



Foreign and Commonwealth Office
London SW1A 2AH

MS.

1 October 1982

Prime Minister

To note.

Dear John,

MS 10.

Falkland Islands Rehabilitation

I enclose a further progress report on the programme of rehabilitation, which updates the report sent to you on 15 September.

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

Yours ever

John Holmes

(J E Holmes)
Private Secretary

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10 Downing Street

FALKLANDS REHABILITATION: PROGRESS REPORT

Visit by Mr Onslow

1. Mr Onslow is to visit the Islands from 3-9 October. His programme will include a review of progress in rehabilitation work and will enable him to discuss points of detail and any difficulties with the civil administration. He intends to visit a number of smaller communities in the Islands and to review their rehabilitation problems.

Visit by ODA Engineering Adviser

2. The ODA Engineering Adviser visited the Islands from 15-23 September. He undertook a comprehensive review of rehabilitation problems in the Islands with particular attention to the ODA's housing project. He has prepared a report on longer-term requirements for the rehabilitation of power and water supplies, the sewerage system and roads. Preliminary studies and costings for these projects are under way.

Finance

3. With the extension of the housing project firm commitments to date will absorb £7.5million of the existing £10million rehabilitation grant. Financial requirements for further rehabilitation projects are being established and a provisional allocation for the next financial year has been requested.

Shipping of rehabilitation supplies

4. Several consignments of rehabilitation supplies have arrived or are about to arrive in the Falklands. No significant difficulties have been encountered in securing shipping space for all consignments and a number of shipping companies are eager to supply further vessels as required. There is some delay in unloading goods in Port Stanley, but the difficulties, and a range of possible solutions, are being urgently examined.

Recruitment

5. The ODA's special programme of recruitment for new staff for the FIG is effectively complete and the special unit established for this purpose has been disbanded. Officers are being transported to the Islands as rapidly as possible.

/Housing

Housing

6. The turnkey contract for 27 units of prefabricated housing has been increased, following discussions with the Civil Commissioner, to 54 units, and is being placed with James Brewster Associates Ltd. The contract will have a 75% UK content. The contractor will supply all accommodation and facilities for his staff. The buildings required will be left in the Islands and turned to other use. It is intended that the houses will be handed over, fully furnished in 5 different colour schemes, one by one by the end of May/early June 1983.

Mobile Homes

7. 10 mobile homes have been ordered. The first consignment of 5 will be shipped in early October. The remaining 5 are in production.

Replacement of aircraft for Falkland Islands Government Air Service (FIGAS)

8. One Beaver aircraft and 2 Islanders are being supplied. Firm orders have now been placed for all 3. The Beaver is due to be shipped from Canada to UK on 9 October for forwarding to the Islands, and should arrive by late November. It seems likely that the Islanders will also need to be delivered by sea once they have been manufactured. They should be available for shipping in about 8 weeks.

Furnishings

9. Hard and soft furnishings for 24 existing government houses are required. Tenders are being evaluated. The Falkland Islands Government are being asked to provide detailed specifications and a guarantee that labour will be available to fit the furnishings in due course.

Compensation

10. The team of MOD assessors in the Islands continues to make good progress with settling civilian claims. Over £250,000 has been paid out mainly for claims in Stanley. The assessors have been authorised to pay straightforward claims from the Falkland Islands Company though claims from commercial organisations relating to facilities of communal interest and claims for loss of trading or profit may prove more difficult and have to be referred to London. The bulk of remaining claims relates to areas outside Stanley. The MOD have been asked to advise on any additional expertise they may require to settle agricultural claims expeditiously.

/Coordination with the
military

Coordination with the military

11. The Royal Engineers are concentrating on work on Stanley Airport. It is hoped that an extension to 6,100 feet will be completed by mid-October and allow 2 daily flights by Hercules aircraft. A further extension of an additional 1,000 feet is planned thereafter. The joint Military/Civilian Planning Committee in the Islands is assisting liaison on all civil engineering projects to ensure that civil and military needs are carefully coordinated. Some part of the new civil power and water, sewerage and road systems may be amalgamated with facilities to serve military needs. A similar Whitehall group has been established to assist interdepartmental liaison on civil engineering projects, notably the new airport.

12. The new airport project is being managed on behalf of the MOD by PSA. They are making arrangements for representatives of 3 contractors to visit the Islands and it is intended that the contract should be concluded and work commenced before the end of the Falklands summer.

General

13. No major problems affecting the rehabilitation programme have arisen in the period under review. The limitations on unloading facilities at Port Stanley may become irksome and the need for additional lighterage and possibly new jetty facilities is being examined.

30 September 1982

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