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Prime Minister's
Desk
22/4

Foreign and Commonwealth Office

London SW1A 2AH

22 April, 1982

Dear John,

Falkland Islands: Islanders' Savings and Falkland Islands Government Reserves

I understand that the Prime Minister remains interested in the savings of the Falkland Islanders. She may like to see a detailed note on the position which has been agreed with the Governor and with the Crown Agents. This shows that, apart from the capital held in Port Stanley by the Government Savings Bank to meet current requirements, the bulk of Islander savings - and also the Falkland Islands Government reserves - are held in London.

Yours ever
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Private Secretary

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Private Secretary
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Falkland Islands: Islanders' Savings and Falkland Islands
Government Reserves

Private Savings

1. The savings of Falkland Islanders are either deposited with the Falkland Islands Government Savings Bank or privately invested overseas, notably in the UK.
2. According to the latest figures, private deposits with the Government Savings Bank (GSB) amount to approximately £3,600,000. Islanders receive 5 per cent interest tax free on deposits and the majority of Islanders hold accounts with the GSB. Apart from the small amount of capital needed by the GSB for current requirements in Port Stanley, £275,000 is on loan to the Falkland Islands Government (at 9% interest over 10 years); and the balance of Savings Bank funds (at present £3,289,000) is held in gilt-edged securities invested in London by the Crown Agents.
3. No figures are available for Falkland Islanders' private investments overseas.

Falkland Islands Government reserves

4. The official reserves of the Falkland Islands Government are administered by the Crown Agents in the UK. As at 31 March, the investment funds held by the Crown Agents on behalf of the Falkland Islands Government amounted to £1,533,957. In addition, £422,00 is maintained in a current account for the Falkland Islands Government (as well as current accounts for the Falkland Islands Dependencies and British Antarctic Territory).
5. A statement provided by the Crown Agents is attached.

STATEMENT

FALKLAND ISLANDS

Investment funds held (31 March) £4.8m

Note Security Fund	£351,000
Old Age Pensioners Equalisation Fund	£975,000
Small Reserve Fund	£2,957
	(held against general expenditure)
Savings Bank (only)	£3,289,000
Development Fund	£177,000
UK Loan 1971 Sinking Fund (repayable 1996)	£28,000

Balances held in current account

Falkland Islands main account	£422,000
Falkland Islands Dependencies account	£598,000
British Antarctic Territory account	£235,000