible for Crown Agents or other brokers to insure against this risk? If this were possible, then financially speaking I would be covered.
4. Also, would you please obtain from Brandts authority to tow away and sink the sealers lying alongside the wharf at Grytviken. If this is not done this season, I fear it will be too late.
5. Brandts have asked for the present rental to be lowered and this I have refused through Crown Agents.

LEWIS

Time

# GOVERNMENT TELEGRAPH

FALKLAND ISLANDS

## SENT

Number	Office of Origin	Words	Handed In at	Date
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A/C H/O 24 Sept 1974

To

CROWN

LONDON

From Falklands  
Tel No 176 of 24 September

For "R" Division

ALBION STAR (SOUTH GEORGIA) LTD

1. Your letter H/FALKLAND IS 10 of 11 September.
2. I confirm it is not (not possible to make any alteration in the present rental for the whaling station at Grytviken.

LEWIS - Governor

Time

Telegrams Crown London SW1  
Telephone 01-222 7730  
Telex 916205

199 23  
CROWN AGENTS

FOR OVERSEA GOVERNMENTS AND ADMINISTRATIONS

R Division

4 MILLBANK

LONDON SW1P 3JD

Our ref R/FALKLAND IS 10

Your ref

Date 20 November 1974

The Secretariat  
Stanley  
Falkland Islands  
South Atlantic

For the attention of Mr R Browning  
Acting Chief Secretary

Dear Sir

ALBION STAR (SOUTH GEORGIA) LTD  
RENTAL FOR GRYTUIKEN, SOUTH GEORGIA

Further to your letter of -16 August we confirm that we are now  
in receipt of the outstanding rental for the above Whaling  
Station.

We confirm that your account will be credited with the  
£1,000.00.

Yours sincerely,

*N. J. Fordham.*

N J FORDHAM

SF





To open slit here

To open slit here

Sender's name and address

CROWN AGENTS

4 MILLBANK

LONDON, SW1P 3JD

An air letter should not contain any enclosure

The 'APSLEY' Air Letter

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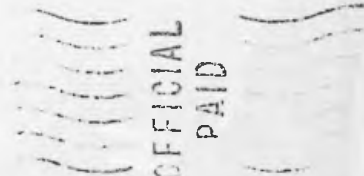
For the attention of Mr R Browning  
Acting Chief Secretary

The Secretariat

Stanley

FALKLAND ISLANDS

South Atlantic



Y.E.

R BLO for now pl

The relevant CSO file is 3/3

being sent up in the next box.

b.s

/

ho

See

26/2

s/dec.

ab

3/3



RESTRICTED



Foreign and Commonwealth Office  
London SW1A 2AL

Telephone 01-

*P.S.*  
*R. B. v. W. v. M.*  
*Previous App. referred below*  
*to in Pres. 1. below*  
*28*  
*26*  
*20/2*

HE Mr N A I French MVO  
Governor and Commander-in-Chief  
FALKLAND ISLANDS

Your reference

Our reference

HWF

*7/7*  
*40/5*

Date 12 February 1975

*Dear Neville*

*2 1/2*

## SOUTH GEORGIA: LEASES OF WHALING STATIONS

*307*  
*311*

- 310*
1. Please refer to my letter to Mr Lewis of 29 October 1974 and your tel 397A of 12 November.
  2. We had a visit on 7 February from Mr A J Cole, Secretary of Christian Salvesen (Managers) Ltd. He came to talk to us about the leases of the whaling stations they already hold and of Grytviken and Husvik, which they plan to purchase from Albion Star. Sir Hubert Flaxman has not been asked to go ahead with drafting new leases.
  3. The first point Mr Cole made was that the company would like the lease of all the stations to be for a fixed term of years, without the Governor having the option (as he has under Salvesen's existing leases) of terminating the lease on a year's notice during that period (but see para 6 below). They would like their lease to be for, say, 5 years in the first instance, with an option to renew at a renegotiated rent for another fixed period. The company would be prepared to pay a higher rent for this greater security of tenure.
  4. We made it clear that the terms of a new lease could only be on the same "hold and enjoy to no commercial purpose" basis. However, the company, if they acquire the leases of Grytviken and Husvik, would have a monopoly over the deep water harbours in South Georgia, and this would have to be taken into account, (as would the general inflationary trend) in assessing the figure for an increased rent. Mr Cole conceded the point and suggested that his company might be prepared to consider an annual rent of £1,000 to cover all 4 sites (against current rent of £475).

/5.

RESTRICTED



- 2 -

5. It was agreed that before a truly commercial rent could be fixed the nature of any commercial activity envisaged would have to be evaluated. Therefore the clause in the old Salvesen leases in respect of a change of use should stand in a new lease. But it was suggested that a clause be added which would allow the Governor to terminate the lease if he received offers from other interested parties and if, after arbitration, Salvesens were not prepared to match their offers.

6. Mr Cole said his company would like to write into the lease some provision for compensation (which would bear some relation to the rent they had paid and to the purchase price for the Grytviken/Husvik leases), if for some reasons other than a change of use their lease was terminated (Mr Cole mentioned "political" reasons). We agreed that this seemed reasonable, although the drafting of the clause will have to be vague - "if for any other reason the Governor is obliged to terminate . . ."

7. The company would raise no difficulties over allowing freedom of access to the representatives of the Falkland Islands Government to deal with pollution in the harbours from oil or catchers. The company would also agree that the Falkland Islands Government would not be responsible for the upkeep and protection of the properties in the absence of the company's representatives.

8. Please will you let us know if you can agree to these principles. If so we will ask Sir Hubert Flaxman to draw up a draft lease covering all 4 properties (or 4 separate ones if he thinks this is preferable).

9. Mr Cole said that he thought it would be easy to arrange the timing of the transfer of Albion Star's leases and the signing of the new one(s). The company would go ahead with their purchase of the existing leases against your undertaking to cancel forthwith all the existing leases as soon as the transfer is made and to sign the new lease simultaneously. Subject to legal advice we can see no difficulty in this.

10. We raised the question of how payment might be made for the transfer of the leases, as it bears upon the charges being incurred for the disposal of the explosives at Grytviken. We would hope that Salvesens could arrange with Brandts to pay to them the balance of the transfer money after they had paid to your account at the Crown Agents the cost of the MOD's operation.

*Yours ever*  
*M E Hunt*

M E Hunt (Miss)  
West Indian and Atlantic Dept

SG/1/1

27 March 1975

Miss M E Hunt  
West Indian & Atlantic  
Department  
FCO

## SOUTH GEORGIA: LEASES OF WHALING STATION

1. Thank you for your letter HWF 7/7 of 12 February about the leases of whaling stations at South Georgia.

2. As I understand it the situation at present is that Salvesens lease:

(a) Stromness and Leith at a rental of £200 p.a.; and

(b) Prince Olaf Harbour at £25 p.a.,

and Albion Star, South Georgia Ltd (Mr Ryan) hold the leases for Grytviken and Husvik Harbour for an annual rental of £250 each.

3. I see no strong objection to Salvesens taking over the leases for all the five properties (counting Stromness and Leith as two) but I should prefer, at this stage at least, not to give Salvesens an exclusive right for more than a year at a time. I attach importance to this proviso (which you yourself made in para 3 of your letter of 29 June 1974) because I have not yet had time to acquire an adequate grasp of conditions at South Georgia.

4. As regards the annual rental Salvesens should pay, my calculation gives a total for all the properties from both sources of £725 p.a. after allowing for the reduction in the rentals in 1971 when the properties ceased to be used as whaling stations. Would you please confirm that you agree with this figure.

/5.

5. If the lease or leases are for a term of a year only the question of compensation will probably not arise. I agree with you that covenants should be included in the lease(s) to allow Government freedom of access.

6. I am glad to note that you have in mind to claim from Brandts, on behalf of Albion Star, the cost of the operation to clear the explosives at Grytviken. I imagine this should be settled before the lease(s) are assigned.

7. Sir Hubert Flaxman has now written to the Chief Secretary that although he wishes to withdraw from active work as our Legal Adviser, he would be prepared to carry on for a while until a new appointment is made. Presumably, therefore, you could approach him with a request to draw up the new lease or leases. I am content to leave the details to him.

N A I French



20 May 1975

Miss M E Hunt  
VIAD  
PCO

P.S.H.

## INTERNAL POLICY FOR SOUTH GEORGIA

1. I am grateful for the most lucid and thorough treatment in your letter REF 7/7 of 24 April, of the question of the leases of the whaling stations in South Georgia and the related subject of the potential for krill fishing.
2. It was particularly helpful to have the perspective provided by the discussions in Cambridge and set out in your third paragraph.
3. No cogent are the arguments for granting Salvagens five year leases of Grytviken and Husvik that I have no real option but to accept them, subject to the proposed qualification of their monopoly position by maintaining the existing leases of Stromness/Leith Harbour and Prince Alaf Harbour on a year to year basis. Had it been feasible I would, of course, have much preferred to defer decisions until I had had an opportunity of visiting South Georgia to see things for myself on the spot but, clearly, this is not a key consideration.
4. I am also in full agreement with the need for caution in encouraging the use of South Georgia in the context of krill fishing for the reasons given in your fourth paragraph. I have seen the correspondence with Mr Mansfield and commented briefly on his enquiry to David Walker in Washington (my letter of 25 April copied to you refers).
5. Messrs Lamb have not yet visited Stanley but I will bear in mind the need to keep you informed should they eventually appear.

M A I French

cc Secretariat file SG/1/1

Ref: SG/1/1

Colonial Treasury,  
Stanley,  
Falkland Islands.  
3rd July, 1975

Dear Sirs,

South Georgia Whaling Stations

It is observed that the annual rent of £225 for Leith Harbour, Stromness and Prince Olaf Harbour at South Georgia has not yet been received for the year ending 30.9.75.

I should be grateful if you would arrange for recovery of the £225 from Christian Salvesen (Manager) Ltd., G.P.O. Box 217, 29 Bernard St. LEITH EH6 6SW, Scotland in respect of the outstanding rent and arrange for South Georgia account to be credited accordingly.

Yours faithfully,

Financial Secretary

The Crown Agents for Oversea,  
Governments & Administrations,  
R Division,  
4 Millbank,  
LONDON SW1P 3JD.

Ref: SG/1/1

Colonial Treasury,  
Stanley,  
Falkland Islands.  
3rd July, 1975.

Dear Sirs,

Albion Star (South Georgia) Ltd  
Rental for Grytviken and Husvik  
South Georgia

Please refer to your letter R/Falkland Is 10  
of 20th November, 1974 to the Acting Chief Secretary.

It is noted that £1000 in respect of rent for  
the years ended 30.9.72 and 30.9.73 was credited  
to South Georgia account in November, 1974, but  
it is observed that rent for the years ending  
30.9.74 and 30.9.75 has not yet been received and I  
should therefore be grateful if you would  
kindly take the matter up with the Company's  
Agents Messrs Brandts Limited, PO Box 95,  
36 Fenchurch Street, London EC3P 3AS  
requesting settlement of the amount outstanding  
i.e. £1000.

Please arrange for the rent to be credited to  
South Georgia account.

Yours faithfully,

Financial Secretary

The Crown Agents for Oversea,  
Governments & Administration,s  
R Division,  
4 Millbank,  
LONDON SW1P 3JD.

HTR/LML



Foreign and Commonwealth Office  
London SW1A 2AH

Telephone 01- 930-8440

A J Cole Esq  
Christian Salvosen (Managers) Ltd  
50 East Fettes Avenue  
EDINBURGH  
EH4 1EQ

Your reference

Our reference ALM 7/3

Date 8 August 1975

Dear Mr. Cole,

In my letter of 6 August about the leases of whaling stations in South Georgia, I put the cost of removal of certain explosives from Grytviken as \$2711.91. I have since learnt that there are further charges for insurance and subsistence. These are being quantified and I will give you details in due course.

Yours sincerely,

*D S Keeling*

D S Keeling  
Latin America Dept

cc. HE The Governor, Falkland Islands  
H J S Pearce, BUENOS AIRES



*Where do we stand on*

*this now? Are we  
owed anything?*

*R/S  
3/10/75*

*18/8*

CYPRUS CAT A  
FM PCO 221708Z  
RESTRICTED

To routine Port Stanley being 280 of 22 August.

Reeling's letter of 6 August to Salvagens :

South Georgia Leases.

1. Salvagens have raised various questions:
  - A. They wish Stromness and Leith leases to be re-negotiated for five year period. We do not (not) propose to agree, as this would give Salvagens a long-term monopoly.
  - B. Salvagens ask for what period they will have a renewable option on the Grytviiken and Husvik lease. They would like a five year option written into the leases, with a further option to renew again after that. Salvagens point out that they will pay pounds Sterling 50,000 to Union on which they can only hope for a long-term return. Renewal would still be subject to agreement on price. If Salvagens accept (A) above we are disposed to agree to five year renewal and subsequent options.
  - C. UNG to agree compensation in the event of an enforced change of sovereignty. This is of course absurd and we shall tell Salvagens so.
2. Grateful for your views. Salvagens are anxious to complete leases quickly and we hope then to be able to reclaim cost of explosives exercise from Union Star.

SAI:GMA

UNNN

Reply at 226

RESTRICTED

226  
33

CYPHER CAT A

From Port Stanley

271420Z

RF

RESTRICTED

To Routine FOO Telegram No 376 of 27 August

Your telegram No 280.

225

Keeling's letter of 6 August not repeat not received here.

2. Grateful if you would check with your Despatch Section since this is one of several <sup>ENCLOSURES</sup> which have failed <sup>RECEIVED</sup> to arrive as indicated in covering letters.

FRENCH

RENNETT

26/8

RESTRICTED



sgl/1.

RESTRICTED

229

34

CIPHER/OUT A

From Port Stanley

RESTRICTED

To ROUTINE FCC telegram No 391 of 30 August

Your telegram No 230:



SOUTH GEORGIA LEASES

On the assumption that Keeling's letter of 6 August (not yet received here) contains no significant qualifications of EUR I agree that Salvesen's requirements described in B should be ~~accepted~~ NET subject to their acceptance of A.

FINCH

FINCH

*[Handwritten signature]*  
30/8

RESTRICTED



Foreign and Commonwealth Office  
London SW1A 2AH

Telephone 01-930-8440

230  
35  
RECEIVED IN  
REGISTRY No. 18  
- 7 AUG 1975

A J Cole Esq  
Christian Salvesen (Managers) Limited  
50 East Fettes Avenue  
EDINBURGH  
EH4 1EQ

3/9  
Your reference

Our reference ALW 7/3

Date 6 August 1975



Dear Mr. Cole,  
LEASES OF WHALING STATIONS IN SOUTH GEORGIA

15  
Hwf 7/7  
Would you please refer to your letters to Miss Hunt of 14 April and 25 June 1975 about the transfer of the whaling station leases to your company. As you know, we have been discussing the pros and cons of this matter with the Governor of the Falkland Islands and the position we have now reached is as follows:

- 6 Hwf 7/7
- a. We agree in principle to the transfer of the leases of Grytviken and Husvik whaling stations from Albion Star (South Georgia) Ltd to Christian Salvesen (Managers) Ltd, subject to agreement on the terms of the leases.
  - b. New leases will be prepared which will enable you to hold these properties, but not to make commercial use of them without the prior consent of the Governor and the preparation of further leases relevant to the proposed commercial activity.
  - c. The new leases would be for a period of five years in the first instance with an option to renew at a renegotiated rent for a further period.
  - d. The leases to Stromness/Leith Harbour and Prince Olaf Harbour would continue as they are at present.
  - e. We suggest that the annual rents for each of the new leases to Grytviken and Husvik should be set at £750 and that the rents for the existing leases to Stromness/Leith Harbour and Prince Olaf Harbour should remain unaltered.



- 2 -

I hope this is satisfactory to you. We have, I believe, met your main point - that you should have security of tenure at Grytviken and Huvik for a fixed period. Setting a rent for this sort of lease is bound to have a certain arbitrariness about it, but we believe there are good arguments for the differential between your rents for the existing leases and the proposed rents for the new leases. The main arguments in our view are:

- a. Inflation;
- b. The prospect of renewed economic activity in South Georgia seems less dim than it did in 1969 when your existing leases were negotiated;
- c. You will have a monopoly position over the better deep water harbour in South Georgia; and
- d. You will have security of tenure.

Please let me know if we can go ahead with the preparation of the leases on this basis.

There is one additional small point: the cost of removing the dangerous explosives from close to Grytviken was £2711.97. As you know, the sum is to be paid by Albion Star (South Georgia) Ltd. *more*

*Yours sincerely,*

*David Keeling*

D S Keeling  
Latin American Department

cc: HE The Governor, Falkland Islands  
H J S Pearce, Buenos Aires



Foreign and Commonwealth Office  
London SW1A 2AH

231

36



Telephone 070-8140

A J Cole Esq  
Christian Salvesen (Manager)  
50 East Pettes Avenue  
EDINBURGH  
EH4 1JG

Your reference

Our reference ALW 7/3

Date 8 August 1975

Dear Mr. Cole,

②

In my letter of 6 August about the leases of whaling stations in South Georgia, I put the cost of removal of certain explosives from Grytviken as \$2711.91. I have since learnt that there are further charges for insurance and subsistence. These are being quantified and I will give you details in due course.

Yours sincerely,

*David Keeling*  
D S Keeling  
Latin America Dept

cc. HE The Governor, Falkland Islands  
H J S Pearce, BUENOS AIRES

RECEIVED IN REGISTRY No.18
11 AUG 1975
ALW 7/3

RESTRICTED



**Foreign and Commonwealth Office**  
London SW1A 2AH

Telephone 01- 930-8440 Ext 15

731  
37

A J P Monk Esq  
Chief Secretary  
Port Stanley  
FALKLAND ISLANDS

Your reference

Our reference ALW 10/4

Date 21 August 1975



*Dear Mr. Monk,*

**REMOVAL OF EXPLOSIVES FROM SOUTH GEORGIA**

1. I have now received the various bills for this exercise, and enclose copies. The subheads are:

	£
MOD charges	2472.75
BAS charges	239.22
Insurance	1712.50
	<hr/>
TOTAL	4424.47

y/ I should be grateful if you would authorise payment from the dependencies account through the Crown Agents.

x/ 2. After payment of the charges, I assume you will bill Albion Star. The grand total will then be:

	£
MOD, BAS, Insurance	4424.47
Buenos Aires expenses*	122.23
	<hr/>
GRAND TOTAL	4546.70

\*(Pesos 4445.50 at 36.37/£1)

*Action.* // You are probably aware that Albion Star will pay up when the transfer of their leases to Sanderson is effected. //

(Sanderson)

*Yours sincerely,*

*David Keeling*  
D S Keeling  
Latin America Department

Encs

*Noted  
14/9*

RESTRICTED



MINISTRY OF DEFENCE

Main Building Whitehall London SW1A 2HB

Telephone 01-218-7017 (Direct Dialling)

01-218 9000 (Switchboard) 7017

RECEIVED IN  
REGISTRY No. 41

24 MAR 1975

MSF 10/44

Your reference

Our reference

N/F1/747/73

Date

15 March 1975

Miss M E Hunt

West Indies and Atlantic Department

Foreign and Commonwealth Office

London SW1A 2HB

Dear Miss Hunt

EXPLOSIVES IN SOUTH GEORGIA

The extra costs incurred by the employment of the Fleet Clearance Diving Team in South Georgia between 15 January and 22 March 1975 are as follows:-

London/Buenos Aires/Ezeiza/Paris/London

Air passages	x 3	1763.70
Excess baggage	x 3	<u>709.05</u>
		<u>£2472.75</u>

2. I would appreciate your cheque for this amount being made payable to the Accounting Officer, Ministry of Defence, c/o Director General Defence Accounts 10A, Warminster Road, Bath BA1 5AL.

Yours sincerely

*[Signature]*

Hold, pending further news from mcd

11/6/75

26/3

BU 16 April

JH/24



Enter

(8)



BRITISH EMBASSY

BUENOS AIRES

ADM 90/1

20 February 1975

Miss M E Hunt  
West Indian & Atlantic Department  
Accounts FCO

RECEIVED IN REGISTRY No. 41 24 FEB 1975 HMF 10/4
---

Dear Miss Hunt,

(37)

1. Please refer to your letter HMF 10/5 of 4 December 1974 to Glynne Evans about the disposal of a store of old explosives at a whaling station in South Georgia.
2. In January this year, a three man team of experts from the Ministry of Defence arrived here in transit to the Falklands and the following expenditure was incurred :

	Pesos
3 air fares Buenos Aires - Co. Rivadavia	1,746.00
3 " " C. Rivadavia - Port Stanley	1,347.00
3 " " Bahia Blanca - Buenos Aires	1,158.00
Car hire Buenos Aires	194.50
36.52 = £1. 122.22.	4,445.50

3. We have now paid these bills and placed the respective amounts in our Suspense account pending receipt of appropriate charging instructions. I should be grateful if you would let me know whether we can accept the team's expenses as a charge to the FCO and, if so, under which sub-head.

Yours sincerely,

*Paul Thompson*

F B Thompson

Letter to BA

not 27/2

1744  
1158  
2900

NATURAL ENVIRONMENT RESEARCH COUNCIL

BRITISH ANTARCTIC SURVEY

DIRECTOR DR R M LAWS

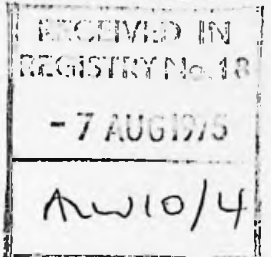
2 ALL SAINTS PASSAGE, CAMBRIDGE CB2 3LS

TELEPHONE: CAMBRIDGE (0223) 61188

TELEGRAMS: POLASURVEY, CAMBRIDGE

AS/164/8

10th June, 1975



Dear John,

I enclose an account for expenses incurred by BAS on behalf of the three RN personnel who visited South Georgia last season. I am sorry this has been so long in coming but time has been at a premium.

With best wishes,

Yours sincerely,

*W.O. Sloman*

W.O. Sloman  
ADMINISTRATIVE OFFICER

Dr. J. Heap,  
Polar Regions Section,  
Latin America Department,  
Foreign & Commonwealth Office,  
King Charles Street,  
LONDON, S.W.1.

NATURAL ENVIRONMENT RESEARCH COUNCIL

# BRITISH ANTARCTIC SURVEY

DIRECTOR DR R M LAWS

2 ALL SAINTS PASSAGE, CAMBRIDGE CB2 3LS

TELEPHONE: CAMBRIDGE (0223) 61188

TELEGRAMS: POLASURVEY, CAMBRIDGE

AS/164/8

10th June, 1975

## Expenses of three Royal Navy personnel

1. Personal expenses met from BAS to be reimbursed:

Accommodation at Upland Goose Hotel,  
Stanley, from 20.1.75 to 27.1.75 £153.92

Meet and assist by Houlders at  
Mar del Plata 4.71

Hotel expenses and cablegram for  
Richardson at Buenos Aires 19.09

---

177.72

2. Expenses on board BRANSFIELD and at  
South Georgia from 27.1.75 to  
8.3.75 inclusive

41 days @ say £1.50 a day 61.50

---

TOTAL £239.22

---

Telegraph Crown Sutton  
Telephone 01-643 3311  
Telex 267103

RECEIVED IN  
REGISTRY No.18

15 AUG 1975

AW 10/4

# CROWN AGENTS

FOR OVERSEA GOVERNMENTS AND ADMINISTRATIONS

S Division

ST. NICHOLAS HOUSE

SUTTON

SURREY

4

Date 12 August 1975

Our ref S5A/261/5/13

Your ref ALW 10/4

D S Keeling Esq  
Foreign & Commonwealth Office  
Latin America Dept  
LONDON  
SW1A 2AH

Dear Mr Keeling

... In reply to your letter of 8 August 1975, I enclose copies of the debit notes showing the premiums payable for the insurance of the men and their liability to third parties. I am afraid I cannot allocate the payments to individual subheads but I hope the information given on the enclosures will suffice.

Yours sincerely

Premiums  
1,462.50  
250.00  
1,712.50  
2711.97  
£ 4424.47

M E Watkins

M. E. WATKINS (MISD)

BRO

OS 56 CAL

# MORICE TOZER & BECK (INTERNATIONAL) LIMITED

INSURANCE BROKERS & REINSURANCE BROKERS

27 CLEMENTS LANE, LOMBARD STREET, LONDON EC4P 4HH  
AND AT LLOYD'S

CROWN AGENTS FOR OVERSEA  
GOVERNMENTS AND ADMINISTRATIONS,  
"F" DIVISION,  
ST. NICHOLAS HOUSE,  
SUDBURY,  
SURREY.

TELEGRAMS & CABLES : TOZER LONDON E.C.4.  
TELEX : LONDON 884395  
TELEPHONE : 01-623 7680

COVER NOTE NO: 0858032/75

(WHICH KINDLY QUOTE ON CLOSING INSTRUCTIONS AND CORRESPONDENCE)

YOUR REF: S5A/261/5/13  
DATE: 3rd February, 1975

IN ACCORDANCE WITH YOUR INSTRUCTIONS WE HAVE EFFECTED ~~RE~~—INSURANCE FOR YOUR ACCOUNT AS FOLLOWS:—

TYPE: PUBLIC LIABILITY INSURANCE

FORM: Wording to be agreed

ADDR: GOVERNMENT OF FALKLAND ISLES

PERIOD: 1 Month from 25th January 1975  
further periods held covered sub suitable A.F. to be agreed.

INT: To cover the assured's legal liability in respect of  
demolition of 4000lb of explosives @ Whaling Station  
situated GRITVIKEN S. GEORGIA.

S/I: £100,000 any one occurrence/and in the aggregate

SIT: GRITVIKEN, S. GEORGIA

PREM: £250.00 (Gross)

INF: Whaling station being closed down.  
M.O.D. Demolition experts (3 Man team)  
Nearest building 1 1/2 Miles away - Shackleton House  
replacement value approx £100,000

SECURITY: Phoenix Assurance Co.Ltd.

E. & O. E.

MORICE TOZER & BECK (INTERNATIONAL) LIMITED

7.2  
KINDLY EXAMINE THIS COVER NOTE  
CAREFULLY AND RETURN TO US  
IF FOUND TO BE INCORRECT.

DIRECTOR

# MORICE TOZER & BECK (INTERNATIONAL) LIMITED

INSURANCE BROKERS & REINSURANCE BROKERS

27 CLEMENTS LANE, LOMBARD STREET, LONDON EC4P 4HH

AND AT LLOYD'S

CROWN AGENTS FOR OVERSEA  
GOVERNMENTS AND ADMINISTRATIONS,  
'S' DIVISION,  
ST. NICHOLAS HOUSE,  
SUTTON,  
SURREY.

TELEGRAMS & CABLES : TOZER LONDON E.C.4.  
TELEX : LONDON 884395  
TELEPHONE : 01-623 7680

COVER NOTE NO: 0358033/75

(WHICH KINDLY QUOTE ON CLOSING INSTRUCTIONS AND CORRESPONDENCE)

YOUR REF: S5A/261/5/13

DATE: 3rd February, 1975

IN ACCORDANCE WITH YOUR INSTRUCTIONS WE HAVE EFFECTED ~~RE~~—INSURANCE FOR YOUR ACCOUNT AS FOLLOWS:—

TYPE: PERSONAL ACCIDENT INSURANCE

FORM: K(A) NMA 1756  
No Proposal

ASSED: GOVERNMENT OF FALKLAND ISLES

PERIOD: 1 Month commencing 25/1/75.  
Further periods held covered subject to suitable A.P. to be agreed

INT: 3 Demolition experts

S/Y: £65,000 per person

SIT: S. GEORGIA including transit to & from U.K.

COINS: Scale E Amended  
T.T.D. £100 per week payable upto 52 weeks) in all.  
T.P.D. £ 25 per week payable upto 52 weeks) in all.  
T.T.D./T.P.D. excess 7 days each and every claim.

PREM: 0.75%  
= £1,462.50 (Gross)

INF: M.O.D. Demolition experts engaged in disposing of 4000 lbs  
of explosives @ Whaling Station situate GRVTVIKEN S. GEORGIA.

SECURITY: Lloyds

E. & O. E.

MORICE TOZER & BECK (INTERNATIONAL) LIMITED

KINDLY EXAMINE THIS COVER NOTE  
CAREFULLY AND RETURN TO US  
IF FOUND TO BE INCORRECT.

DIRECTOR



F I F O 02/12  
23/5 May

Ref: Secretariat file S G / 1 / 1.  
(Reply to Jo to me Morrison).

Draft telegram to FCO

EN CLAIR (~~RESTRICTED~~ in view of (229) (226))

From Port Stanley

UNCLASSIFIED  
G R 30A  
To ~~Priority~~ <sup>Routine</sup> FCO

Telegram No. 344 of 11 May  
KEELING'S LETTER

~~VIA~~ AIM/7/3 of 6 August 1975 to Salvesens: ~~about~~ Whaling  
leases South Georgia // 1. Please advise position on transfer  
of leases.

FRENCH

ad 11/5

Sent 12/5 SL



214 GOVERNOR FK  
265287 PRDRME G  
FIFK 003/02 JUNW

RR PORT STANLEY

GRS 120

EN CLAIR

FM F C O 011650Z

UNCLASSIFIED  
TO ROUTINE PORT STANLEY TELNO 288 OF 1 JUNE.  
YOUR TELNO 344

SOUTH GEORGIA WHALING LEASES.

1. CHRISTIAN SALVESEN ARE IN PROCESS OF FORMING A COMPANY IN SOUTH GEORGIA IN ORDER TO OVERCOME EXCHANGE CONTROL PROBLEMS.

THEIR NEGOTIATIONS WITH BRANDTS ARE PROCEEDING SATISFACTORILY.

2. SALVESENS HAVE PROPOSED THE INSERTION OF A CLAUSE IN THE LEASES FOR STROMNESS AND LEITH TO THE EFFECT THAT THE GOVERNOR WILL NOT TERMINATE THE LEASES WITHOUT PRIOR CONSULTATION.

IT MEANS THAT SHOULD ANOTHER PARTY PROPOSE A DEVELOPMENT ON SOUTH GEORGIA INVOLVING THE USE OF THESE TWO HARBOURS, SALVESENS WOULD BE GIVEN THE OPPORTUNITY TO MATCH IT WITH PROPOSALS OF THEIR OWN. YOUR DECISION WOULD BE FINAL.

3. GRATEFUL FOR YOUR COMMENTS ON THIS SUGGESTION.

CROSLAND

NNNN

SENT AT 02/1418ZJW

214 GOVERNOR FK  
265287 PRDRME G

*is attached.*

*See B.V. with  
previous PPS.*

*2/6.*

*Annual basis (220)*

*Reply at (237)*

Whaling Stations, South Georgia

1. H.E. asked late this afternoon if I could get a reply to London's telegram before my departure for Darwin tomorrow morning. I rang Mr. Cook at his office and at the hotel, but he was not there, which was not too surprising as it was well after 5 pm.
2. H.E. wants a reply to go off to London tomorrow, Friday. Would it be possible for you or Mr. Cook to return the telegram urgently tomorrow with a recommendation? We then saw no reason why we could not go along with London's proposal, but the Secretariat may have more background information on which to base a reply.

"Just v. a 12/55/11

J. G. L. 1976  
10 June 1976

Registry  
No.

CSO

RESTRICTED

DRAFT

Type 1 +

FROM

Telephone No. Ext.

Department

## SECURITY CLASSIFICATION

Top Secret.  
Secret.  
Confidential.  
Restricted.  
Unclassified.

To:-

CYPHER CAT A

FM PORT STANLEY 112055Z

RESTRICTED

To ROUTINE FCO telno 288 of 11 June

Your telno 288:

SOUTH GEORGIA LEASES

1. Proposed clause is acceptable if its intention is solely to require this Government to consult before terminating Stromness and Leith leases, or renewing them annually.

2. The assessment of "major proposals" could pose problems but I would not wish to make too much of this at this stage.

3. I have in mind that the Shackleton Report may contain recommendations on the future of South Georgia facilities and/or possible new developments. It might therefore be prudent to await publication before taking final decisions.

4. Registrar has not yet received an application for the registration of a company in South Georgia.

FRENCH

NNNN

RESTRICTED

NOTHING TO BE WRITTEN IN THIS MARGIN

DRAFT TELEGRAM TO FCO (2nd)

FM CLAIR

FM PORT STANLEY

~~RESTRICTED~~  
~~UNCLASSIFIED~~

TO ROUTINE FCO

TELEGRAM NO 507 OF

MY TELEGRAM 344/ WHALING LEASES SOUTH GEORGIA.

PLEASE ~~NOTIFY~~ POSITION. TRANSFER ~~ASSUMES~~ SOME URGENCY AS

AMOUNT DUE FOR DETONATION OF EXPLOSIVES REFERRED TO IN

KEELING'S LETTER OF 21 AUGUST 1975, OVERDUE AS WELL AS

RENT FOR YEAR ENDING 30 SEPT 1976 .

FRENCH

Reply at- 239

Sent 28/7

SL

RESTRICTED

239  
44

INWARD TELEGRAM  
CYPRUS CAT A  
FM PCG 111200Z

RESTRICTED

238  
L

To PRIORITY Port Stanley telno 370 of 11 August 1976

Four telno 507: WHALING LEASES SOUTH GEORGIA

1. Present position is that Christina Salvesen have completed their negotiations with Brandts. They have requested draft of the new leases which we are asking Frederick Cocke to draw up.
2. The delay in filing an application for the formation of a local company has been due to the dilatory way Salvesen's lawyers have handled the application. They have emphasised the importance of getting on with this and an application will be on its way to you very soon.

CROSLAND  
NNNN

1/11

C.S.

Please see my minute.  
46. This file should be  
numbered up to date please.

NRK

RESTRICTED

13/8

10

Des

Pl. arrange for advice as at 10 pt. Then pass  
to PS to deal w. 46 pt. 8/5/8.

FALKLAND ISLANDS

THIS LEASE is made this 29th day of January one thousand nine hundred and seventy-one BETWEEN Her Most Gracious Majesty Elizabeth II: by the Grace of God, of the United Kingdom of Great Britain and Northern Ireland and of Her other Realms and Territories Queen, Head of the Commonwealth, Defender of the Faith, of the one part, and Christian Salvesen Limited whose registered office is situate at 31 Bernard Street, Leith, Scotland (hereinafter called the Lessee) of the other part WITNESSETH that Her Majesty doth hereby lease unto the Lessee and its assigns ALL THAT piece or parcel of land situate at Leith Harbour and Stromness Harbour in the Island of South Georgia, one of the Dependencies of the Colony of the Falkland Islands containing eight hundred acres or thereabouts and more particularly delineated on the plan annexed hereto and thereon edged with a red verge line "A.C.P.I." and reserved to Her Majesty a road measuring thirty feet wide along the coast line of the land hereby leased and the right of access for Her officials servants and agents to such road. TO HOLD the same unto the Lessee and its assigns for the term of five years from the 1st day of October 1969, and thereafter from year to year subject to determination as hereinafter provided TILLING and paying therefor the clear yearly rent of TWO HUNDRED POUNDS STERLING payable in advance on the first day of October in every year to the CROWN AGENTS for Overseas Governments, or the Treasurer of the said Colony of the Falkland Islands: and the Lessee does hereby for itself and its assigns covenant with Her Majesty to pay, or cause to be paid unto Her Majesty her heirs and successors that said clear yearly rent or sum of two hundred pounds at the times and in the manner hereinbefore appointed for payment thereof: AND that they will not at any time during the said term hereby granted without the previous consent in writing of the Governor of the Colony of the Falkland Islands (hereinafter called "the Governor") assign, underlet, or part with the possession of the said lot or parcel of land hereby leased or any part thereof.

PROVIDED that this lease is granted subject to the reservations, conditions and restrictions set forth in section twenty-eight of/...

of "The Land Ordinance 1949" of the Colony of the Falkland Islands save and except in so far as any reservations, conditions and restrictions in whole or in part are herein expressly excluded and subject also to the covenants, reservations, conditions and restrictions, set forth in the SCHEDULE hereto and PROVIDED always that if the said yearly rent of two hundred pounds shall be unpaid sixty days after any of the said days whereon the same is hereinbefore made payable (whether lawfully demanded or not) or if the Lessee or its assigns shall not observe, perform, fulfil, and keep all and every the covenants, conditions and agreements, hereinbefore and in the Schedule hereto contained which on their part ought to be paid and performed and more particularly shall omit to use the land hereby leased in the manner and to the extent specified in the Schedule hereto then and in either of the said cases it shall be lawful for Her Majesty, her heirs and successors, unto and upon the land hereby leased or any part thereof in the name of the whole, to re-enter and repossess the same as Her and former estate. PROVIDED also that the Governor or the Lessee may on the first day of October in any year on and after the first day of October 1969, determine the tenancy hereby created by giving to the other one year's notice in writing. AND Her Majesty for herself, her heirs and successors doth hereby covenant with the Lessee and its assigns that they the Lessees and assigns, paying the said yearly rent of two hundred pounds on the days and times and in the manner aforesaid and observing, performing and fulfilling and keeping all and every the covenants, conditions and agreements in this Lease and the Schedule hereto contained on their part to be observed, performed, fulfilled and kept shall and lawfully may peaceably and quietly have, hold, use, occupy, possess and enjoy the said lot or parcel of land hereby leased for and during the said term hereby granted.

Provided also that if at any time during the continuance of this lease the lessee shall notify the Governor in writing that it desires to start or restart whale fishing or any commercial fishing or other activities in connection with the land hereby leased or to assign underlet or part with possession of the whole or any part of such land, the rent hereby reserved shall be subject to increase and the other terms of this lease shall be subject to modification. The Governor and the lessee shall forthwith enter into/...



into negotiations with a view to agreeing such increased rent and such other modifications as shall be appropriate having regard to all the circumstances and in particular the commercial operations to be undertaken and/or the rent or premium to be obtained by the lessee from such assignment underletting or parting with possession. If the Governor and the lessee shall have been unable to agree the amount of the increased rent and the other modifications to this lease within six months of the notification provided for above, they shall be decided by an arbitrator to be agreed upon by the Governor and the lessee within one month of the end of the six month period, and if not so agreed within such one month to be appointed by the President of the Law Society of England on the application of either the Governor or the lessee. Pending the decision on such increased rent and other modifications by agreement or arbitration, the proposed commercial operations, assignment underletting or parting with possession shall not take place unless the Governor so consents, and the Governor in granting such consent may impose such conditions as he thinks fit.

THE SCHEDULE referred to:-

1. The lot and parcel of land hereby leased is leased to be used by the lessee against the eventuality of its restarting whale fishing or starting fishing or other commercial operations and it is hereby expressly declared that nothing in this lease shall permit the use of the land hereby leased in connection with whale fishing, fishing or other commercial operations or for any other purpose whatsoever except as expressly mentioned in this paragraph or elsewhere in this lease.

2. Except with the consent in writing of the Governor or an Officer authorised by him in that behalf the Lessee -

- (a) is prohibited from taking, removing, appropriating, killing or in any way using, either for his own benefit or for the benefit of any person or persons, any product, seal, bird or animal whatsoever in South/...

South Georgia or any Island adjacent thereto,  
and any fish, marine algae (including Kelp) or  
any other marine life within territorial waters;  
and

(b) will not knowingly import any living bird, animal,  
fish or plant.

3. The right to take and win minerals, including mineral oil,  
on the lot or parcel of land hereby leased is reserved to the  
Crown.

4. The Lessee shall be permitted to take fresh water for  
all purposes in connection with the land station and shall  
have the right to take such steps as may be necessary to  
ensure that an adequate fresh water supply is available at  
both Leith and Stromness Harbours.

5. The Lessee hereby for itself and its assigns covenants  
with Her Majesty her heirs and successors that during the  
continuance of the above written Lease all persons holding  
leases granted by Her Majesty her heirs and successors or  
who proceed to South Georgia with the sanction of the  
Governor will have full access to the shore on which the lot  
or parcel of land hereby leased is situate.

I, WITNESS whereof His Excellency Ernest Gordon Lewis  
Officer of the Most Excellent Order of the British Empire,  
Governor and Commander-in-Chief in and over the Colony of  
the Falkland Islands and its Dependencies, hath with the  
special sanction of the Secretary of State for Foreign and  
Commonwealth Affairs hereunto set his hand for and on behalf  
of Her Majesty and caused the Public Seal of the said Colony  
to be hereunto affixed, at Stanley in the said Colony, and  
the Lessee has caused its Common Seal to be hereunto affixed  
the day and year first above written.

Sgd: E G Lewis

Governor and Commander-in-Chief  
By His Excellency's Command,

J A Jones

Colonial Secretary

Sgd: G H Elliot

(second signature for Salvesen is  
indecipherable but could possibly  
be "M W Gibb")

SG/1/1

RESTRICTED

212  
47

CYPHER/CAT A

FM FCO 240915Z

RESTRICTED

To ROUTINE Port Stanley telno 385 of 24:8:76

SOUTH GEORGIA LEASES

1. Would you please let us have copies of Stromness and Leith leases.

CROSLAND

NNNN

*Two copies of lease sent to D.G.F. Wall Eng. MBE LAD  
by bag of 26/8/76.*

*Sl6  
26/8.*

RESTRICTED

245  
49

RESTRICTED

9 September 1966

SG/1/1

H J S Pearce Esq  
British Embassy  
BUENOS AIRES

SOUTH GEORGIA: WHALING STATIONS

1. Thanks for your (unreferenced) letter of 27 August about Mr Sharp's enquiry.

2. These stations (Grytviken, Husvik, Strömness/Leith Harbour and Prince Olav) are all owned leasehold by Messrs Christien Salvesen (Managers) Ltd, of 50 East Fettes Avenue, Edinburgh EH4 1EQ. There is very little we can say to encourage Mr Sharp in these circumstances.

3. You are probably aware that the question of foreign ownership of the bases came up in 1970 when Ministers refused permission for the leases for Grytviken and Husvik to be transferred to the Russians or the Bulgarians.

G J A Slater

cc: Dr J Heap, Latin America Dept, FCO

RESTRICTED

PA  
DAL-9/9

RESTRICTED

245  
49  
9 September 1966

SG/1/1

H J S Pearce Esq  
British Embassy  
BUENOS AIRES

SOUTH GEORGIA: WHALING STATIONS

1. Thanks for your (unreferenced) letter of 27 August about Mr Sharp's enquiry.
2. These stations (Grytviken, Husvik, Strømness/Leith Harbour and Prince Olav) are all owned leasehold by Messrs Christien Salvesen (Managers) Ltd, of 50 East Fettes Avenue, Edinburgh EH4 1EQ. There is very little we can say to encourage Mr Sharp in these circumstances.
3. You are probably aware that the question of foreign ownership of the bases came up in 1970 when Ministers refused permission for the leases for Grytviken and Husvik to be transferred to the Russians or the Bulgarians.

G J A Slater

cc: Dr J Heap, Latin America Dept, FCO

RESTRICTED

PA

DATE 9/9

24750

Ref: SG/1/1

Colonial Treasury,  
Stanley,  
Falkland Islands.  
30th September, 1976.

Dear Sirs,

Albion Star (South Georgia) Ltd.  
Rental for Grytviiken and Husvik  
South Georgia

Please arrange recovery of £500 from Albion Star Ltd for credit to South Georgia account in respect of the rental of Grytviiken and Husvik at South Georgia for the year ended 30th September, 1976. Your R/Falkland Islands 10 refers.

Yours faithfully,

21  
Financial Secretary

The Crown Agents for Oversea,  
Governments and Administrations,  
'R' Department,  
4 Millbank,  
LONDON SW1P 2JD.

C.S. Copies

248  
51

Ref: SG/1/1

Colonial Treasury,  
Stanley,  
Falkland Islands.  
30th September, 1976.

Dear Sirs,

South Georgia - Whaling Station

Please refer to my letter SG/1/1 of 3rd July, 1975.

It is noted that £225 for Leith Harbour, Stromness and Pirce Olaf Harbour at South Georgia for the year ended 30th September, 1975 was received and credited to South Georgia Account but it is observed that the rent for the year ending 30th September, 1976 has not yet been credited to South Georgia Account.

Price

I should be grateful if you would arrange for the recovery of the £225 now due from Christian Salvenson (Managers) Ltd., G.P.O. Box 217, 29 Bernard Street, Leith EH6 6SH, Scotland, for the year ending 30th September, 1976 and credit it to South Georgia Account.

Yours faithfully,

Financial Secretary

The Crown Agents for Oversea,  
Governments and Administrations,  
'R' Division,  
4 Millbank,  
LONDON SW1P 3JD.



11th October

77

Mr. A. J. Cole,  
Secretary,  
Christian Salvesen (Managers) Ltd.,  
50 East Fettes Avenue,  
Edinburgh EH4 1EQ  
Scotland.

Dear Sir,

I am directed to refer to correspondence relating to the issue to your Company of a Crown Lease in respect of Grytviken and of Husvik Harbour in South Georgia, and to enclose three copies of the lease for sealing with the Common Seal of your Company.

2. You will note that His Excellency the Acting Governor has already signed the leases and that the Public Seal of the Colony has been affixed to them.

3. After the deeds have been completed and dated in your office would you kindly return two copies to this office for registering in the Records Office here.

Yours faithfully,

for Chief Secretary

MW  
Enc.

Certificate of Posting The undermentioned postal packet has been registered and posted here this day. (Ordinary postage s. d. if parcel)

Regn. No. 0630 Regn. fee paid MINIMUM 3s. s. d.

Mr. A. J. Cole  
50 East Fettes Ave  
Edinburgh EH4  
Scotland 1EQ

Date Stamp

12  
10  
57

Secretariat

Accepting  
Officer's  
Initials

FOR REGULATIONS SEE OVER

# Christian Salvesen

(Managers) Limited

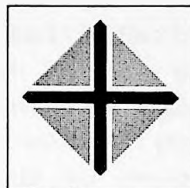
Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ

Telephone  
031-552 7101

Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

287  
53

J.R.W. Parker, Esq. O.B.E.  
Governor of the Falkland Islands  
Government House  
PORT STANLEY  
Falkland Islands



Your Ref.

Our Ref. GHE/dyc

Date 2 December 1977

Dear Mr. Parker:

Many thanks for your letter of 8th November, which I received a few days later. The new air service makes a big difference for communication.

I was interested to hear that you have been taking some equipment from Grytviken. As you know, we have been in contact with the owners for some time about taking over the whole station, so that we can be in a position to promote any developments that might be feasible at South Georgia in the future. The transaction has been held up by delay in working out the leases from the Foreign Office, but this should be finished shortly. We are in the process of finding out from Brandt what exactly they have sold to you and what they will be selling to us. Meanwhile I would be grateful if your people could put in safe-keeping any technical drawings, specifications, etc. which they come across. These would be of great importance to us if the station was reactivated.

We have recently been in touch with FIC about their project to put up a fish meal plant in the Falkland Islands. I have told them that we can supply virtually a whole plant from our machinery at Leith Harbour. This could be done very much cheaper than buying a new plant, though there are of course problems of putting together and overhauling second-hand machinery.

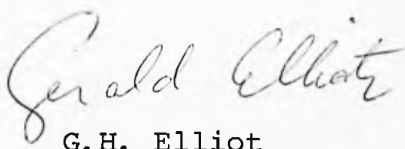
I think that there might be some revival of South Georgia as a fishing base in the next few years. I am not optimistic about krill being exploited on a large scale, since it is not a very marketable food and the economics of fish meal production from that source do not look favourable. But there may well be more interest in fishing round /

round the island, though more probably by eastern block or Japanese fleets rather from the U.K.

As regards the hospital at Leith Harbour, we would like to see the instruments and equipment put to good use. I suggest that your people take any instruments, equipment, operating tables, dentists' chairs, etc. that they wish from the hospital, and you pay us £500. We should also like to have a list of the main items you have taken. I understand from our stores manager, who is still with us, that this price is only a fraction of the value of the stuff there.

Best wishes.

Yours sincerely,

Handwritten signature of Gerald Elliot in cursive script.

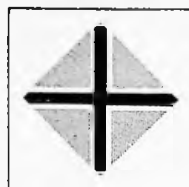
G.H. Elliot

**Christian Salvesen**  
(Managers) Limited

Chief Secretary,  
The Secretariat,  
Stanley,  
Falkland Islands,  
South Atlantic

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ  
Telephone  
031-552 7101

258  
54  
Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222



Your Ref. SG/1/1

Our Ref. MHG/GIB

Date 19 December 1977

Dear Sir,

255  
I acknowledge with thanks your letter of 11 October 1977 addressed to my predecessor Mr A.J. Cole enclosing three copies of a Crown Lease in respect of Grytviken and Husvik Harbours in South Georgia. It is noted that the leases already carry the public seal of the colony although in fact no draft has ever been discussed or agreed between the parties.

The terms of the lease are as agreed between us but it seems to me that the term should commence on surrender of Albion Star lease rather than on 1 October 1977. Now that we have the document from you we will proceed with all speed to complete our arrangements with Albion Star and prepare a surrender of their lease to the Governor but in the meantime I am returning the two top copies of the new lease to you for your reissue on completion of the surrender with an altered commencement date.

The only other comment I have on the lease is that the second proviso to Clause 2 (relating to the Lessee's option to renew for a further term) might with advantage be clarified. I am not clear as to the meaning of the last four lines commencing "... and containing like Covenants, Provisions and Agreements ..." and wonder if some words have been omitted on transcription. For the avoidance of doubt I would welcome words to make it clear that a new lease given under the Lessee's option should include a similar option for renewal.

When we have progressed matters with Albion Star I will submit a draft surrender of their leases to you for approval.

Yours faithfully,

M.H. GOW  
Secretary

Directors: L.M. Harper Gow, M.B.E. G.H. Elliot  
R.B. Weatherstone Barry E. Sealey R.S. Salvesen  
T. Baron J.M. Barber

16 January

78

M H Gow Esq  
Secretary  
Christian Salvesen (Managers) Limited  
50 East Fettes Avenue  
Edinburgh  
EH4 1EX

Dear Sir,

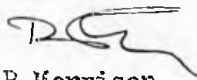
Thank you for your letter of 19 December.

I am sorry that the leases were sent to you in their final form and not in draft; we were under the impression that the drafts had been sent to you.

I agree that the date of commencement should be the date the surrender takes place.

With regard to your other query about the second proviso to Clause 2, I am advised that the word "way" should be inserted between "as are in any" and "by these presents". This provides that the covenants, provisions and agreements of the lease in question will be included in any renewing lease and this includes an option for renewal. I hope you find these amendments satisfactory and have no further objection to the lease being prepared accordingly.

Yours faithfully,

  
D R Morrison  
for Chief Secretary

JB

# Christian Salvesen

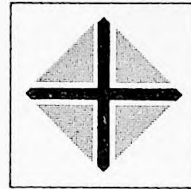
(Managers) Limited

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ

Telephone  
031-552 7101

Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

The Chief Secretary,  
The Secretariat,  
Stanley,  
Falkland Islands,  
South Atlantic.



Your Ref. SG/1/1

Our Ref. MHG/gib

Date 1 February 1978

Dear Sir,

Thank you for your letter <sup>(259)</sup> of 16 January. I am satisfied with your explanation that any renewing lease will include an option for the Lessee to renew, and I accordingly agree, subject to Albion Star surrendering their old lease, to the new lease being prepared.

Yours faithfully

M.H. GOW  
Secretary

YE You are writing to Salvesen & may, therefore, want to make reference to this letter  
20/11

# GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

## SENT

267  
57

Number	Office of Origin	Words	Handed In at	Date
--------	------------------	-------	--------------	------

28.2.76

To

BASE COMMANDER SOUTH GEORGIA

28.2.76

MYTEL 20 3 FEBRUARY. ALL EQUIPMENT AT GRITVIKEN NOW BELONGS  
TO GOVERNMENT. IN ORDER TIGHTEN CONTROL GRATEFUL YOU ADVISE  
AND REVEALERS ARE AND CONFIRM THAT ALL IS SECURE.

WHO KEYHOLDERS

CHIEFSEC

Time



ZCZC D533 ATS022 LFD622 TX883212  
FKLX HL GBLF 018  
LONDONLF TLX 18 25 1645

LT  
CHIEF SECRETARY SECRETARIAT  
STANLEYFALKLANDISLANDS



YOUR TWENTYTHIRD NO: 28 ACCEPT YOUR OFFER POUNDS STERLING  
2000 STOP REGARDS  
BRANDBANK

✓  
✓  
✓  
COL LT 28 2000

Kiv payment

I have mentioned to DFS  
to note for SFC

NNNN

CABLE & WIRELESS

CABLE & WIRELESS  
KEEPS YOU IN TOUCH  
CABLE & WIRELESS  
KEEPS YOU

EXTRACT TAKEN FROM THE MINUTES OF THE MEETING OF THE STANDING FINANCE COMMITTEE  
Held on 17th February.

25  
27  
59

4.(14) PURCHASE OF STORES AND EQUIPMENT FROM SOUTH GEORGIA

SG/13/4

The Committee noted that Messrs Wm. Brandts had accepted an offer from Government of £2,000 for all the stores and equipment in the Peace Station at Gryviken in South Georgia. The Chairman advised that Mr Carey of the Central Store was at present on his way to South Georgia to collect the first shipment which would come out on the John Biscoe.

The Committee approved the additional provision of £2,000 which is included in paragraph 3.(1).

# GRINDLAY BRANDTS LIMITED

REGISTERED IN LONDON. NO. 505042  
TELEPHONE: 01-626 6599 & 6588  
TELEGRAPHIC: BRANDTBANK, LONDONEC3  
TELEX: 888981 & 886552

REGISTERED OFFICE:  
P.O. BOX NO. 95  
36 FENCHURCH STREET  
LONDON  
EC3P 3AS

DAJ/PP *5/4*  
Your ref: PWD/13/4

9th September 1976

Chief Secretary,  
The Secretariat,  
Stanley,  
Falkland Islands,  
South Atlantic.

*10.9.76*

Dear Sir,

We refer to your letter dated 24th October 1975 and our exchange of cables in January and February of this year in connection with various items of equipment which you wished to purchase from Grytviken.

In your cable of 3rd February you indicated that you would be removing the items in February/March and as we have heard nothing from you in the meantime we should be pleased if you would advise us whether or not the items have been cleared.

If not, we shall be pleased to receive a remittance of £2,000.00 as soon as possible.

Yours faithfully,  
for and on behalf of  
GRINDLAY BRANDTS LIMITED

*J. A. Jones*  
Authorised Signatory

*Reply at 143*

file copy

GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

SENT

WAP 15148-821 585968/704663 500 pds 9/69 Grp.782

Number	Office of Origin	Words	Handed in at	Date
--------	------------------	-------	--------------	------

30.9.76

To

BRANDTBANK, LONDON EC3

No. 181

YOUR BAJ/PP SEPTEMBER 9TH GROWN AGENTS INSTRUCTED TO PAY £2000 IMMEDIATELY -  
REGRET DELAY.



CHIEF SECRETARY

Time



file copy.

GOVERNMENT TELEGRAPH SERVICE

FALKLAND ISLANDS

SENT

MAP 15148-621 585968/704663 500 pds 9/69 Grp.782

Number	Office of Origin	Words	Handed In at	Date
--------	------------------	-------	--------------	------

30.9.76

To  
LET FURCHERSON LIMITED SGL

PLEASE PAY THE

PLEASE PAY TWO THOUSAND POUNDS TO GRINDLAY BROS LIMITED P O BOX 95,

36 FURCHERSON STREET LONDON W1P 5AB FROM FALKLAND ISLANDS ACCOUNT FOR

PERMANENT EQUIPMENT FROM GRAYVARS. THEIR REFERENCE RAJ/19 SEPTEMBER 9TH.

PERMANENT EQUIPMENT FROM GRAYVARS.



CHIEF SECRETARY

Time

SG/1/1

249  
275  
63

Extract from a letter from F.G.Cooke to C.S. dated 14.10.76

I have just left a draft lease with John Neal in connection with Husvik and Grytviken Harbours, South Georgia. I told him to forward the draft to you in order that the Governor and you can peruse and in due course inform whether I have covered all the points you require.



Foreign and Commonwealth Office  
London SW1A 2AH

Telephone 01-

*Please Read*

*Mahm*

*10/12*

*249*  
*296*  
*64*

G J A Slater Esq  
Acting Governor  
PORT STANLEY

Your reference

Our reference ALW 153/1

Date 1 December 1976

*Dear Mr Slater,*

SOUTH GEORGIA LEASES

*238 / 239*



1. In our telegram no 370 we confirmed that we were asking Frederick Cooke to draw up a new draft lease for Grytviken and Husvik. He has now sent us the draft of the new lease, which I enclose herewith. We realise that you will wish to discuss the draft with Mr Parker when he arrives in Stanley and that this will inevitably delay your reply, but we should be grateful if you could let us know, in due course, whether the draft is acceptable.

*Yours,*

*Christine Brookfield*

Christine Brookfield  
Polar Regions Section  
Latin America Department



FOFI 004/18

*For Early advn*  
*Dist*

*220*  
*66*

RR PORT STANLEY

GR 40

FN CLAIR



*CS - As I recall,  
there were no special  
difficulties. Grateful if  
they could be sent off.  
Dist*

FM F C O 181515Z JUL

UNCLASSIFIED

TO ROUTINE PORT STANLEY TELNO 191 OF 18 JULY

SOUTH GEORGIA LEASES

1. GRATEFUL TO KNOW WHEN WE CAN EXPECT TO RECEIVE YOUR COMMENTS  
ON DRAFT LEASES SENT TO YOU LAST NOVEMBER QUERY.

OWEN

NNNN

SENT AT / RECD AT 181938Z TLG/GMS

FIF0005/19

RR FCO

GR 45

CYPHER CAT A

FM PORT STANLEY 19/2035Z

RESTRICTED

TO ROUTINE FCO TELNO 233 OF 19 JULY  
YOUR TELNO 191: SOUTH GEORGIA LEASES

1. LEASES NOW VETTED AND PREPARED HERE. THEY WILL BE SUBMITTED  
TO LESSEES. NO FURTHER ACTION IS THEREFORE REQUIRED FROM YOU  
AS YOU MAY ACCEPT THAT ALL ACTION WILL BE TAKEN HERE.

PARKER

NNNN

SENT 19/2046Z JS

RECD 19/2046Z RAF



*DCS*  
*Follow up with regd.*  
*62/17*

*257*  
*67*

ZCZC D196 ATS909 LHD877 XLH278 TX889304  
FKLX CO GBLH 051  
LONDONLH 51/47 12 1640

CHIEF SECRETARY  
SECRETARIAT  
STANLEYFALKLAND ISLANDS



(125)  
(68)

REFERENCE YOUR <sup>(4)</sup>LETTER 24.10.75 AND CABLE NO 19 DATED 3.2.76 <sup>(12)</sup>  
IN VIEW OF IMPENDING TRANSFER OF LEASES CAN YOU ADVISE US OF  
ANY ADDITIONAL ITEMS REMOVED BY YOU IN FEB/MARCH 1976 FROM  
GRYTVIKEN APART FROM THOSE LISTED IN ABOVE LETTER STOP  
REGARDS JAMES  
BRANDTBANKLONDOMECS

COL 24.10.75 19 3.2.76 1976



NNNN

*to be referred  
to S/O on his  
return.*

267  
69

Chief Secretary

SOUTH GEORGIA LEASES

1. Until I saw what was going on on these papers, I was poised to write to Mr Elliot of Salvesens about the problems at the stations at South Georgia. I am relieved to find that the leases for Grytviken and Husvik may not yet have been completed.

2. I think that Salvesens are likely to be reasonable about our mutual interest in these properties, but, as things seem to be going, we could get into serious difficulties particularly on the question of the plant and equipment.

3. Let us discuss with RSC as soon as possible; I would like to have a letter ready for Mr Elliot by the next bag.



Governor

13 February 1978

# Norton, Rose, Botterell & Roche

2-8  
70

\*GILES D. BOTTERELL, M.B.E.  
NICHOLAS ROWNTREE  
C.F.D. JEWELL  
M. BENNETT  
D.O. HAMILTON  
C.J.A. DIXON  
M.A. DROWN  
P.J. PURTON, L.M.R.T.P.I.  
ANTHONY C. SURTEES  
M.B. SAYERS  
J.M. WOODROW  
W.A.J. LEAVER  
D.J. FREELAND  
G.F. CHRONNELL  
J.N.L. CHALTON  
H.M. CRUSH  
J.P. LANSDELL  
D. MULLOCK  
L.E.T. JONES

R.A. POWELL  
A.H. FARLEY  
M.V. FOWKE  
N.D.F. BOHM  
M.A. WATSON  
T.A. KAY  
A.C. GRAVES  
N.J.C. RICHARDSON  
R. BIRKBY  
J.G.R. HARDING  
D.A. ASHWORTH  
P.G. THORNE  
P.L. GRAHAM  
H.R. JACKSON  
D.L. JONES  
D.T.R. LEWIS

Kempson House · Camomile Street · London · EC3A 7AN

Telephone: 01-283 2434 · Telex: 883652 · Telegrams & Cables: Norose London EC2 Telex  
3M Remote Copier: 01-283 5767

Hong Kong: 10/11th Floors · Alexandra House · Chater Road

Telephone: 5-256261 · Telex HX 75107 · Cables: Nojon Hong Kong

PLEASE QUOTE  
OUR REFERENCE

YOUR REFERENCE

43/V0917

14th February, 1978

\*EXAMINER IN ADMIRALTY  
CONSULTANTS  
CONYERS SURTEES NOEL H. DAVIES  
P.M. ARMITAGE S.W. GOULD  
MICHAEL B. DAVIES, T.D.

Mr. H. Bennet,  
The Registrar of Land  
Supreme Court  
Port Stanley  
Falkland Islands

AIRMAIL

Dear Sir,

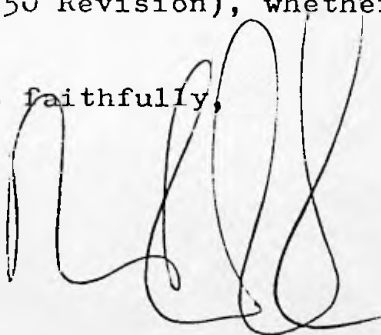
Albion Star (South Georgia) Limited  
South Georgia Whaling Stations

We have been asked to act for Albion Star (South Georgia) Limited, who in 1960, entered into two Leases of Crown lands situated in the Falkland Islands. Both were for a term of twenty-one years commencing the 1st July and 1st October 1960 respectively.

It is our Clients' current intention to surrender their Leases to the Crown on condition that the Crown grants a new Lease to Christian Salvesen (Managers) Limited. The terms of this new Lease have been provisionally agreed between that Company and Mr. D. Morrison acting for the Chief Secretary of the Falkland Islands Government. The Foreign and Commonwealth Office has suggested that we write to you.

We shall be extremely grateful if you could let us have your opinion as to whether in terms of professional practice and etiquette, we as Solicitors in London, are able to draft the Surrender Deed, whether the enclosed draft deed would be a suitable form and whether any Stamp Duty would be payable on it under the Third Schedule of The Land Ordinance (Cap.36 Laws of The Falkland Islands and its Dependencies 1950 Revision), whether under seal or not.

Yours faithfully,



Encl

to the said premises after the execution of such new Lease

AS WITNESS the hands of the parties hereto the day and  
year first before written.

# Norton, Rose, Botterell & Roche

HE Should see asap.  
71

<sup>1</sup>GILES D. BOTTERELL, M.B.E.  
NICHOLAS ROWNTREE  
C. F. P. JEWELL  
M. BENNETT  
D. O. HAMILTON  
C. J. A. DIXON  
M. A. BROWN  
P. J. BURTON, L.M.R.T.P.I.  
ANTHONY C. SURTEES  
M. B. SAYERS  
J. M. WOODROW  
W. A. J. LEAVER  
D. J. FREELAND  
G. F. CHRONNELL  
J. N. L. CHALTON  
H. M. CRUSH  
J. P. LANSDALE  
D. MULLOCK  
L. E. T. JONES

\*EXAMINER IN ADMIRALTY

CONSULTANTS  
CONYERS SURTEES  
P. M. ARMITAGE  
NOEL H. DAVIES  
B. W. GOULD  
MICHAEL B. DAVIES, T.D.

R. A. POWELL  
A. H. FARLEY  
M. V. FOWKE  
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D. A. ASHWORTH  
P. G. THORNE  
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D. L. JONES  
D. T. R. LEWIS

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Hong Kong: 10/11th Floors · Alexandra House · Chater Road

Telephone: 5-256261 · Telex HX 75107 · Cables: Nojon Hong Kong

PLEASE QUOTE  
OUR REFERENCE

43/V0917

YOUR REFERENCE

14th February, 1978

Mr. D. R. Morrison,  
For Chief Secretary Falkland Islands  
Port Stanley  
Falkland Islands

AIRMAIL



Dear Sir,

Albion Star (South Georgia) Limited  
South Georgia Whaling Stations

We act for Albion Star (South Georgia) Limited who in 1960, entered into two Leases of Crown lands situated in the Falkland Islands. As you know, our Clients intend to surrender both Leases to the Crown on condition that a new Lease is granted to Christian Salvesen (Managers) Limited and we are informed that you have negotiated a draft of this new Lease with the Company.

Accordingly, we enclose a draft Agreement and a draft Surrender deed and would welcome your comments on both documents. We have written to the Registrar of Land and enclose a copy of our letter for information; you will see that we have not thought it necessary to send him a copy of the draft Agreement, but if it requires registration perhaps we should do so; your views will be welcome.

Yours faithfully,

Encl



THIS AGREEMENT is made the

1978

BETWEEN

(1) ALBION STAR (SOUTH GEORGIA) LIMITED of Grytviken in the Island of South Georgia in the Falkland Islands Dependencies ("the Tenant")

(2) HER MOST GRACIOUS MAJESTY ELIZABETH II by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of her other Realms and Territories Queen Head of the Commonwealth Defender of the Faith ("the Landlord")

(3) CHRISTIAN SALVESEN (MANAGERS) LIMITED whose registered office is at 50 East Fettes Avenue Edinburgh EH4 1EQ ("the New Tenant")

W H E R E A S

(1) The lots and parcels of land more particularly described in the First and Second Schedule hereto were let by the Landlord to the Tenant by two Leases ("the Leases") dated the 1st July 1960 and <sup>the</sup> 1st October 1960 respectively and made between the first two parties hereto both leases being for a term of Twenty-one years from the date of each lease subject to the payment of the rent thereby reserved and the observance and performance of the covenants and conditions therein contained

(2) The Tenant is desirous of surrendering the said terms to the Landlord on the condition that the Landlord grants a new Lease to the New Tenant upon the terms and conditions set out in the form of the draft Lease annexed hereto and that the New Tenant pays to or to the order of the Tenant the sum of £35000

NOW IT IS HEREBY AGREED as follows:-

1. THE Tenant will execute a surrender unto the Landlord as from next of all the premises comprised in the Leases for the residue then unexpired of the said terms thereby granted to the intent that the same shall merge and be extinguished in the freehold reversion of the Landlord therein

2. THE said Surrender shall include a release by the Landlord of the Tenant from all liability claims and demands in respect of the rent reserved by or any breach of the covenants contained in the Leases under which the tenant holds or otherwise

3. THE said Surrender shall also include a clause in the following terms:

"It is hereby agreed that the Tenant's fixtures in or upon the said premises shall not vest in the Landlord upon the execution hereof and that the New tenant to whom the Landlord has agreed to grant a new Lease of the said premises shall upon and after the execution of such new Lease have such rights in and over the said Tenant's fixtures as if they had been annexed to the said premises after the execution of such new Lease"

4. THE Landlord will upon the execution of the said surrender grant a new Lease to the New Tenant in the form of the draft Lease annexed hereto

5. UPON the Surrender of the Leases by the Tenant to the Landlord the new Tenant shall pay to the Tenant the sum of THIRTY-FIVE THOUSAND POUNDS (£35,000) of which the Tenant irrevocably authorises the New Tenant to pay the sum of Four thousand Five hundred and Forty-six Pounds Ninety-five pence (£4,546.95p) to Her Majesty's Secretary of State for

Foreign and Commonwealth Affairs in discharge of an obligation of the Tenant

6. THE parties hereto respectively admit without proof their respective titles of the Tenant and the Landlord to make and accept the said Surrender

7. THE Tenant shall be liable for all outgoings in respect of the property up to the date of the execution of the said surrender and in so far as may be necessary the same shall be apportioned

A S W I T N E S S the hands of the parties hereto the day and year first before written

#### FIRST SCHEDULE

ALL THAT lot or parcel of land situate in Grytviken Harbour in the island of South Georgia containing five hundred acres or thereabouts more particularly delineated on the plan annexed hereto and thereon edged with a pink verge line.

And the lot or parcel of land being an island at the entrance of Cumberland Bay and named Jason Island (also at one time called Jason Islet) on Admiralty Chart No. 3597 dated 23rd May 1958 and the Map of South Georgia D.O.S.610, First Edition 1958

#### SECOND SCHEDULE

The lot or parcel of land in the Island of South Georgia hereby leased is five hundred acres, more or less, in Husvik Harbour, Stromness Bay, with metes and bounds as follows (that is to say) bounded on the coast line by a road reserved to Her Majesty, measuring thirty feet wide from high water mark, and inland by Crown Lands

THIS SURRENDER is made the

1978 BETWEEN

(1) ALBION STAR (SOUTH GEORGIA) LIMITED of Grytvikent in the Island of South Georgia in the Falkland Islands Dependencies ("the Tenant")

(2) HER MOST GRACIOUS MAJESTY ELIZABETH II by the Grace of God of the United Kingdom of Great Britain and Northern Ireland and of her other Realms and Territories Queen Head of the Commonwealth Defender of the Faith ("the Landlord")

W H E R E A S

(1) This Deed is supplemental to two Leases ("the Leases") dated the 1st July 1960 and the 1st October 1960 respectively and made between the Landlord and the Tenant

(2) The Tenant has agreed to surrender the Leases to the Landlord in consideration of the release by the Landlord hereinafter contained.

NOW THIS D E E D WITNESSETH as follows:-

1. IN consideration of the release hereinafter contained the Tenant as Beneficial Owner HEREBY ASSIGNS AND SURRENDERS to the Landlord ALL THE premises demised by the Leases to the intent that the terms of years granted by the Leases may merge and be extinguished in the reversion immediately expectant thereon

2. THE Landlord hereby releases the Tenant from all liability claims and demands in respect of all breaches of any of the covenants contained in or otherwise arising under the Leases

3. IT is hereby agreed that the Tenant's fixtures in or upon the said premises shall not vest in the Landlord upon the execution hereof and that the New Tenant to whom the Landlord has agreed to grant a new Lease of the said premises shall upon and after the execution of such new Lease have such rights in and over the said Tenant's fixtures as if they had been annexed

# Christian Salvesen Managers) Limited

The Chief Secretary,  
The Secretariat,  
Port Stanley,  
FALKLAND ISLANDS,  
South Atlantic

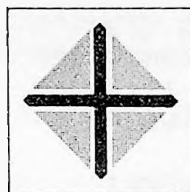
Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ

Telephone  
031-552 7101

56/111  
X  
Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

(1)  
158  
72  
28

FOR THE ATTENTION OF  
MR D.R. MORRISON



Your Ref.



Our Ref. MHG/gib

Date 21 March 1978

Dear Sir,

ALBION STAR (SOUTH GEORGIA) LIMITED  
SOUTH GEORGIA WHALING STATIONS

With reference to our previous correspondence and to Messrs Norton, Rose, Botterell & Roche's letter to you of 14 February 1978 enclosing a draft Agreement and draft Surrender Deed, I feel that in view of the form of the tripartite Agreement it will be necessary to make an amendment to paragraph (1) of the third Schedule to the draft Lease to us. It is clear that the obligation on us to purchase Albion Star's interests will already have been discharged by the time the Lease is executed and I accordingly propose amending the paragraph to read :-

268

"the Lessee having paid to Albion Star (South Georgia) Limited the sum of thirty-three thousand pounds (£33,000) in consideration of the said Albion Star (South Georgia) Limited surrendering to Her said Majesty its interest in the property now leased to the Lessee the Lessee shall have such rights in and over the Tenant's fixtures in or upon the said property immediately prior to such surrender as if they had been annexed to the said property after the execution of this Lease."

We had thought that, in order to comply with U.K. Exchange Control regulations it would be necessary for the Lessee to be our recently formed Falkland Islands subsidiary, Christian Salvesen (South Georgia) Ltd. However, this appears to be no

.../p.2

longer necessary and we accordingly propose to take the Lease in the name of our parent company, Christian Salvesen Limited. I assume you will have no objection and will amend the draft Lease accordingly.

You may recall that when this arrangement was originally being discussed in October 1975, the Foreign and Commonwealth Office (presumably on the Governor's behalf) laid down a condition that a sum of £4,546.70 owed by Albion Star to the Governor in respect of certain anti-pollution operations carried out by the Government be deducted from the consideration money payable by us to Albion Star and paid instead direct to the Foreign and Commonwealth Office. I am now advised by Albion Star's solicitors that £2,000 of this debt has already been discharged and that we therefore only have to deduct £2,546.95. I would appreciate if you would confirm this.

I am sending a copy of this letter to Messrs. Norton, Rose, Botterell & Roche and trust we will soon be able to proceed to completion.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'M.H. Gow'. The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

M.H. GOW  
Secretary

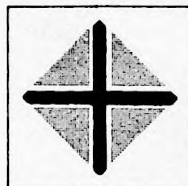
# Christian Salvesen Limited

The Chief Secretary,  
The Secretariat,  
Port Stanley,  
FALKLAND ISLANDS,  
S. Atlantic

FOR THE ATTENTION OF  
MR D.R. MORRISON

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ  
Telephone  
031-552 7101

Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222



Your Ref.

Our Ref. MHG/gib

Date 22 March 1978

Dear Sir,

ALBION STAR (SOUTH GEORGIA) LIMITED  
SOUTH GEORGIA WHALING STATIONS

In the draft Lease the description of Grytviken Harbour refers to a plan now of record in the office of the Registrar General of the Falkland Islands and their Dependencies on which the area to be leased is delineated edged in pink. It also refers to the map of South Georgia DOS610, first edition 1958, which I understand to be out of print. Is it possible for you to supply me with a copy of both documents, and if there are any charges involved we would of course be prepared to pay them?

Yours faithfully,

M.H. GOW  
Secretary



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FKLX HL QBLF 047  
LONDON/LE TLX 47/44 5 1254

LT  
HARRISON SECRETARIAT  
STANLEYFALKLANDISLANDS



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REFERENCE ALBION STAR TRANSFER WHARFING STATION LEASES UNDERSTAND  
LAWYERS HORTON ROSE AIRMAILED YOU FOURTEENTH FEBRUARY DRAFT  
AGREEMENT AND SURRENDER FOR APPROVAL STOP PLEASE CABLE US URGENTLY  
WHETHER DOCUMENTS RECEIVED AND IF SO WHETHER YOU APPROVE  
JAMES EXPORT FINANCE DEPT  
BRANDTBANKLONDONEC3

COL LT BRANDTBANKLONDONEC3

DES  
I have been awaiting main  
file from B.H. as it was needed  
for reference to previous  
correspondence.  
10.5.78.

Where has it been  
all this time?

NNNN

CABLE & WIRELESS

KEEPS YOU IN TOUCH



CABLE & WIRELESS

KEEPS YOU IN TOUCH

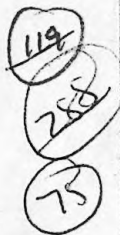
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FNLX CO QBLF 020  
LONDON/LF TLX 28/24 22 1136

MORRISON  
SECRETARIAT  
STANLEY/FALKLAND ISLANDS

REFERENCE ALBION STAR TRANSFER WHALING STATION LEASES CAN YOU  
PLEASE REPLY OUR CABLE FIFTH REGARDING DOCUMENTATION

JAMES  
EXPORT FINANCE DEPT  
BRANDTRANKLONDONEC3

COL BRANDTRANKLONDONEC3



*[Signature]*  
22/5/78

NNNN

IF

LESS



CABLE & WIRELESS

KEEPS YOU IN TOUCH



IF

889304 GBRNDT G  
DF GA

214 GOVERNOR FK

TO JAMES, EXPORT FINANCE DEPT. BRANTBANK, LONDON EC 3.

REF. YOUR TELEGRAM OF 22 MAY. <sup>254</sup>THIS MATTER IS IN HAND. LETTER WILL  
FOLLOW SOON TO YOURSELVES AND SALVESENS.

GOVERNOR.  
31.5.78.

889304 GBRNDT G  
214 GOVERNOR FK

254  
76



GOVERNMENT HOUSE,  
FALKLAND ISLANDS.

30 June 1978

Mr G H Elliot  
Christian Salvesen (Managers) Ltd  
50 East Fettes Avenue  
EDINBURGH EH4 1EQ

Dear Mr. Elliot,

I must proffer my most sincere apologies for not having acknowledged, at the time, your letter of 2 December last, and for the delay there has been in responding to Mr Gow's subsequent correspondence resting with his letter of 21 March. I hope this has not caused serious inconvenience to you, and perhaps we may now be able to find a way to proceed.

One of the contributory difficulties has been the gap in distance and time which separates us from the source of legal advice on the transfer of the leases in question and, while we had hoped we might be able to finalise matters here, I have come round to thinking it would be best if this were done in the United Kingdom. I have accordingly asked our Legal Adviser, Mr Frederick G Cooke, (whose address, as you may possibly know, is 2 Wilberforce Road, Cambridge CB3 0EQ) to get in touch with Mr Gow and with Norton, Rose, Botterell and Roche with a view to drawing up the necessary Instruments for our signature.

Subject to Mr Cooke's advice, we can accept the clause in the draft Surrender Deed which Mr Gow suggested in his letter of 21 March concerning the rights you will acquire in and over the Tenants fixtures. At this point I perhaps might explain what the position is, as we see it, regarding the removal, for our purposes, of some of the equipment and materials from the Grytviken station. Beginning in 1976, when we indicated to Grindlay Brandts Limited (acting for Albion Star) that we would wish to acquire as much as possible of the removable equipment and material lying at the station, we eventually reached agreement that, for a nominal global sum, we would purchase everything still there, with the exception of a milling machine which had already been sold to another purchaser. We have since accordingly uplifted such quantities of stores, equipment and material as we could find useful here, and could ship conveniently. None of the fixed heavy plant and buildings has been removed, and as an indication of the sort of item that has so far been involved I might mention that our Supplies Officer has said that the following remaining items might still be worth bringing away:-

- (a) three metal working lathes;
- (b) a quantity of mild steel flats, angles and sheets, electrical welding rods, and scrap

/copper

copper steam tubes.

We have not yet decided whether we can or need to ship these items.

In the main therefore, and apart from these removable stores and equipment (which were deteriorating rapidly or were open to uncontrollable pilfering), the main fixtures at the station remain, although some of the buildings and installations are in a rapidly worsening state of disrepair. The worst example is the main jetty, which visiting ships have to use for watering and other purposes; I might perhaps return to this later.

We have, incidentally, removed nothing from Husvik nor from your other stations at Stromness and Leith, except for the hospital equipment at the latter which you kindly agreed we might purchase. Perhaps I might add a comment about this. We found the hospital at Leith heavily and ruthlessly ransacked, presumably over the whole period of years since your company ceased operations there. There were only too evident signs of the messy presence of Japanese and other occupants. A good deal of the equipment and stores which we would have expected to find had been pilfered, for example, expensive lenses had been removed from any lamps that were about, and not a pair of surgical scissors was to be found. We took away the operating table and overhead light, some trolleys, sterilising cans, used surgical instruments and a quantity of bandages and other pharmaceuticals. We also removed for safe destruction the contents of the dangerous drug cupboard, which included a large quantity of narcotics, so as to prevent a repetition of the incident when Polish sailors apparently got at some surgical alcohol and, as a consequence, one of them died. It was very sad to see the ravages which intruders had wrought at the hospital although, I must say, very large quantities of other stores still seemed to be lying about the station.

When we have finally settled the transfer of the Husvik and Grytviken leases, I would look forward to an early opportunity to discuss with you, and the British Antarctic Survey at Cambridge, what may be done regarding the problem of the Grytviken jetty amongst other things. There is also, I believe, an increasingly dangerous problem in connection with a store of unstable explosives which has been noticed at Leith. I am hoping to be in the UK on leave in September and October of this year. I would like then, if I may, to get in touch with you with a view to arranging a meeting when we can discuss all these matters. In the meantime, I again express my apologies for being so tardy in helping get this longstanding matter of the leases settled, and my hope that we may now do so.

Yours sincerely  
J R W Parker

J R W Parker

cc: Mr Frederick G Cooke, Cambridge  
Dr R M Laws, British Antarctic Survey



GOVERNMENT HOUSE,  
FALKLAND ISLANDS.

File 250  
78

30 June 1978

Norton, Rose, Botterell & Roche  
Kempson House  
Camomile Street  
LONDON EC3A 7AN

Dear Sir,

ALBION STAR (SOUTH GEORGIA) LIMITED - SOUTH GEORGIA WHALING  
STATIONS

With reference to your letter 43/VO 917 of 14 February to Mr Morrison, for the delay in replying to which I most sincerely apologise, I have now written to Mr Elliot of Christian Salvesen (Managers) Ltd suggesting that the quickest way to proceed with the surrender of the Husvik and Grytviken Leases, and the grant of new Leases for these properties to Salvesens, would be for our Legal Adviser in the United Kingdom (Mr Frederick G Cooke, 2 Wilberforce Road, Cambridge CB3 0EQ) to deal with the matter.

I have asked him to get in touch with you and hope that the matter may soon be concluded. I am sending a copy of this letter to Grindlay Brandts Limited, PO Box No 95, 36 Fenchurch Street, London EC3P 3AS (their reference DAJ/PP refers).

Yours faithfully  
J R W Parker

J R W Parker

cc:

Grindlay Brandts Limited, London

30 June 1978

F G Cooke Esq  
2 Wilberforce Road  
CAMBRIDGE CD3 0EQ

My dear Frederick,

You will, I am sure, remember being involved with the FCO in drawing up new leases for Husvik and Grytviken at South Georgia which Christian Salvesens wish to acquire, and which it has been agreed they may, following the surrender of the Albion Star leases. I am afraid the whole thing has been hanging fire here, for a number of reasons I will not bother to go into, following an abortive attempt that was made last year to draw up and seal the relevant documents before the drafts had been seen by Salvesens. Certain other questions in connection with this matter have since arisen and we have now also to conclude a Deed of Surrender with the lawyers acting for Albion Star - Messrs Norton, Rose, Botterell and Roche of London, who have sent us a proposed draft which, so far as we can tell, is more or less in order.

I am sorry to have to burden you with this chore once again, but I think that, with so many people in the act, all a very long way from here, the only thing I can do is to ask you to bring the matter to a conclusion by drawing up new leases and agreeing the Deed of Surrender.


I am enclosing a folder containing most of the relevant papers in the matter (the earlier correspondence will be on FCO files, which you may have seen). Will this be enough for you to take it on?

You will see that there is an awkward little area concerning the equipment and stores at Grytviken over and above what we might normally regard as Tenants fixtures. It seems to me fairly obvious that in 1976 Grindlay Brandts (or Brandtbank as they telegraphically call themselves) were only too glad to get rid of the stuff for a nominal sum. As you will see, the agreement we reached with them was in cable form, but I think it will stand nonetheless. Now, Brandtbank see the opportunity to get a much larger sum - £35,000 for the main Tenants fixtures. I doubt if Salvesens are going to be at all difficult over this; but, for your own information, they would be acquiring not only the assets but also a good many problems!

You will see there seems to be some uncertainty about the debt of £4,546.95 owed us by Albion Star for the removal and destruction of explosives from Grytviken. According to M H Gow's

/letter





letter of 21 March from Salvesens, Albion Star are claiming that £2,000 of this debt has now been discharged. It looks to me as if they are deducting the £2,000 we paid them, through the Crown Agents, for "everything at Grytviken". Perhaps you could clear up this little point with them; the telegram to the Crown Agents authorising payment was dated 30 September 1976.

If Salvesens and/or Roche's want lists of what we have removed we can supply them. I would prefer not to do so, if only because they are extremely lengthy and detailed getting down to such things as boxes of screws and barrels of custard powder, and you might perhaps be able to head them off this.  
of

Another request Gow/Salvesens has made, in his letter of 22 March, is for an outdated map of South Georgia together with a plan of the property held in Harold Bennett's office here. I am trying to track these down and may be able to enclose them with this letter before the bag goes off; if I cannot, I will send them along as soon as possible.

I, personally, would like to see this whole messy business now cleared up as soon as possible. If it is still hanging around by September I will be only too glad to join you in a discussion on it when I am home on leave. I shall certainly look forward to seeing you then for a chat.

With best regards,  
James  
— Jim —

J R W Parker

50/111

File

232  
80

4 July 1978

F G Cooke Esq  
2 Wilberforce Road  
CAMBRIDGE CD3 0EQ

251  
Further to my letter of 30 June, which I dictated in something of a hurry to catch the bag, I now realise I did not properly cover the main point of concern which has been bothering me throughout this whole question of the transfer of the Grytviken leases to Salvesens - it is one of the problems I refer to in the last sentence of paragraph 4 of my letter to you and in paragraphs 4 and 6 of my letter to Elliot of Salvesens.

It concerns the jetty or wharf, and the ships' watering facility at the station. These are used not only by BAS ships and HMS Endurance, but also by visiting research ships of other nations and, occasionally, by foreign fishing vessels. The jetty, which has therefore become something of a general harbour facility, is in fact in a bad state of disrepair. To rebuild it would cost a fairly considerable sum of money; but it probably could be put into better shape, using the timber and other material lying around at the station and, perhaps, some of the ships' engineering workforce. The question is, who should maintain it? BAS feel, I think, they have enough on their hands in maintaining the jetty at King Edward Point, and while Government does derive some income from harbour dues in King Edward Cove, and charges for watering, it does not add up to a substantial enough sum to allow us to undertake what could be a large and continuing liability.

There seem to me to be two possible solutions:-

- (a) to exclude the jetty and the watering facility from the lease, or
- (b) to reach an agreement with Salvesens, which could be confirmed either by a clause in the lease or a codicil to it, which would establish right of public or Government access to the jetty and watering facilities.

I would prefer to tackle the problem along the lines of the second alternative, agreeing with Salvesens that if by some means the jetty can be patched up, we will control access to it, and derive what income we can from its use until such time as Salvesens are prepared to do a major job on it should they wish to resume full commercial activity there. Even then it may be to our advantage to have free right of access.

/It

It would, I think, be useful if you could have a prior word about all this with Bill Sloman in BAS, who, as you may probably know, will be joining the administration here in a few months time as Development Officer. As such, he may have a continuing interest in the problem, and will certainly be able to speak from the BAS point of view. I am therefore sending him a copy of this letter together with mine of 30 June to you (I sent to Dick Laws a copy of my letter of the same date to Elliot).

One other small point you perhaps should be aware of when you speak to Salvesens is that the BAS base personnel keep the chapel and the cinema and recreation hall in very good order and, to provide the necessary power, one of the hydro-electric generators at the station. They cannot do much about the rest of the buildings, which are of no use to them.

Finally, I am enclosing two photocopies of the plan of the property for which Gow of Salvesens asked. We have not been able to track down a spare copy of the out of print map he asked for; BAS may possibly be able to produce a copy of this, although I would think the current South Georgia map would be of more use to them.

J R W Parker

cc:

W Sloman Esq, BAS, Cambridge

PRINTERGRAMS  
214 GOVERNOR FK

**ACTION  
COPY**

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SRRI BUT THAT BUT SPLUGRED WILL RESNED  
NW

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LONDONLF TLX 32731 21 1440

THE GOVERNOR  
PORTSTANLEY

REFERENCE ALBION STAR TRANSFER WHALING STATION LEASES AND YOUR  
CABLE 31/5/78 STOP GRATEFUL IF YOU COULD ADVISE WHEN WE MIGHT  
EXPECT YOUR LETTER

JAMES EXPORT FINANCE DEPT BRANDTBANKLONDONEC3

COL 31/5/78 EC3

*Letter was in Feb bag, which  
was delayed in Dec 01 Aired. It  
will have reached them by now.*

NNNN  
PRINTERGRAMS  
214 GOVERNOR FK

*pa.*

*7/24/78*



Foreign and Commonwealth Office  
London SW1A 2AH

Telephone 01-233-4077

G H Elliot Esq  
Christian Salvesen (Managers) Ltd  
50 East Fettes Avenue  
Edinburgh  
EH1 1SR

Your reference

Our reference

Date 14 July 1978

Dear Mr Elliot

Thank you for your letter of 13 July about the whaling stations in South Georgia.

I do not yet know precisely when the Governor will be in London, but it will probably be in September/October. When I get firm dates, I (or, more precisely, my successor, Mr Roy Cowling, since I am shortly moving to a different FCO department) will let you know. Meanwhile, I am letting the Governor know of your interest in contacting him.

*Yours sincerely,*

*Michael Hickson*

M Hickson  
South America Department

*cc. Blind copy to Governor, Port Stanley.*

**Christian Salvesen**  
(Managers) Limited

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ

Telephone  
031-552 7101

Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

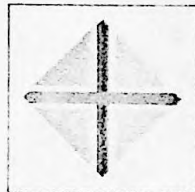
*Enter*

*cc. Dr. Heap*

*Governor, Pt. Stanley*

*Replied. 11/14/78*

M. Hickson, Esq.  
Room K274  
South American Department  
Foreign & Commonwealth Office  
King Charles Street  
LONDON SW1 2AH



Your Ref.

Our Ref. GHE/dyc

Date 13 July 1978

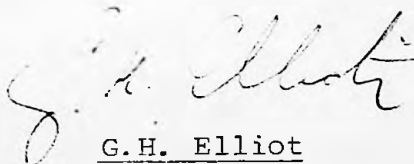
Dear Mr. Hickson:

South Georgia

Our company owns the whaling stations there, and from time to time has looked at various ideas for bringing them into useful activity again. It is some time since we have been in contact with the Governor of the Falkland Islands about that area, and I feel that I should meet him this summer.

Could you let me know when he is to be in London, and then I can fix up a date through you.

Yours sincerely,

  
G.H. Elliot

Directors: L.M. Harper Gow, M.B.E. G.H. Elliot  
R.B. Weatherstone Barry E. Sealey R.S. Salvesen  
T. Baron J.M. Barber F.H. Gray

2111 (34)

72 Pa  
J. V. M.

31 July 1978

Mr G H Elliot  
Christian Salvesen (Managers) Ltd  
50 East Fettes Avenue  
EDINBURGH EH4 1EQ  
Scotland

Michael Hickson of the FCO has told me you have enquired about the possibility of our meeting when I am home in September and October.

I think your enquiry probably crossed with my letter to you of 30 June and, as I said then, I certainly would value the opportunity for a discussion. I expect to be in London from 5 September, intending to spend the next couple of weeks on various calls around Whitehall. I would be quite happy to come up to Edinburgh some time after that but, should you intend, yourself, to be in London, a meeting there might be a quite convenient arrangement, particularly if we need to bring our Legal Adviser, Frederick Cooke, and the British Antarctic Survey people into some aspect of our talks.

But I will fit into your plans, and perhaps we could make contact as soon as I am home; a message to me through Roy Cowling of the FCO would reach me as soon as I arrive.

J R W Parker



2 WILBERFORCE ROAD  
CAMBRIDGE CB3 0EQ  
TELEPHONE : (0223) 59686

20 July 1978

R/P4.  
J.M.

(45)

Goytorken lease.

Dear Jim,

Thank you for your letter of the 4  
July. Your first letter via the bag has not yet  
arrived.

I have had preliminary talks with Bill  
Sloman and Mike Pauley of B A S and have  
been provided with some interesting photographs  
of the wharf in question. Mike Pauley promised  
to let me have a report on the condition  
of the wharf. I think his report will be pretty  
accurate as he seems to have made a  
thorough inspection of the wharf.

When your first letter is to hand and I have studied same I will contact Salvendy and arrange to discuss the matter. I agree that your second suggestion would be more appropriate i.e. a supplemental lease embodying a Suitable clause could be added to the lease provided, of course, agreement is accepted by both parties.

I will contact you as soon as I have discussed the matter with Salvendy.

Yours  
Frederick.

3 August 1978

T 2 PG  
W  
J 7 VIII  
-

F Cooke Esq  
2 Wilberforce Road  
CAMBRIDGE CB3 0EQ

85

Thank you for your letter of 20 July. I am sorry my letters to you have been arriving out of order, but we had a bag hold up, because of bad weather, and things got out of joint.

I hope by now you have a clear picture of the matter in question, and perhaps you will have been able to get in touch with Salvesens. My own letter to Elliot was held up like the one to you, and it has crossed with one from him asking if there would be any possibility he and I might be able to meet this year to discuss his firm's future activities in South Georgia. I am not sure what he means by this, but the possibilities are intriguing.

I have told him I will be available in London from about 5 September, and could either go up to Edinburgh to meet him about the middle of the month or, if it would suit him better, arrange a talk either in London or at Cambridge when both you and the BAS people could join in.

I see you are tentatively scheduled to visit here around October. I am, myself, expecting to be back early in November, the actual date depending on Her Majesty's Pleasure - ie an Investiture.

I shall be leaving here on 16 August, travelling via the States. I will get in touch with you on my arrival in London, or you could leave a message for me with Roy Cowling in South America Department.

J R W Parker

(87)



FO POS 007/08

**ACTION  
COPY**

RR PORT STANLEY

GR 80

EN CLAIR

FM FCO 071600Z

UNCLASSIFIED

TO ROUTINE PORT STANLEY TELNO 108 OF 7 AUGUST  
FOLLOWING FROM COOKE, F I G LEGAL ADVISER.  
GRYTVIKEN AND HUSVIK LEASE.

1. PLEASE CONFIRM:

(A) THAT ALL GOODS PURCHASED FROM ALBION STAR HAVE BEEN UPLIFTED  
FROM GRYTVIKEN AS SALVESEN WANT A CLAUSE IN LEASE THAT ALL FIXTURES  
AT DATE OF EXECUTION OF LEASE BELONG TO THEM.

(B) THAT POUNDS STERLING 2000 WAS PAID TO YOU BY ALBION STAR ON  
5 JANUARY 1977 AS PART PAYMENT OF COST OF REMOVAL AND DESTRUCTION  
OF EXPLOSIVES FROM GRYTVIKEN.

SOWEN

NNNN

sc/113.

(86)

*[Handwritten signature]*

FS

7/9/8

FIFO 003/09

RR FCO

GR 90

EN CLAIR

FM PORT STANLEY 082115Z

UNCLASSIFIED

TO ROUTINE FCO TELNO 227 OF 8 AUGUST

YOUR TELNO 108

PLEASE PASS FOLLOWING TO COOKE

GRYTVIKEN AND HUSVIK LEASES

1. WHILE THERE ARE STILL A FEW ODD ITEMS WE WOULD HAVE LIKED FOR OUR USE HERE, AND SOME SCRAP MATERIAL MAY BE NEEDED FOR FIRST AID REPAIRS TO THE JETTY, WE CAN, IN THE CIRCUMSTANCES, AGREE TO SALVESENS TAKING OVER ALL PRESENT FIXTURES AT DATE OF EXECUTION OF LEASE.

2. WE HAVE NOW DISCOVERED THAT POUNDS STERLING 2,000 WAS PAID BY ALBION STAR AS STATED, AND THE REMAINING DEBT FOR REMOVAL OF GRYTVIKEN EXPLOSIVES STANDS AT POUNDS STERLING 2,546.95. SORRY TO HAVE MISLED YOU ABOUT THIS.

PARKER

NNNN

SENT AT 091509Z SJM

RECD AT 091509Z GG

**ACTION  
COPY**

FS Jo see;

then pa

*[Handwritten signature]*

Copied to FS  
*[Handwritten signature]*  
u/s

sc 11/3

2 Willow Grove Road (89)

NATURAL ENVIRONMENT RESEARCH COUNCIL

~~BRITISH ANTARCTIC SURVEY~~ Cambridge

DIRECTOR: DR. R. M. LAWS

MADINGLEY ROAD, CAMBRIDGE CB3 0ET

TELEPHONE: CAMBRIDGE (0223) 61188  
TELEGRAMS: POLASURVEY CAMBRIDGE

PA.  
JRM.

His Excellency J.R.W. Parker, CMG, OBE, Your reference  
Governor,  
Port Stanley,  
Falkland Islands.

Our reference FGC/SV  
Date 28th July 1978



Dear Jim,

(79)

Thank you for your letter of 30th June 1978 with papers which has just arrived. I have also had a letter from the solicitors representing Albion Star urging me to give attention to the Surrender Deed. I intend to consult further with BAS and also meet and discuss with Gow of Salvesens before meeting the solicitors for Albion Star.

Delighted to hear you will be available for a chat in September. Hope all is well with you.

Yours,

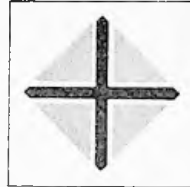
Frederick

**Christian Salvesen**  
(Managers) Limited

Registered Office:  
50 East Fettes Avenue  
Edinburgh  
EH4 1EQ  
Telephone  
031-552 7101

90  
Telegrams, Inland & Foreign  
'Salvesen, Leith, Telex'  
Telex 72222

J.R.W. Parker, Esq. O.B.E.  
Governor of the Falkland Islands  
Government House  
Port Stanley  
FALKLAND ISLANDS



Your Ref.

Our Ref. GHE/dyc

Date 3 August 1978

Dear Mr. Parker:

Many thanks for your letter of 30th June. I have asked Michael Gow to proceed with the formalities of our acquisition of Grytviken station.

I have requested Mr. Hickson to arrange a meeting with you when you are next in the U.K., and we can talk about the general position in South Georgia.

Yours sincerely,

G.H. Elliot  
G.H. Elliot

Miss Lawrence to see; then T at  
12/8  
12/1000



28 November 1978

J B Ure Esq MVO  
SAND  
PCO

52 pa  
[Signature]

1. I am enclosing, to catch the bag, copies of the correspondence and telegrams I have had recently from Elliot of Salvagens about which I shall be telegraphing both you and him suggesting it would be best if he arranges to discuss the proposal in his letter of 8 November with you.

2. As regards his earlier letter of 25 October, about the scrap metal deal, all I shall say to him is that the best advice I can give to Davidoff is to come to Stanley to discuss the very considerable logistic problems in the way of the sort of recovery effort he proposes with the many experts on South Georgia who are here, but that there is no possibility of arranging a visit by him to South Georgia on any of Her Majesty's ships, BAS or RN.

J R W Parker

cc:  
H M Carless Esq, CMG  
BUENOS AIRES (with encs)

(92)

Secretary.  
R & R pl.

Lawrence,  
13/3.

**ACTION  
COPY**

214 GOVERNOR FK  
214 GOVERNOR FK  
214 GOVERNOR FK  
889304 GBRNDT G  
214 GOVERNOR FK

1302 HRS 9/3/79 IN

THE GOVERNOR  
STANLEY FALKLAND ISLANDS

REFERENCE ALBION STAR TRANSFER OF WHALING STATION LEASES  
UNDERSTAND FROM NORTON ROSE THAT TRANSFER DOCUMENTS HAVE BEEN  
SENT TO YOU FOR SIGNING.

GRATEFUL IF YOU COULD TELEX ADVISE US WHETHER YOU HAVE NOW SIGNED  
THE DOCUMENTS AND IF SO DATE ON WHICH THEY WERE RETURNED TO LONDON

D A JAMES  
EXPORT FINANCE DEPT  
GRINDLAY BRANDTS LTD LONDON  
++

214 GOVERNOR FK  
889304 GBRNDT G

Lawrence.  
Plse rph  
John. 17/3.

SOUTH GEORGIA LEASES.

GRYTVIKEN

Albion Star (South Georgia) Limited.

1st July 1960 - 21 years - Rental £250  
rent in arrears 60 days re-entry.

Rental paid up to 30th September 1976

-----

HUSVIK

Albion Star (South Georgia) Limited

1st October 1960 <sup>3</sup> 21 years - Rental £250  
rent in arrears 60 days re-entry.

Rent paid up to 30th September 1976.

-----

PRINCE OF AF

Christian Salvesen Limited

1st October 1969 - 5 years - rental £25  
rent in arrears 60 days re-entry

Year to year after 1st October 1974

rent paid up to 30th September 1977

-----

LEITH and STROMNESS

Christian Salvesen Limited

1st October 1960 - 5 years - rental £200  
rent in arrears 60 days re-entry

Year to year after 1st October 1974

rent paid up to 30th September 1977.

-----

New lease  
to  
Salvesen  
w.e.t  
1/10/79

H.E.

I attach details prepared by Mr. Bennett of the South Georgia Leases. The position regarding the Grytviken and Husvik Leases is that rent is considerably in arrear and Government has power to re-enter. Re-entry would terminate the Lease.

Either with or without re-entry to terminate the Lease, Government may "distrain", or seize, goods on the leased premises on account of rent arrears. This remedy is not as attractive as it might at first seem. Fixtures, trade or otherwise, cannot be seized; nor tools or instruments of trade unless there are otherwise insufficient goods to cover the arrears.

A more attractive remedy is possibly to sue the lessee's for the arrears and in default of payment to obtain judgment, which can be enforced by "execution" or seizing the lessee's goods. In that case, trade fixtures can be taken in execution. Ships, too, can be seized.

On termination of a lease, by re-entry or otherwise, the lessee is himself entitled to remove trade fixtures. A landlord would have to act quickly to seize them by way of "distress" for rent or in execution of a judgment for the arrears.

*R.H. Wherry*

R.S.C.

5th April 1979.