

An Argentinian Navy tank landing ship arrived in Port Stanley (the islands' capital) on Jan. 16, 1976, and began unloading 50 engineers and several tons of equipment in preparation for the extension of its temporary landing strip, built by Argentina under the July 1971 agreement, from 800 to 1,200 yards. (There were already 70-80 Argentinian servicemen on the islands in charge of a fuel base.) Foreign and Commonwealth Office officials in London said later that this had the approval of the islands' councils and that the decision had been taken before the recent developments. The extension was completed in June 1976.

Argentinian Harassment of British Research Ship

On Feb. 4, 1976, the Argentinian destroyer *Almirante Storni* fired shots across the bows of the British research ship *Shackleton* in international waters some 80 miles south of the Falklands. (*Shackleton*, which was unconnected with the Shackleton mission, was engaged on behalf of the Natural Environment Research Council in scientific duties which were part of an international project organized by UN agencies.) On orders from the then Governor of the Falklands, Mr Neville French, *Shackleton* ignored an attempt to arrest her and take her to the Argentinian territory of Tierra del Fuego, sailing instead directly to Port Stanley with the Argentinian destroyer following within gunnery range. The UK Foreign and Commonwealth Office on Feb. 5, 1976, rejected Argentinian claims that *Shackleton* had been engaged in oil surveys on the Argentinian continental shelf.

The Argentinian permanent representative at the United Nations, Sr Carlos Ortiz de Rozas, claimed on Feb. 11, 1976, in a letter to the Security Council that *Shackleton* was searching for oil when challenged by *Almirante Storni* and that it would have been "appropriate" for the Argentinian Navy to have used force when orders to stop were ignored; he added that only warning shots had been fired because *Shackleton* was carrying explosives.

Britain also complained to the Security Council about the "provocative" incident and called on Argentina to stop harassing peaceful vessels in contravention of international law.

Shackleton left Port Stanley on Feb. 17, 1976, to continue its research after Mr Edward Rowlands had met the new Argentinian Foreign Minister, Sr Raúl Quijano, in New York the previous week; an Argentinian Foreign Ministry communiqué released on Feb. 16 said that the meeting had been "as a result of a British request". However, the UK Foreign and Commonwealth Office denied on Feb. 17 that Britain had made "concessions" in the dispute by agreeing to withdraw from waters claimed by Argentina and said that the two sides had discussed only ways of resuming the dialogue over the islands and normalizing diplomatic relations.

The Shackleton Report

The main points of the Shackleton report, which was produced in collaboration with The Economist Intelligence Unit and was published on July 20, 1976, are given below. The report pointed principally to the fact that there had been a flow of resources out of the Falklands and a decline in the population, especially a drop in the proportion of native-born to overseas-born inhabitants, and devoted a section to fishing and oil policy.

Introducing the report, Lord Shackleton noted that his terms of reference "excluded any matters relating to the political future" and that the survey assumed that the islands' status "would remain the same as during the past one and a half centuries"; he added that it was logical, however, that "in any major new developments of the islands' economy, especially those relating to the exploitation of offshore resources, co-operation with Argentina—even participation—should, if possible, be secured".

Population and General Economy. The report claimed that the only factor holding together the population of the Falklands (numbering 1,905) was their desire to stay British. Over the next five-year budgetary period Britain should be prepared to invest £5,400,000 in the expansion of key sectors of the Falklands economy, including extension of the permanent British airfield [which has been under construction since 1974 at a cost of £4,500,000 and at present cannot take large aircraft], the secondary school system and other amenities to counteract the outflow of the young population. It added that from 1951 to 1973 the British Exchequer made a net gain of £1,000,000 from remittances of company and personal taxes from the Falklands.

Lord Shackleton recommended the creation of a senior managerial post directly under the Governor, to be known as the Chief Executive; the appointee would be "a man of wide administrative experience in local government or industry who should have sufficient authority and status to implement a development programme", and would hold the post for several years. He also recommended a reversal of past British policies "which have contributed to the present state of economic decline" and added that "there must be a change in the pattern of investment by the companies in the Falklands and by the Falkland Islanders themselves".

Fishing. In addition to abundant quantities of hake, blue whiting, croaker and herring, supplies of krill—a protein-rich crustacean found throughout the zone south of the Antarctic Convergence but especially to the east and south of South Georgia [see also pages 28275-76]—were estimated at 75,000,000-150,000,000 tonnes per year, the report giving as a basis for comparison the 1970 figure of 70,000,000 tonnes for total annual world fish landings. While these resources were being exploited experimentally by the Soviet Union, Japan, Poland and West Germany, "it is still not certain that the resources can be exploited commercially" as "a market has still to be found and developed which gives an adequate return on the costs of production". However, "if and when this problem is overcome it would be wise to assume that krill fishing will expand very rapidly".

The report continued: "The key to ensuring a future share of these resources lies in urgently developing multilateral management and conservation regulations for the resource. The past history of British research in this area . . . , and the possession of South Georgia, would give the UK a seat at an international conference called to negotiate such regulations, but the lack of specific present research programmes on krill would leave the British delegates with a voice of relatively minor importance." The report recommended, therefore, that (i) every opportunity should be taken to place scientific and technical observers on board the experimental vessels of other nations; (ii) present marine biological programmes should be extended to include basic research related to developing krill stock, assessment and management techniques, and means of deploying the fleet tactically by long-range detection or other means; (iii) the UK should participate in international initiatives aimed at rational management of the living resources of the Southern Ocean.

Oil and Natural Gas. The report first pointed out that it was impossible to make a forecast of oil and natural gas production without having some idea of reserves and field sizes; while sedimentary reserves of up to 3.5 kilometres were comparable with many areas of the North Sea, the report discounted claims issued in 1975 by the US Geological Survey (an agency of the Department of the Interior) according to which the shelf off Argentina and around the Falklands could contain up to 200,000 million barrels of oil. It then stressed the unlikelihood that "any exploration programme can be embarked upon in the offshore Falklands area without the agreement and co-operation of Argentina". Not only, it said, was "the exploration production expenditure too high to undertake political risks", but "the logistics of an exercise that avoided Argentina would probably be considered economically unattractive". It added that the policy statement of the new Argentinian military Government [which took power in March 1976—see 27741 A] gave indications that attitudes to foreign participation in exploration and production might be more liberal than the nationalistic policy previously followed, and that although political circumstances did not seem propitious for future co-operation, the state of the Argentinian economy and its new exploration programme "may increase the commercial argument . . . for arriving at some form of political accommodation".

Four areas with potential reserves of oil and gas were named in the report as the Malvinas Basin (between Argentina and the Falklands), Burdwood Bank (south of the Falklands), Falkland Plateau (east-south-east of the islands) and the San Jorge Basin (off the Argentinian coast between Comodoro Rivadavia and Deseado).

The Argentinian Foreign Ministry said after the publication of the report that it could not comment on proposals for co-operation until the "sovereignty dispute" had been resolved.

1976 UN General Assembly Resolution

At its 31st regular session the UN General Assembly on Dec. 1, 1976, approved by 102 votes to one (Britain) with 32 abstentions a resolution (31/49) on the question of the Falkland Islands.

After recalling references to the Falkland Islands in declarations of the Foreign Ministers of the non-aligned countries in Lima in August 1975 [see 27343 A] and of these countries' heads of state or government in Colombo in August 1976 [see page 27979], and also approving the chapter on the Falkland Islands in the report of the UN decolonization committee ("Committee of 24") which was itself subsequently approved by the General Assembly on Dec. 17 [see page 28249], the resolution requested the Governments of Argentina and the UK to "expedite the negotiations concerning the dispute over sovereignty" as requested in UN General Assembly Resolution 2065 (XX) of 1965 [see page 21238] and Resolution 3160 (XXVIII) of 1973 [see page 26344] and called upon the two parties to refrain from taking decisions which would imply introducing unilateral modifications in the situation while the islands were going through the process recommended in the above-mentioned resolutions.

Visit of Mr Rowlands to Falklands and Argentina - British Willingness to discuss Sovereignty

Mr Anthony Crosland, then Foreign and Commonwealth Secretary, told the House of Commons on Feb. 2, 1977, that the Minister of State at the Foreign and Commonwealth Office, Mr Edward Rowlands, would visit the Falklands in mid-February "to hear from the islanders at first hand how they view their future", and would then visit Buenos Aires with a view to seeking further formal talks. He made it clear that "any such discussion, which would inevitably raise fundamental questions of the relationship between the islands, Britain and Argentina, would take place under the sovereignty umbrella—that is, Her Majesty's Government would wholly reserve their position on the issue of sovereignty, which would in no way be