



MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01-330 7022 218 6169

28th November 1983

*1 agree - we can't leave matters here.  
What of a child needs to be  
sent to a private school and why?*

*funds have been  
dispersed?!*

*think we should  
not  
make representations  
that all this money  
should be earmarked  
S. M. Charles for  
seven years yet.*

Prime Minister:

*Following your exchange with  
Robert Atkins in the House (Hansard  
attached), I wrote to MOD. This is  
their response. I do not think that we  
can leave matters at X and, if you  
agree, I will ask MOD for a further report  
after the Trustees have met.*

In your letter of 4th November, which I acknowledged on 15th November, you asked for a note for the Prime Minister on the disposal of money remaining in the South Atlantic Fund. The attention of the trustees has been drawn to the views expressed by the Prime Minister in the House and to those recorded in your letter - in particular the question of some assurances being given regarding the ability, in due course, of the Service Benevolent Funds being able to meet later contingencies.

*JA  
29/11*

The current situation is that all the dependants of the men who died in the conflict have received their assessed grants, and all but a few of the men who sustained injuries have had their claims considered by the Trustees. Those that remain will very soon be receiving the assessed grant for which they may be eligible.

I should stress that the Trustees have not yet formally considered the precise allocation to Service Charities of the remaining money, whatever that sum may be; or the timing of the transfer from the Fund to these Charities. The only firm decision concerning allocation of future funds was made known to some parents of single Servicemen who were informed that Trustees were unable to make any further allocation of monies to them.

Whatever the precise future distribution may be, the decision would be taken on the advice of the Treasury Solicitor, and would be in accordance with the terms of the Trust Deed which provides for the remaining monies to be distributed to the Service Benevolent Funds within five years of the date of the Deed, that is, by July 1987.

The Trustees will shortly be considering their strategy for the handling of the residual money over the remaining years of the Fund, and are conscious of the need to make arrangements which will meet the Prime Minister's desire to provide for contingencies.

*Yours ever  
Barry Neale*

(B P NEALE)  
Private Secretary

Timothy Flesher Esq

ARGENTINA  
16/10  
PX 38

MINISTRY OF THE INTERIOR  
1100 BARRIO SUR  
BUENOS AIRES



29 NOV 1983

SECRETARIA DE SEGURIDAD  
COMUNICACIONES  
BUENOS AIRES

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Mr. Bidwell: Does the Minister accept that  
her justification for carrying out policy on behalf of the  
Government because it was part of her manifesto should  
apply equally to local authorities? Does she agree that  
Liverpool city council, in creating 1,000 jobs, building  
houses for people in need and reducing rents by £2, is  
carrying out its democratic policies, or does democracy  
extend only to Tory party policies?

**The Prime Minister:** As the hon. Gentleman knows,  
local authorities have precisely those powers that this  
House agrees to give them and from time to time those  
powers are changed. Public expenditure must still be  
found from taxes or rates or by borrowing or printing  
money. Therefore one must have regard to the total burden  
on the private sector because, on the whole, the private  
sector creates the wealth to sustain the public sector.

**Mr. Robert Atkins:** Is my right hon. Friend aware that  
concern has been expressed to hon. Members about the use  
of funds within the south Atlantic fund? While in no sense  
being critical of the humanity and attention that the  
administrators of the fund have given to the dispositions  
that they have made, will she recognise that there is  
concern, and will she give consideration to seeing how the  
extra £2 million should be spent?

**The Prime Minister:** I will, of course, communicate  
my hon. Friend's concern. I have noticed a certain amount  
of concern expressed in the press. The south Atlantic fund  
is governed by the charity laws which it must obviously  
uphold, but I understand that my hon. Friend is asking  
whether the money yet needs to be transferred to the  
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will, of course, communicate my hon. Friend's concern to  
the trustees of the south Atlantic fund.

**Q3. Mr. Bidwell** asked the Prime Minister if she will  
list her official engagements for Thursday 3 November.

**The Prime Minister:** I refer the hon. Gentleman to the  
reply that I gave some moments ago.

**Mr. Bidwell:** Has the right hon. Lady had a chance to  
study the widespread comment on television and in the  
press on the possibility of peace demonstrators being shot  
at Greenham Common and elsewhere? Did she see the  
interview with a woman demonstrator who said that  
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**Mr. Nicholls:** Does my  
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**The Prime Minister:** My h  
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**Mr. Norman Atkinson:** I  
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thoroughly honest person—

**Mr. Adley:** She is.

**Mr. Atkinson:**—may I  
Lady this morning remonstrated  
for Employment, who said the  
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people claiming unemployment  
down? Did he not, by issuing fi  
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**The Prime Minister:** The  
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is estimated to be 613,000.

Special employment measu  
training scheme, are for those  
will ensure that, in many cases  
There is still a shortage in some  
labour.



10 DOWNING STREET

*From the Private Secretary*

1 December, 1983.

Thank you for your letter of 28 November about the disposal of money remaining in the South Atlantic Fund. The Prime Minister remains concerned that the money donated to the Fund should be seen to be used for the purposes for which its donors gave it. For example, she believes that it would be wrong if in the future the child of someone killed in the Falklands needed to be educated privately, and funds were not available for that purpose. She considers, therefore, that there may well be a good case for retaining the Fund in being for some years yet. She has noted that the Trustees will shortly be considering their strategy for the handling of the residual money, and I should be grateful if you could draw the Prime Minister's comments to their attention. Mrs. Thatcher would be grateful for a further report after the Trustees have met.

Timothy Flesher

B.P. Neale, Esq.,  
Ministry of Defence.

A handwritten signature in blue ink, appearing to be 'B.P. Neale', located at the bottom right of the page.

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Attending  
relations at 35  
Bf 7/11



10 DOWNING STREET

From the Private Secretary

4 November, 1983

As you know, the issue of payments from the South Atlantic Fund has received some publicity recently which prompted the attached Question from Mr. Robert Atkins during Prime Minister's Questions yesterday. In response, the Prime Minister undertook to draw Mr. Atkins' concern to the attention of the South Atlantic Fund. Mrs. Thatcher shares the concern implicit in Mr. Atkins' Question that the remaining resources in the Fund should remain available to meet future contingencies affecting previous beneficiaries of the Fund which have not already been met. She wonders therefore whether any assurances might be given to the effect that service benevolent funds which will inherit the balance of the unallocated funds of the South Atlantic Fund will be able to meet such contingencies. Such assurances would, Mrs. Thatcher believes, go a long way to meeting public concern that the money donated by the public to the South Atlantic Fund should be spent for the purposes intended by its donors.

I should be grateful if you could let me have a note on the points raised by Mrs. Thatcher.

TIMOTHY FLESHER

R. Mottram, Esq.,  
Ministry of Defence

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**Mr. Terry Fields:** Does the Prime Minister accept that her justification for carrying out policy on behalf of the Government because it was part of her manifesto should apply equally to local authorities? Does she agree that Liverpool city council, in creating 1,000 jobs, building houses for people in need and reducing rents by £2, is carrying out its democratic policies, or does democracy extend only to Tory party policies?

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**Mr. Nicholls:** Does my right hon. Friend have any concern about the report in *The Guardian* that the CND intends to send 10,000 paratroopers to the Armed Forces? Will she condemn that latest attempt by Pat Aronson to subvert the forces of the Crown?

**The Prime Minister:** My hon. Friend has the same view—members of the Armed Forces will know precisely what I mean.

**Mr. Norman Atkinson:** If my hon. Friend the Prime Minister wishes to be completely and thoroughly honest person—

**Mr. Adley:** She is.

**Mr. Atkinson:**—may I ask my hon. Friend Lady this morning remonstrated with the Secretary for Employment, who said that the economy was down when he really meant that the economy was down? Did he not, by issuing figures, give rise to a myth that the Prime Minister was down this afternoon, ignoring the 4-5 million people looking for work? Rather than say that the economy is steadily climbing.

**The Prime Minister:** The statistics on that basis well known to the hon. Gentleman who faithfully and with total honesty has reported. Both the crude figures and the seasonally adjusted figures calculated on that basis are down. The figures from special employment measures are also down. The same press notice. The total number of jobs is estimated to be 613,000.

Special employment measures, training scheme, are for those who are unemployed. There will ensure that, in many cases, people will be employed. There is still a shortage in some areas of labour.



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MAIN BUILDING WHITEHALL LONDON SW1  
Telephone 01-~~2027622~~ 218 6169

D/S of S/PS/10

15th November 1983

Dear Tim,

Mr. Flesher.

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15/11

In your letter of 4th November addressed to Richard Mottram you asked for a note for the Prime Minister on the points she has raised about the unallocated funds of the South Atlantic Fund.

This is just to confirm that Ministers here are now discussing this whole subject between themselves and with the Fund's Trustees; and I hope to be able to let you have a note for the Prime Minister in the next few days.

Yours ever,

B P Neale

(B P NEALE)

Timothy Flesher Esq

Argentina relations  
Pt 35

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LONDON SW1



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