



Foreign and Commonwealth Office
London SW1A 2AH

15 September 1982

Prime Minister

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A.F.C. 15/9

Dear John,

Falkland Islands: Rehabilitation

I enclose a further progress report on the programme of rehabilitation, which updates the report sent to Tim Flesher on 31 August, and which has been compiled with contributions from the Ministry of Defence.

I am sending copies of this letter to the Private Offices of all members of OD(FAF) and to PS/Sir Robert Armstrong.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

FALKLANDS REHABILITATION: PROGRESS REPORT

Visit by Mr Onslow

1. Mr Onslow hopes to visit the Islands from 4 - 8 October and his programme will include a review of progress in rehabilitation work.

Shipping of Rehabilitation Supplies

2. Rehabilitation goods are arriving in the Falklands as follows:

12 August: on 'Sapele' timber, hardboard, cement, glass, corrugated iron.

20 September: on 'AES' and 'Merdeka' kerosene, solid fuel, calor gas.

2 October: on 'Elin S' aviation fuel, further kerosene, solid fuel, calor gas, timber and hardboard.

3. Sufficient vessels are leaving UK over the next few months for all foreseeable rehabilitation shipments. Several shipping companies are eager to put on further vessels as necessary.

Recruitment

4. ODA have been asked to recruit for 35 posts. Selections have been made for 33, and one more has been filled locally. 5 officers are now in post and a further 15 are expected to fly from the UK on 1 October.

Mobile Homes

5. 10 mobile homes are on order, 5 from Lynton Commercial Units of Manchester and 5 from Beverly Coachcraft of North Humberside. The first consignment of 5 will be shipped on 10 October.

Prefabricated Housing

6. After evaluation of 13 tenders, a turnkey contract for 27 units is now being placed with James Brewster Associates Limited. The company is based in Peterborough and uses Swedish units. These were clearly the best units available; the contract will have an 80% UK content. The houses will be handed over one by one between December and February. The European Community's 300,000 ecu offer of assistance will be applied to this contract. A further 27 houses should be ordered shortly.

Plant and Equipment

7. The Falklands Director of Public Works has requested a range of plant, tools and equipment, both as replacements and to cater for additional needs. Orders are being placed.

Furnishings

8. Hard and soft furnishings for 24 government houses are required. Tenders are being obtained from 3 companies, and will shortly be evaluated.

Visit by Engineering Adviser

9. An ODA engineer left for Port Stanley on 14 September. He will finalise details of the prefabricated housing contract, pursue plant and equipment requirements with the Director of Public Works, and consider with FIG the major requirements for rehabilitation of power and water supply, sewerage system and roads. Some part of these requirements may be amalgamated with new facilities to serve military needs, and a Whitehall group has been established to assist inter-departmental liaison on civil engineering projects, notably the new airport.

Finance

10. Firm commitments to date will absorb just under half the existing £10 million rehabilitation grant. The likely order of 27 more houses will take up a further £2 million. We await further information on the remaining major rehabilitation needs before we can assess the likely overall cost to HMG of this phase of work.

Placement of Aircraft for Falkland Islands Government Air Service (FIGAS)

11. One Beaver aircraft and two Islanders are being supplied. The purchase and shipment of the three aircraft is in hand. A wide range of delivery methods has been considered but delivery by sea seems likely to be inevitable.

Compensation

12. The team of MOD assessors in the Islands is making good progress with settling civilian claims. About £250,000 has been paid in compensation. It is hoped to settle the majority of claims by the end of the financial year though the more contentions may take longer.

Assistance from the Military

13. Stanley airport reopened on schedule on 30 August and the Royal Engineers are now working on the extension. A joint military/civilian housing committee has been established to coordinate planning. The Royal Engineers have begun marking minefields and hope to issue maps. The Darwin road is being cleared to a safe point beyond the minefields to allow free civilian access to unmined areas outside Stanley.

General

14. There are no major problems affecting the rehabilitation programme. The obstacles to the establishment of air and sea links through South America remain, but are not delaying rehabilitation work. The delivery of new aircraft for FIGAS is slower than hoped as it seems unlikely that it will be possible to stage them through South America.



Argentina
KLB

10 DOWNING STREET

From the Private Secretary

16 September 1982

FALKLAND ISLANDS: REHABILITATION

The Prime Minister was grateful for the latest progress report enclosed with your letter of 15 September and has noted its contents.

A. J. COLES

John Holmes Esq.,
Foreign and Commonwealth Office.

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