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15 FEB 1982 24/2	
DEPT	SECRETARY
INDEX	SECTION TAKEN
MT. URE	
PS/Mr Luce <i>Minister</i>	

Rank

1) *Mr. ensure effective coord. alt over Ministerial mtg. - no need for me to go if Mr. Reas is in mind poss. need to talk Uruguay over. 2) *Mr. bear in mind poss. need to talk Chile as poss.**

URUGUAY / FALKLANDS

AW 04/2 (12)

1. On my submission of 3 February covering the Uruguay Communication Annual Review, Mr Luce has asked about contingency planning for the provision of alternative communications via Uruguay if the Argentines were to withdraw their air service to the Falkland Islands. *full. In ch. Rank*

2. We have certainly considered this in the context of our Falklands contingency planning. In practical terms, an alternative service from Port Stanley to Montevideo would be possible. There are certain commercial aircraft which can fly from the existing runway in Port Stanley (4,000 feet) to Montevideo, although they would be at the limit of their range with consequent payload penalties. If the runway were extended to 7,000 feet (which would cost about £12 million), most medium-sized passenger aircraft could make the journey. Any such air service, if operated on a regular basis, would require a very substantial subsidy from HMG. If it were ruled out on grounds of cost, a sea-service could be instituted: before the present Argentine air-service began operating, the Islanders' principal means of transport to the mainland was by a monthly ship to Montevideo.

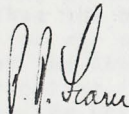
3. Our assessment is however that for political reasons the Uruguayans would be reluctant to assist by providing facilities for either an air or a sea service. Present arrangements for the roulement of the of the Islands' Marine garfison through Montevideo work well because both we and the Uruguayans keep the facility in low profile and because the Argentines have put no pressure on Uruguay to end it. If the Falkland negotiations broke down and the Argentines were to withdraw their air service, we must assume that they would lean on Uruguay (which supports Argentina's claim) to prevent its replacement. Given Uruguay's economic dependence on Argentina, we must expect that they would toe the line.

4. Whatever means of communication we were to opt for in the event of Argentine withdrawal of the LADE flights, our first action would nonetheless be to consult the Uruguayans (and the Chileans) for assistance in their replacement. But the Uruguayans would be unlikely to agree.

Possible visit to Uruguay by Mr Luce

5. Mr Luce has also asked about the possibility of including Uruguay in his proposed tour of the region this September. Mr Luce may wish to discuss this together with the outline itinerary which I submitted on 19 February. If he could spare the additional time required, a visit to Uruguay would be useful and welcome.

6. Apart from Mr Biffen's visit to Brazil in April, there are no firm plans for DOT Ministers to visit Uruguay or neighbouring countries in 1982. I understand however that Mr Rees is now considering the possibility of a visit to the region later in the year and I have encouraged the DOT to bear in mind the inclusion of Uruguay if these plans take shape.



P R Fearn
South America Dept

23 February 1982