

~~SECRET~~

CONFIDENTIAL

TRN/AVI/6#10

LAMBAIR

FALKLAND ISLANDS
SECRETARIAT

AV/P/LAMB

LAMBAIR

File Opened 1976

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CONFIDENTIAL

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2

ACS

There are also pp. on the
E.H. file, and my tel. to
J.C.O. and B.A. on Lambert's

possible "border" motives
I have sent a further
short tel. reminding them of
my report. Since (12) makes
no mention of it.

~~12/4~~
12/4

3.

~~12/4~~

COPY

Letter from LAMB AIR LIMITED to CHIEF SECRETARY

25th February 1976

A J P Monk Esq
The Chief Secretary
The Secretariat
Stanley.

Sir,

We are a firm engaged in both schedule and charter flight operations throughout central and Northern Canada; heavily engaged in re-supply of the northern communities including the various Eskimo and Indian settlements of the Canadian Arctic.

Our company was established by the late Tom Lamb in 1934. We have had steady continuous growth through the years. We have been instrumental in the development of the charter air service in central and northern Canada.

Throughout the years we have operated numerous and various types of aircraft. Our current fleet consists of Cessna 180's, Otters, Twin Otters, Aztecs, Brittan-Norman Twin Islander, DC-3's, F-27; plus 3 Alouette II and one Gazelle helicopters.

We are interested in the current flight operations within the internal infrastructure of the Falkland Islands. It is our opinion that we can be of assistance to your Government to this end. We would suggest that we could assist in either of one or the other of the following ways:

- A. A private take-over by us of the Falkland Islands Government Air Service. This would include the total operation, such as bringing in our own Twin Otter and Alouette II helicopter. We would envisage using the Twin Otter for local flying operations, and the 5 place Alouette II for medical emergencies, and related duties (e.g. ship to shore, shuttle service Town to Stanley Airport, etc. etc.)
- B. We will act as aviation consultants to your Government in the disposal of, and replacement for the Beaver operations. You could be assured of highest price for the Beaver and spares, plus the best and most economical replacement aircraft. We would assist and organise the best financing and continual spares support.

In order to implement either of these or alternate plans we are prepared to meet with your Government at your convenience. In addition we would have to have access to all aspects of the current air service.

We feel that it is necessary to see as much as possible of the local conditions, landing areas, etc. Towards this end we would appreciate you arranging appointments for us with responsible people involved.

COMMERCIAL

As a matter of interest, the writer is fully qualified/pilot on all our aircraft with approximately 9,000 hours which includes several thousand on the Beaver aircraft. If you would be interested I could fly one of your Beavers on an inspection tour of the Islands, (after a thorough briefing by your Capt. Kerr).

Yours sincerely,

(Sgd) J.A. Lamb
Managing Director
Lambair Limited

CONFIDENTIAL

CHIEF SECRETARY'S OFFICE

THE SECRETARIAT

STANLEY

FALKLAND ISLANDS

Ref: AV/P/RA

26 February 1976

D G F Hall Esq MBE (2 copies)
Latin American Department
Foreign & Commonwealth Office
London SW1A 2AL

I attach a copy of a letter I have received from Mr J A Lamb, of Lambair Limited.

2. The proposals in his letter are, of course, in the most elementary stage, and a great deal of work will have to be done before we approach anything like a position where a decision can be taken.

3. My purpose in writing to you is in the hope that it may not be too late for this proposal - which, after discussions with Mr Lamb seems to have considerable merit - to be placed before the Economic Survey Team. You will know that the future of our internal air service was one of the principal matters looked at by the Team.

4. To amplify a little, the proposal made by Mr Lamb in his letter of 25th February, the following points may be of some assistance:

- i. Lambair would much prefer to work land-based planes. This, of course, cuts right across the recommendations made by Messrs Branson and Jones in the CAA Report published in 1974 (paragraphs 2 and 6.4 refer).
- ii. Mr Lamb believes the load factor would be increased by scheduled services, perhaps operating in one direction one day and in the reverse direction the next. If, in fact, the future of FIGAS lies in aircraft with passenger capacity of the Twin Otter (i.e. 19 passengers), scheduled services may be the only practicable method of operation. There would undoubtedly be initial opposition to substitution of scheduled services for our present taxi service, but it is possible that it will be forced upon us in any event, eventually.
- iii. Lambair envisage a possible mix of aircraft with, initially, one land-based Twin Otter and one land-based Alouette helicopter with a passenger capacity of five and a range of, so I am told, being able to reach the most westerly part of the Islands and return without refuelling.

iv. Costs of the aircraft are approximately:

Twin Otter: £372,000 Alouette helicopter: £257,000

although these, from what I have been told earlier, seem to be on the low side.

v.

CONFIDENTIAL

26 February 1976

- v. Lambair may wish to make arrangements to import their own aero fuel, and enquired whether this would be inhibited by the YPF Agreement. The position under the Agreement Document is, of course, that aero fuels are covered by section 11 of the YPF Agreement and are not excluded from the Agreement in accordance with paragraph 1.b.2. and the Aide Memoire amplifying that sub-paragraph, although there is, of course, always the possibility that the Special Consultative Committee may deal with particular items as they arise ad hoc. My personal view is that, in fact, it would be virtually impossible for them to obtain aero fuel at more economic prices than from Argentina.
- vi. Mr Lamb, who, with his father, built up Lambair Limited, operates a not inconsiderable organisation in Canada. He says that he could undoubtedly act on behalf of Government in obtaining spares for our Beavers at cheaper prices than we pay direct from de Havilland. He could achieve this either by selling off spares from his own phased-out Beavers or by his access to similar operators who have given up aircraft with reciprocating engines.
- vii. Mr Lamb would be prepared to approach his younger brother, who is a qualified pilot with many hours on Beavers on floats, to see if he would be interested in relieving our second pilot, Mr I Campbell, during the period Mr Campbell is on leave, from April to September this year.

In brief, ~~although~~ the discussions are at a very preliminary stage, and it is unfortunate that we were given no pre-warning of the proposals so that they could be looked at properly. On the face of it they seem to be well worth while investigating. Most people have been impressed by the integrity of Mr Lamb and his wife.

5. I made it quite clear - and this was accepted quite willingly by Mr Lamb - that if anything worth while emerged from their proposal, and it was necessary to use funds provided by HMG, ODM would almost certainly wish to preserve their right to appoint their own consultants to carry out pre-feasibility and/or feasibility tests.
6. I have sent two copies of this letter and the annexure. Perhaps you will be kind enough to ensure that a copy is passed as quickly as possible to Mr Mould or the appropriate person in the Shackleton Survey.

A J P Monk
Chief Secretary

(4)

CHIEF SECRETARY'S OFFICE
THE SECRETARIAT
STANLEY
FALKLAND ISLANDS

29 February 1976

D G F Hall Esq MBE
Latin American Dept
Foreign & Commonwealth Office
London SW1A 2AL

Further to my earlier letter, I enclose a copy of notes of my further discussions with Messrs Lamb and Wilson on the internal air service.

A J P Monk
Chief Secretary

FURTHER DISCUSSIONS WITH MR LAMB AND MR WILSON. Mr D King also present

1. Mr Wilson said that Mr D King had now been appointed Local Director of the "Company" which negotiated with Government.
2. Before they finalised any agreement with the Government Lambair would wish to retain high level professional consultants. I repeated the point I had made previously that if HMG funds were involved, and even if they were not, it might be essential for independent consultants to be retained by HMG and/or FIG.
3. Mr Wilson said that he and Mr Lamb were now looking for a reasonably quick answer on whether to proceed in principle or not towards the next step. At my request he amplified this by saying that what they were seeking was an agreement from Government in principle for Lambair to investigate the proposals made in their letter of 25 February, with a view to proceeding to the "next step".
4. I emphasised that they would need as much information as possible about the operation of the air service, including number of hours flown, duration of flights, number of stops and number of passenger miles flown. They could best obtain this from Captain Jim Kerr, although doubtless the Report prepared by the CAA, which I had given to Mr Lamb, would be of some help in this regard.
5. Lambair would like to avoid the use of water-based planes if at all possible, and are confident that they can cover most of the terrain here with aircraft fitted with special tyres.
6. They would like to include in their study the operation of aircraft between the Colony and South Georgia; and the Colony and the BAT bases. I said that I was primarily concerned with the future of FIGAS, and I saw greater problems if we were to extend their service to South Georgia and the bases, although these were not necessarily insurmountable. They did, however, introduce a new dimension into the discussion, and, at my request, they agreed to delete reference to this part of their plan for the time being.
7. As regards their proposal to provide a relief pilot for FIGAS during the absence on leave of Mr Campbell, Mr Lamb said he would approach his brother Connie and Connie's wife Nancy to see if they would take up the job. He had particulars of the local scales of pay and recognised it might be necessary to make special arrangements. He would also require a house for the period of his secondment, and possibly transport as well.
8. Mr Lamb asked for a copy of maps of BAT and South Georgia.
9. Mr Lamb asked if it would be possible for FIG to approach JCL to purchase the D6 Caterpillar which Lambair would hope to use in levelling ground for runways throughout the Colony.
10. I said I could give no commitment about this but obviously Government was not unaware that Johnstons would have some machinery for sale and, at the appropriate time, would express an interest.

(5)

29 February 1976

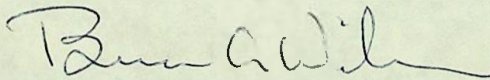
TO WHOM IT MAY CONCERN

Mr. D. King will be appointed a Director of Lambair Limited (Falkland Islands) at such time as that Company is incorporated and operational within the Falkland Islands.

During the interim Mr. King will be the Agent for and act on behalf of Lambair within the Falkland Islands and its Dependencies.

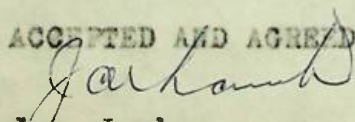
We will ask that Mr. King be given all assistance and help to ensure that the proposed project will become viable as soon as possible.

Yours truly,



Bruce A. Wilson

ACCEPTED AND AGREED



J.A. Lamb
Managing Director
Lambair Limited

- c.c. The Chief Secretary.
- Stanley Manager, F.I.C.
- D. King, Esq.

6

29th February 1976

R.D. Clements, Esq.
British Antarctic Survey
Stanley.

Dear Sir,

It was indeed a pleasure meeting you the other day at your office and we would like to take this opportunity to thank you for your assistance.

As discussed with you at that meeting, Lambair are interested in the possibility of offering their services to your Company. As we envision this service, we feel that we could operate a once a month service over a six month period (summer) to your Bases both at Antarctic and South Georgia.

As mentioned to you, we are currently discussing with the Falkland Islands Government the possibility of taking over and operating commercially F.I.G.A.S. It is our intention to operate one twin engine turbo - prop series 300 Twin Otter. This aircraft would be fully equipped with all the latest navigational aids, such as Global Navigation System, HF SSB-AM, VHF, ADF, Radar and Auto Pilot coupled into a G.N.S. In addition to that, the aircraft would be equipped with portable pup tanks giving the aircraft additional range to handle this proposal.

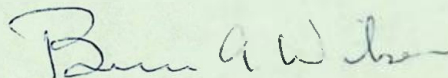
In order for us to talk more intelligently to your Company about this proposal, we would request that at least one person, preferably two, be allowed to travel on your ship the R.R.S. 'Bransfield' on its last trip to the Bases in Antarctica and South Georgia. We understand that this trip is proposed for approximately April 1st.

As you can appreciate, it is absolutely imperative that a technical person inspect possible landing sites for the Twin Otters. This becomes even more imperative if we are to offer the service for your next summer season.

R.D. Clements.....con't.

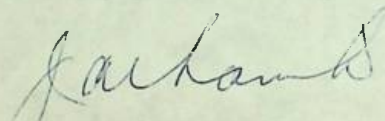
7 In addition to the foregoing, it is the intention of both the writer and Mr. Jack Lamb to be in London the week of March 8th. We would appreciate you advising your head office in London of our intended visit. In the meantime, any assistance that you can provide to our Agent in the Falkland Islands (Mr. Desmond King) would be greatly appreciated.

Yours truly,



Bruce. A. Wilson

ACCEPTED AND AGREED

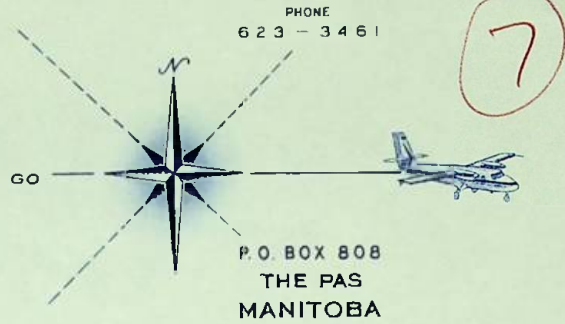


J.A. Lamb
Managing Director
Lambair Limited

c.c. The Chief Secretary
Stanley Manager, F.I.C.
D. King, Esq.

LAMBAIR LIMITED

DO NOT ASK US WHERE WE FLY - TELL US WHERE YOU WANT TO GO



29th February, 1976.

A. Monk Esq.,
The Chief Secretary,
The Secretariat,
Stanley.

Dear Sir,

Thank you for your letter of 29th February, 1976 and our various discussions since that date.

As discussed with you verbally we have had many meetings and discussions with the appropriate officials and other interested parties with regard to our proposal.

It is our firm belief that we could make the current F.I.G.A.S. operation commercially viable. It is further our belief that with our West Northern Canadian experience that we are in a technical position to be of assistance.

As you well know to make the F.I.G.A.S. operation viable it will be necessary to have Governmental assistance in the form of a subsidy. In order to reduce the amount of the subsidy we have been studying the possibilities of additional revenue of the Falkland Islands operation.

It is our belief that we could offer a once a month service utilizing the Twin engine Otter to both Antarctic and South Georgia. Attached hereto please find a copy of our letter to British Antarctic Survey.

In addition to British Antarctic Survey we have had a meeting with Major J. Rowland (RM) about the possibility of additional utilization of the helicopter service. Major Rowland has suggested we write to the Ministry of Defence in London and a copy of that letter will be forwarded to you.

Lambair would also be interested in having discussions with your Government about operating an external air service. As you know we currently have an F-27 aircraft in our fleet which could be operational out of Stanley with four weeks notice. As you can appreciate the range of the F-27 is such that you could only operate to Argentina under the present conditions. We would however be prepared to offer a larger aircraft such as BAC1-11 or F-28 between Montevideo, Uruguay and Stanley.

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As you know both the writer and our Mr. Bruce Wilson are planning on being in London during the week of March 8th. We will be pleased to meet and have discussions with any person that you feel it is prudent so to do.

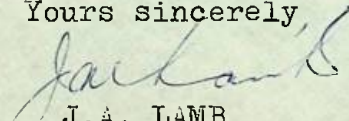
As also discussed with you I will be getting in touch with one of my brothers (Conrad Lamb) about submitting his application as a relief pilot during Mr. I. Campbells absence. He is a truly qualified pilot and has many thousands of hours on the Beaver. As you can appreciate that during our preliminary discussions my brother would be of great assistance to us as well as to F.I.G.A.S. He would be accompanied by his wife who is a registered nurse and any assistance you can be to assist her with employment at the local hospital would be appreciated.

(CONFIDENTIAL) On receipt of your letter to us confirming your interest in our proposals we will proceed in retaining the services of a highly confident Aviation Consultant from Canada. This firm whom we have used in the past have met with our complete satisfaction. We would send a member of that firm to the Falkland Islands to undertake a complete feasibility study to enable us to determine the feasibility of our proposal.

It is our further wish that these discussions with your Government will be fruitful. We on our behalf will expedite our consultants and all other investigations into this proposal.

We have enjoyed our visit to the Islands and sincerely appreciate your assistance and help.

Yours sincerely,


J.A. LAMB
Managing Director,
Lambair Limited.

c.c. His Excellency the Governor. ✓
D. King Esq.

CHIEF SECRETARY'S OFFICE
THE SECRETARIAT
STANLEY
FALKLAND ISLANDS

8

Ref: AV/AP/LAMB

2 March 1976

Lambair Limited
P O Box 308
The Paz
Manitoba
Canada.

Dear Sir,

Thank you for your letters of 25 February and 29 February about the possible involvement of Lambair Limited in Government's internal air service and, possibly too, in operating an external air service.

2. As I told you, Government is grateful for your interest and hopes that something worthwhile may eventually emerge from our discussions.

3. As I told you, too, obviously you, and we, shall require considerably more detail to be exchanged before either of us is in a position to indicate whether the proposals are worth pursuing even to the stage of a feasibility study, but I assure you that Government will not drag its feet in looking into this matter, or in supplying you with any information you may require.

4. For the record - and I know you appreciate this point - if British Government funds may eventually have to be utilised in any scheme, that Government always reserves to itself the right to decide whether to appoint consultants and, if so, to nominate such consultants itself. As you will appreciate, this is normal practice.

5. In the short time you have been here it has not been possible, of course, to exchange as full information as we should have liked and, in this connection, I am sorry that we were unable to have advance warning of your interest. I have, however, sent on copies of your letters to London in the hope that they will not be too late for consideration by the members of the Economic Survey Team who are now in the process of preparing their report.

A J P Monk
Chief Secretary

cc D G F Hall MBE LAD ECO

JAP 4/3

CONFIDENTIAL

CHIEF SECRETARY'S OFFICE

THE SECRETARIAT

STANLEY

FALKLAND ISLANDS

9

Ref: AV/P/LAMB

2 March 1976

D G F Hall Esq MBE
Latin American Dept
Foreign & Commonwealth Office
London SW1A 2AJ

LAMB AIR LIMITED

I refer again to my hurried letter of 26 February 1976 about Mr Lamb's proposed enterprise. I attach now copies of another letter he has written to me, plus one he has addressed to the Office Manager of the British Antarctic Survey here.

2. You will note that the scope of Lambair's proposals have now widened considerably, and frankly, in doing so, he has to my mind diminished the prospects for establishing a viable service except with the aid of a considerable subsidy from governments and/or BAS.
3. I can do little more at present than ask you to put these proposals also to Mr Mould to see if they can be fitted into the information that the Economic Survey Team is now considering with a view to reporting on the future of our internal air service.
4. The aspects of the external air service are, of course, something that probably the Economic Survey Team will wish to look at, but before referring this to Mr Mould you may well wish to seek advice within your department as to how we should approach this matter and whether, and how, it should be submitted to the Survey Team.
5. In my brief discussion of this later letter with Mr Lamb (who was accompanied by Mr Bruce Wilson and Mr Des King, the proprietor of the Upland Goose Hotel who has now been made a local director of the company) I have repeated my previous caveat that if FNG and/or FIG is to deploy funds in exploring this enterprise or in supporting it, we must reserve the right, if need be, to retain our own consultants. I have pointed out that this does not necessarily mean that consultants Lambair might have in mind would be excluded.
6. I have also pointed out that so far as the external service is concerned, it would be fruitless to ignore the political situation, particularly as probably it could not be operated without IATA blessing, and drawing on the resources of the Air Information Region and the Flight Information Region, which are operated in this part of the world from Argentina.
7. You will note that Mr Lamb and Mr Wilson will be in London during the week of 8th March and I believe they will wish to come and see you and discuss this matter.

9

CONFIDENTIAL

8. The immediate wish of Mr Lamb and his colleagues is for some expression of interest and intent, even in principle, by this Government and, if need be, by HMG. I have told him that we welcome any enquiries into ventures that may contribute to the benefit of the Colony but that we, and presumably they, would be foolhardy to agree, even in principle, to anything which might commit them to expenditure and undertakings that they could not in the end support. I have therefore confined myself to writing to him to say that Government thanks him for his proposals and is looking into them. I attach a copy of this letter for your use.

A J P Monk
Chief Secretary

Encs: Letter to CS from Lambair
Letter to BAS from Lambair
Letter from CS to Mr Lamb of Lambair

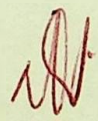
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Reference LAMBAIR

(10)

1. I have looked at all the papers in this file, and I suggest a short telegram may also be required to go to the ECO to put them (Mr Hall in LAD) on notice of a possible call by Messrs Lamb and Wilson. If they are to be in London from 8 March onwards they may well approach the ECO before your letter and the accompanying papers arrive there in the bag.

2. I do not understand why Messrs Lamb and Wilson made a separate approach to BAS who are named in their letter as "the Company". Any discussions with BAS should have been treated as a co-ordinated exercise under your chairmanship. Can you please explain?



3 March 1976

N A I French

N.B

Reply dated
No. 188
3/3 on 6/11
I have telegraphed
a brief summary to the [] =
f.i.b.

the end of each morning plenary session a decision would be taken. At another plenary meeting would be held in the afternoon and that, generally speaking, discussion would be led on either side by Mr Wiggin and Dr Beltramino with each of them calling upon members of their team to speak as might be necessary. In the event all the members of the British delegation from the Falkland Islands contributed at considerable length to the discussions.

(9) The agenda for the meetings had been proposed by the Argentines and agreed to in advance. It consisted of:

AGENDA

- I. Movement of Persons in both Directions
 1. Personal documents
 2. Luggage
 3. Enrolment and Military Service
 4. Individual tax situation
 5. Residence

- II. Transport and Communications
 1. Air Transport
 2. Maritime Transport
 3. Mail
 4. Telecommunications

- III. Economic Transactions
 1. Commerce
 2. Customs
 3. Banking
 4. Acquisition of land and other real estate - insurance

- IV. Other Exchanges
 1. Health and Technical Assistant
 2. Cultural Exchanges
 3. Scholarships
 4. Sponsored visits

(10) Agenda item I. 'Movement of persons in both directions' was introduced by Dr Beltramino

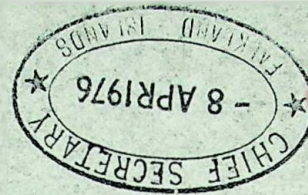
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iii) check with Mr J Kerr that Lambair obtained information from him about the operations of FIGAS. If he queries this HE wants to know. (11)

H.E.

Lambair did not approach Capt Kerr re FIGAS operations. They merely said what they (Lambair) intended to do, & asked if Messrs Kerr & Campbell would be able to convert to Twin Otters.

S.B.
8/3

AR/112



Foreign and Commonwealth Office
London SW1A 2AH

Telephone 01- 233 3273

D R Morrison Esq OBE
Port Stanley
FALKLAND ISLANDS

Your reference

Our reference

Date 25 March 1976

Dear Mr Morrison,

LAMBAIR

- (2) + (9)
1. We have read Arthur Monk's letters about Lambair's proposals for the future of FIGAS with great interest. We are grateful for this information.
 2. Bruce Wilson has been in London this week and has seen a number of people including Peter Mould of the survey team and myself. I know that Peter has given much thought to the possibilities which Lambair have in mind.
 3. When Wilson came to see me he was primarily concerned with the present situation in Argentina.
 4. We entered into no commitment with Wilson but we were obviously interested and we will be better able to judge all their proposals after Lord Shackleton reports.

Yours etc

D R A Hatcher
Latin America Department