



South Atlantic Fund

Prime Minister

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1

D. J. T. Collins
(Duty clerk)
28/7/82

Telephone 01-~~938 7022~~ 218 2111/3

MO 5/21/2

28th July 1982

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Dear John,

THE SOUTH ATLANTIC FUND

You told me this morning that, following the meeting of OD(FAF) this morning, the Prime Minister had asked for a draft letter which she might send to the Trustees of the South Atlantic Fund. The purpose would be to reinforce her concern that substantial capital payments from the Fund should be made as soon as possible to the next-of-kin of Servicemen killed in the South Atlantic.

By way of background I should explain that the Trustees have already made initial grants totalling over £1.5M to Service Benevolent, Amenity and Dependant Funds to reimburse them for monies already paid out. In addition the Trustees have agreed that immediate payments should be made on the following scale: to widows, £10,000; to children, an additional £1,000 per child; and where the next-of-kin is not a widow, £2,500. In total these payments will amount to a further £1.5M.

An important point to make is that these are initial payments only and further payments will be made, as appropriate, when the degree of dependancy has been assessed. This will be based on a generous assessment of the particular circumstances and life-style of each dependant. These arrangements are based on payments made for next-of-kin of those killed in Northern Ireland and are very much more generous than comparable compensation for death in the UK or other parts of the world. The payments will, of course, be in addition to pensions and grants to be paid from public funds.

There is a possible difficulty in that we received legal advice this afternoon that it may not be possible to make immediate payments in advance of proof of need. As you know Mr Nott shares the Prime Minister's concern to avoid any repetition of the problems which surrounded the Penlee Life-boat Appeal. Like the Prime Minister he would wish to ensure that the Fund does not attract the criticism that it is sitting on huge sums which cannot be disbursed to those in need because of legal technicalities. In this connection I should make

A J Coles Esq



it clear that the figures above refer only to payments in respect of death. Further sums will be paid to those injured and in other cases of need and these will take up a substantial proportion of the balance of the Fund. We are awaiting a clarification of the legal advice and if there is still a problem Mr Nott intends to take the matter up with the Attorney General tomorrow. In the meantime he does not feel that it would be appropriate for the Prime Minister to write to the Chairman of the Trustees, Air Chief Marshal Sir David Evans, the Vice Chief of Defence Staff (Personnel and Logistics), here, who is fully conscious of the problem and is as anxious as the Prime Minister and Mr Nott to ensure that the Fund is disbursed as quickly as possible. I will inform you tomorrow before Prime Minister's Questions of the latest position.

Yours ever

Nich Evans

(N H R EVANS)



copy
box
on 29/7

MO 5/21/3

ATTORNEY GENERAL

THE SOUTH ATLANTIC FUND

The Trustees of the South Atlantic Fund are anxious to make immediate interim payments of £10,000 to all widows of those who died with the Task Force, and smaller sums in respect of each child or for other dependants. The figures are equivalent to payments made under the Criminal Injuries Compensation Act for deaths in Northern Ireland.

2. I fully support the Trustees in this and so does the Prime Minister. I understand however that the Treasury Solicitor has some doubts about whether such payments are fully in accordance with the Trust Deed. I hope that these difficulties can be quickly resolved. Those who contributed so generously to the fund will I am sure welcome such payments and it would be unfortunate if they were held up on a legal nicety.

3. I am copying this minute to the Prime Minister and Sir Robert Armstrong.

A handwritten signature in dark ink, appearing to be 'S. W.' or similar initials.

Ministry of Defence
29th July 1982



PARLIAMENTARY UNDER-SECRETARY OF STATE
FOR THE ARMED FORCES

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 (Direct Dialling)

01-218 9000 (Switchboard)

Prime Minister

To note.

MR 30/7

D/US of S(AF)/JW/
25-5-7-9

30th July 1982

Dear John,

attached (original with PM)

Nick Evans wrote to you on 28th July setting out the proposals for immediate lump sum payments of South Atlantic Fund money to dependants and mentioning the legal problems, of which the Prime Minister was informed by the Attorney General yesterday afternoon. The Trustees of the Fund accept that there is a modest legal risk in proceeding but Mr Wiggin believes that this risk must be taken.

The Trustees have therefore made their judgement that the immediate needs of dependants justify the grant of up to £10,000 per dependant in the first instance and arrangements are being made to proceed with such payments. Future needs will be assessed by the Benevolent and Dependants Funds.

Mr Wiggin intends to hold a Press Conference on Monday afternoon in order to clarify disbursements from the Fund to date (£1.5m) and confirm the above payments (a further £1.8m). The total of £3.3m disbursed out of £10½m should prevent any severe criticism of the Fund's management, and much will be made of the likelihood that the most substantial demands for financial assistance from the Fund will come in the longer term as psychiatric, disablement and educational problems manifest themselves. The Service Benevolent Funds will be well placed to dispense the South Atlantic Fund money remaining for such purposes.

It is hoped that this will all pre-empt any criticism.

Yours Ever,

(D O ARNOLD-FORSTER)
Private Secretary

A J Coles Esq

MINISTRY OF DEFENCE
HEADQUARTERS
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LONDON



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10 DOWNING STREET

From the Private Secretary

30 July 1982

The South Atlantic Fund

Thank you for your letter of 28 July explaining the situation about payments from the above Fund. The Prime Minister accepts Mr. Nott's advice that it would not be appropriate for her to write to the Chairman of the Trustees.

A. J. COLES

Nick Evans, Esq.,
Ministry of Defence.

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Prima Similia

A.F.C. 20/7



[Handwritten signature]

SECRETARY OF STATE FOR DEFENCE

SOUTH ATLANTIC FUND

I see no objection to the Trustees' proposal provided that the interim payments are made by the trustees of service benevolent funds and are stated to be for the purpose of relieving the needs of the widows and other dependents of those who died.

2. On this basis there is no reason why the Trustees should not make a public statement that they are immediately transferring £x from the funds which they hold over to the service benevolent funds for this purpose.

MH

30 July 1982



10 DOWNING STREET

From the Private Secretary

2 August 1982

South Atlantic Fund

The Prime Minister has noted the contents
of your letter of 30 July.

A.J. COLES

D.O. Arnold-Forster, Esq.,
Ministry of Defence.

For