

## ANNEX B

Note by Officials

## FALKLAND ISLANDS: CONTINGENCY PLANNING (CIVIL)

1. At present the Argentines provide:
  - (i) a weekly air service (twice weekly in summer season);
  - (ii) most of the Islands' fuel (nearly all fuel if and when the new jetty is built at Port Stanley);
  - (iii) some freight, mostly animal and human foodstuffs and building materials;
  - (iv) an emergency medical service;
  - (v) scholarships.

We have to assume that the Argentines may end any or all of these services.

Communications

2. A replacement for the air service would be difficult to set up and costly to run. We have consulted the Civil Aviation Authority.
3. A replacement air service using the runway at Port Stanley could only be provided from Chile. The minimum requirement to take flights from elsewhere outside Argentina would be an extension of the runway. A full feasibility study would be needed to assess the cost. The estimate is that an extension to 7,000 feet (to accommodate aircraft from Uruguay or Brazil) would cost about £11M at 1981 prices. But we have to assume that other South American countries, either under Argentine pressure or to avoid antagonising Argentina, will be unwilling to allow the provision of alternative air services. In that case, the runway would have to be extended to 10-12,000 feet to accommodate long-haul aircraft from South Africa at a cost of about £16M. In addition to extending the runway, a far more sophisticated airport would be required including eg improved lighting, guidance aids, air traffic control, fire fighting capability etc. The additional cost would be substantial and it is not clear that the expertise to man such an airport is available in the Islands.
4. HMG would also have to subsidize the route. The CAA estimate that the cost of one round trip to a Brazilian airport would be £16,000 and to South Africa £90,000. Only little of this could be

recouped in fares. The figures assume a frequent service which in the event is unlikely to be practical. If the aircraft are not used fully, the running costs would be much higher.

5. It must in any case be doubtful whether an alternative service could operate, given that it would be open to the Argentines to refuse to allow Argentine airfields to be designated as alternatives to Port Stanley if an aircraft needed to divert. Legal advice is that it would be very difficult to institute a service in these conditions

6. The need for a sea service is therefore more likely. The Department of Trade have been consulted. It would be possible to charter a ship to provide a life-line to the Islands. A regular route to a South American port would be the most convenient and economic. But, as for an air service, political constraints might require us to plan on the basis of a service to South Africa. A ship capable of making the Atlantic crossing safely would probably need to carry 60-70 passengers with some freight capacity. It is doubtful whether the return journey could be made more than four times a year. The costs are difficult to quantify without a more detailed approach to the market. But it is estimated that the cost of a charter would be of the order of £8,000 per day. For comparison purposes, the sea service to St Helena represents a loss to HMG of £1.5 million annually; a service to the Falklands is likely to be more expensive.

#### Fuel

7. The provision of fuel would depend in large part on the solution of the communications problem. If the political constraints allow, most fuel could either be transported from other South American countries (eg Chile) on the Falkland Islands' own coastal vessel. If this avenue is closed, most fuel might be brought from the UK on the Falkland Islands Company's cargo ship which calls four times a year. Less volatile fuel (eg diesel) could be carried on any new passenger-carrying sea service. The cost to the Islanders would inevitably be greater, particularly as the Argentines at present provide fuel at mainland prices which are lower than those in most other countries. If fuel could not be obtained or transported commercially, the MOD would need to consider occasional visits by a fleet auxiliary to maintain supplies.

Freight

8. Again this could be mostly provided either on the Falkland Islands Company ship or a new sea service; but only at greater cost to the Islanders. Fresh fruit etc. could be very difficult. Mail would become very infrequent.

Medical Services

9. The Argentines at present offer an emergency medical service. If they were to withdraw it (or if there were no air service) the Islands' hospital would have to cope. ODA's medical adviser doubts whether additional facilities would be necessary: the Islands would fall into the same category as St Helena and Tristan da Cunha which have no air evacuation capability. There would, however, be a requirement for additional visits by specialists to carry out cold surgery. The Islands' Senior Medical Officer considers a third doctor would be necessary and perhaps an extra nursing sister. Of 127 patients referred to Argentina in the last 3-1/2 years, perhaps 125 would not have suffered unduly if the emergency services had not been available. One child would probably have died.

Education

10. Withdrawal of scholarships is unlikely to have much impact, now that Islands' children can complete their education in the UK. But a restricted communications system would make it very difficult for them to return home for any school holidays.

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