



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

FALKLANDS REHABILITATION

PT
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OD(FAF) decided on 6 July that money for Falklands rehabilitation this year should "be found where possible from the existing Aid Programme, but the bulk of it to come if necessary from the Contingency Reserve". In your minute of 15 July you warned of possible difficulties but agreed to make whatever contribution you could from "slippage" on the Aid Programme.

2. FCO and Treasury officials have I understand now reviewed the position, and have identified an unused margin of at least £5-10 million at present. This could be made available for Falklands rehabilitation without requiring any cuts in the existing allocations of aid funds which are feasible. I suggest that at least the first £3 million of rehabilitation costs this year should be so funded, with a ceiling of £7 million on the amount to come from the Contingency Reserve.

3. In your minute of 15 July you also proposed that a special account be established for the handling of rehabilitation costs. I understand that our officials have now agreed that this can be done by the creation of a new and separate subhead within the Aid Vote.

4. I am copying this minute to other members of OD(FAF), and to Sir Robert Armstrong.

C. in Rutter

PP (G.H.)

2 September 1982

Seen and approved by the Chancellor and signed in his absence.

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