



Foreign and Commonwealth Office

London SW1A 2AH

14 July 1982

Prime Minister

Yes not
 Content that the Foreign
 Secretary should write as proposed?

A.F.C. 16/7

Dear John,

Falkland Islands: Letter from Sir John Clark

Sir John Clark, ^{on 15/25} Chairman of Plessey, wrote to the Prime Minister on 17 June expressing his company's interest in the rehabilitation and expansion of Port Stanley airport. The Prime Minister's acknowledgement promised a fuller response after consulting her colleagues.

Your letter of 25 June asked the FCO to coordinate and despatch this fuller reply which the Prime Minister would wish to see in draft. We have since consulted the MOD, ODA, DOT and Cabinet Office and I enclose a draft of the reply which Mr Pym proposes to send to Sir John Clark

I am copying this letter to Nick Evans (MOD), Mike Power (ODA), John Rhodes (DOT) and David Colvin in the Cabinet Office.

Yours ever

(J E Holmes)
 Private Secretary

A J Coles Esq
 10 Downing Street

D 11 (Revised)

DRAFT: ~~minute~~/letter/~~teletype~~/~~despatch~~/~~note~~

TYPE: Draft/Final 1+

FROM:

Reference

Secretary of State

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret
Secret
Confidential
Restricted
Unclassified

Sir John Clark
Chairman
The Plessey Company plc
Millbank Tower
LONDON SW1P 4QP

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

The Prime Minister has asked me to write, following up her reply to your letter of 17 June, about your interest in the reconstruction and extension of Port Stanley Airport. I have consulted those of my colleagues with a direct interest in the matter.

The restoration of civil communications is one of our priorities in the rehabilitation of the Falkland Islands. We should certainly like to see commercial air services restored. There are however a number of political, financial and technical questions to be resolved before we can decide the way ahead.

For the immediate future, the armed forces will be repairing the present runway and extending it with special matting to allow its use by military aircraft until a permanent runway is available. As far as its use for a regular civil air service is concerned, the obstacles are considerable. We are considering urgently the best ways of tackling them. On the political side, the longer the current de facto cessation of hostilities continues the

Enclosures—flag(s).....

/more

more favourable the climate will be for seeking the cooperation of states in the region. Meanwhile on the technical side we are examining the potential suitability of the reconditioned runway for civil operations, bearing in mind factors such as its limited load-bearing capacity. We are considering also how far the technical facilities required for military use might be used to support civil operations in order to avoid unnecessary duplication of navigational aids or of the other requirements identified in your paper. When this exercise is complete, we shall be better able to decide what, if any, new equipment we need to acquire from commercial sources for the rehabilitation of the airport. We will then approach suitable contractors.

For the longer term, fundamental decisions on the size of a permanent airport have yet to be taken, since runway length and the technical services that will be necessary will be largely dictated by the requirements of the services to be operated. The options are fairly easy to identify, ranging from a short-range link to say, Punta Arenas, through a medium-range service to points such as Montevideo or Rio de Janeiro, to a long-range service to West Africa. Much less easy to assess, at this stage, is the political and economic background against which the airport will need to operate. Many crucial questions about the stance of Argentina and the attitudes of the neighbouring states have yet to be answered. Judgements on these points will clearly be fundamental to final decisions on the airport, as of course will be a surer estimate of the military requirements and of the likely scale of economic development in the Islands.

/It will be

It will be difficult to have a firm view on these points for some while, but clearly we must press ahead soon. The temporary reconditioning of the airport by the armed forces is expected to sustain services for about two years. Two years is not a long period for the planning and technical studies necessary for an airport project of the type likely to be needed. Nevertheless it is likely to be some weeks before we are in a position to define the technical parameters.

It is clear from your helpful paper that Plessey Airports - with their expertise and direct knowledge of local conditions - will be well placed to compete when this process is complete. You may be sure that we shall bear your interest very much in mind.

4 JUL 1962

