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10 DOWNING STREET

From the Private Secretary

27 February, 1984

MOUNT PLEASANT AIRFIELD: SECOND PROGRESS REPORT

The Prime Minister has read and noted the contents of your Secretary of State's minute of 21 February.

A. J. COLES

J. Ballard, Esq.,
Department of the Environment

CONFIDENTIAL

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Prime Minister.

PRIME MINISTER

A. & C. 24/2.

MOUNT PLEASANT AIRFIELD:
FALKLAND ISLANDS
SECOND PROGRESS REPORT

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When I circulated my first report on the construction of the new Mount Pleasant Airfield on 18 November 1983, I promised a further review this month as background to Michael Heseltine's paper on the next tranche of works for the Army (and the Navy), (OD(FAF)(84)2).

ACHIEVEMENTS

The contractor - the Laing/Mowlem/Amey Roadstone Construction Joint Venture - has successfully established his base and off-loading arrangements at East Cove and built a temporary construction road to the site of the main airfield at Mount Pleasant. Excavation of the main runway was started on programme on 2 January. The four weeks slippage mentioned in my last report has now been recovered.

The contractor now has some 500 men on site. Numbers will build up to a peak of about 1,500 by September in preparation for a major surge of work during the 1984/85 Falklands summer. So far, three groups of men have staged through Cape Town without incident, including a number of coloured workers.

During the next six months including most of the Falkland's winter, work will concentrate on:-

- (a) completing the main labour camp at Mount Pleasant, thereby significantly improving the present very basic living conditions for the men (which have been the subject of recent comment in the press). This is the facility which will eventually be taken over as living accommodation for Army junior ranks;



(b) building the base of the main runway and hardstandings and the hangar, power station, air traffic control and supporting infrastructure needed to enable the runway to be operational in April 1985; and

(c) constructing the base of the new road from Mount Pleasant to Stanley; working from west to east.

COSTS

In November, I reported that the current estimate for PSA's work was £245M - £290M. This covered the airfield, the associated RAF facilities, the road from Mount Pleasant to Stanley and some £12.5M - £15M of additional requirements for the Army. The base estimate remains unchanged. However, now that the contractor is well established on site and the work is back on programme, it seems right to reduce the upper end of the dual estimate to £280M to reflect the success of the work so far and the good prospects for the remaining stages of the task.

PUBLICITY

As expected, this sensitive project continues to be newsworthy. There is widespread interest in Parliament through questions and correspondence with individual members and there are regular reports in newspapers, the technical press and TV - this latter especially when there are Ministerial visits. The latest item concerns the working and living conditions for the labour force - a matter primarily for the contractor - following the return home of a few disaffected workers. This has been much exaggerated by opposition MP's and the TGWU in this country. In fact, the numbers involved are quite small for a contract of this size, compared with experiences on big schemes in the United Kingdom.



CONCLUSIONS

Work on site has started well and the contractor has made the most of a good Falklands summer. The project is on programme and budget. While it would be unwise to be complacent about a job which is so vulnerable to the weather and so remote, the assumptions about costs and timing endorsed at OD(FAF) last June, still look to be sound.

I am copying this minute to other members of OD(FAF), and to Sir Robert Armstrong.

PJ

P J

21 February 1984

ARGENTINA
Defence of Falkland Is.
A-13



21 July 1984

