

Prime Minister P 37 ↑

Alf Morris has put down a question asking if you will make a statement clarifying the exact position in the Fund after his question on Thursday. It is for ordinary written answer. Would you like to answer him substantively, or would you prefer Mr Wiggan to answer



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

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Could I see Sir David on Monday if possible. If the

MO 5/21/3  
A-6 could be used for his office it would help. no.

26th November 1982  
Winston Churchill's question: 'You could then refer Alf Morris to Mr Wiggan's answer (draft attached)?'

or would you first prefer to discuss the matter with Mr Wiggan and Sir David Evans, the Chairman of the Trustees?

Dear Prime Minister

I have seen Mr Coles' letter of 25th November recording your reactions to the letter my Assistant Private Secretary wrote the previous day on the question of further interim capital payments to those injured in the Falklands campaign.

LM  
20/11

I can, of course, understand why you felt that interim payments should be made, and I was pleased that the Trustees had made such payments to the most seriously injured servicemen. Before my secretary wrote on 24th November I had had soundings taken of the Chairman of the Trustees of the Fund, Air Chief Marshal Sir David Evans, on the question of further interim payments and the advice in the letter from my office reflected Sir David's, and, I believe, other Trustees', views.

In the light of your further comments, however, I again approached Sir David on this. I enclose a copy of a minute I have now received from him. As his minute brings out, if the Fund is to enjoy the benefits that come with charitable status it has to be very careful that it stays within the bounds of its Trust deed, which Sir David touches on in his paragraph 4.

The Rt Hon Margaret Thatcher MP





Nonetheless interim payments to other wounded servicemen will be made over the next few weeks, as their assessments are completed. The more seriously wounded will get further payments when their assessments have been completed. The essential problem with many of the remainder, however, is that the overwhelming proportion of them are back with their units and are fully fit, and the Trustees cannot pay "compensation" to them under the Trust Deed unless they can identify "need" which, I know, they will interpret generously. More generally, the Trustees have been anxious not to get hopelessly out of line with payments to Northern Ireland casualties. If we do so it will raise the whole spectre of Government-financed benefits.

Having said all this, I recognise that there is a great problem with the South Atlantic Fund (and, as you know, I had direct experience of Penlee). There is also, clearly, misunderstanding about what the Fund has done, and is continuing to do, to help the Falklands bereaved and injured. I now understand that Winston Churchill and Alf Morris have tabled Parliamentary Questions on this for answer next week.

I attach a draft of the Answer Jerry Wiggin was proposing to give to Winston's Question but you may now prefer to give the substantive Answer yourself in which case we would provide you with a revised draft.

There is much to be said for answering the Questions as soon as possible, and, as you know, I am in NATO next week. If you are still concerned you might care to have a personal word with Sir David Evans who would, I know, be happy to discuss all this with you. Although as Chairman of the Trustees Sir David is responsible for the policy you might like Jerry Wiggin to come along too since he answers most of the Questions on this in the House.

*Yours ever*

*John*

*\* This really is not a valid matter for them to take into account in my view. People contributed to the S. Atlantic Fund for them people own must carry out. THEIR TRUST not*



VCDS(P&L) 19/5

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THE SOUTH ATLANTIC FUND

1. Your MO/5/21/3 dated 25 November sought further advice in light of the Prime Minister's comments on your earlier note on the South Atlantic Fund dated 24 November 1982.
2. May I first remind you that the Fund was established by your statement in the House on 25 May as a holding Fund which would disburse money through existing Charities. Subsequently it was registered as a Charitable Trust following the Attorney General's guidelines issued after Penlee; thus the Trust Deed reflects the policy of using the existing experienced machinery of Service Charities to achieve the Fund's principal aim of alleviating suffering. Whilst this charitable status brings considerable financial benefits to the Fund it also imposes restrictions; and the 'narrow road' that has to be followed by the Trustees as a result is best trodden without the spotlight of full publicity. In fact, many individuals who have received help from one of the many Charities through which we have to work may not appreciate that the money or payments they have received originated from the South Atlantic Fund. You are well aware that the £1.5M quickly transferred to the Service Charities at the outset was to ensure that cash was immediately available for those who had to deal at first-hand with any needs to alleviate suffering. We did this specifically to avoid any valid accusation of delay caused by any so-called 'bureaucratic process'. The Service Charities were also told to request further financial assistance if the £1.5M 'advance' was inadequate. We also contacted some 200 further charities and invited them to provide immediate assistance whenever and wherever required and undertook to provide reimbursement of any financial expenditure.
3. Against this background the necessary process of assessment - both welfare and medical - has been proceeding as quickly as circumstances and resources permit. We are not lacking in advice and views from many quarters - often conflicting. Whilst we, the Trustees, have been attempting to speed the process, much expert and specialist advice counsels against haste. For instance, the British Limbless Ex-Servicemen's Association has advised that experience has shown that large sums paid to the limbless too early can often create problems in the future. Moreover, many of the bereaved and the injured have asked for time to come to terms with their new situation before they decide how they wish to live their future lives. Immediate needs have already been met by the

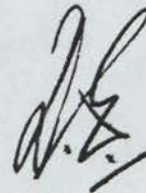


interim awards of which you are aware. The Trustees are also of the view that interim and final assessments should be completed not only fairly and compassionately, but also confidentially to avoid any possible embarrassment to those concerned as so-called 'charity' still has an unfortunate connotation to many.

4. I can fully understand the Prime Minister's concern and, to a certain extent, share her feeling of impatience. However, we are dealing with many complex issues and are inevitably dependant on the advice of experts in these matters. Under the terms of the Trust Deed to which we are bound we must continue to follow the assessment processes that are well underway and we will continue to insist on the quickest possible resolution of capital payments from the Fund. The only real alternative would be to make arbitrary awards which in turn could create as many problems as they would solve; for example, the charitable status of the Fund could then be open to challenge, and the Trustees would have difficulty in justifying the basis of such awards.

5. I do hope that the Prime Minister can be given the fullest possible explanation of the issues involved, especially as there have been so many misleading and ill-informed reports recently about the Fund. The Trustees have been equally irritated by misleading reports and, even more, by alleged views and statements of the Trustees that are contrary to fact.

6. One final point. I have seen the detailed answer which US of S(AF) has suggested should be given in response to the Parliamentary Question tabled by Winston Churchill, MP; I thoroughly endorse this approach which should help to set the record straight and I recommend that the full answer be given as soon as possible.



26 November 1982

VCDS (P&L)



DRAFT

Question (Mr Winston Churchill)

To ask the Secretary of State for Defence the latest state of the South Atlantic Fund, what disbursements have so far been made and if he will make a statement.

Answer (Mr Jerry Wiggin)

I have consulted the Trustees and they are grateful for this opportunity to place on record some of the facts about the work of the South Atlantic Fund. They are glad of the opportunity to correct some recent misleading ~~press~~ reports about the conduct of the Fund.

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The Fund was established as ~~a holding Fund which would disburse~~ money through existing Charities. Subsequently it was registered as a Charitable Trust (~~following guidelines issued after the~~ ~~Penlee disaster,~~) and the Trust Deed reflects the policy of using the existing ~~expertise~~ <sup>experience</sup> and machinery of Service Charities to achieve the Fund's principal aim of ~~alleviating suffering.~~ <sup>meeting need</sup> ~~from the charities~~. Thus many individuals who have received help may not appreciate that the money they have received originated from the South Atlantic Fund. The Trustees quickly transferred £1.5M to Service Charities so that they had funds available to relieve immediately

Landship

~~any suffering~~ that came to their notice. They have applied this money to assist people in many ways, such as moving house, meeting educational expenses, expenses of visiting the injured in hospital, and the provision of suitably modified cars. Additionally some two hundred charities were contacted and invited to give immediate assistance whenever required and subsequently to seek reimbursement.

The Trustees anticipated that assessing the long term needs of the bereaved and injured comprehensively and compassionately could take some time as the services would not wish ~~(to hurry or)~~ press individuals to come to terms with their situation and to decide how they wished to live their future lives. Interim grants totalling £1.9M were therefore made through appropriate charities to the bereaved to meet their immediate needs pending completion of the longer term assessments, which are being conducted comprehensively, compassionately and as expeditiously as possible. The Trustees are very conscious of the wish for speed and confidentiality in reaching settlements. Specialist charities such as BLESMA and St Dunstons are being consulted.



The Trustees also informed me that compassionate medical

assessments have been conducted of those most seriously

injured and interim grants <sup>ranging up to £20,000 in some cases</sup> totalling some £350,000 have

been made to help them over the rehabilitation period, again

through other Charities. The Trustees continue to fund interim

awards on a personal and confidential basis and stress that they

have so far funded only a small fraction of what will be disbursed

over the next four months.

To date donations to the Fund amount to the magnificent sum of

£13.8M. The Trustees have already announced that the Fund

is now at a level where-in conjunction with the principal

Service and associated Charities, it is able to make a

substantial contribution towards meeting the needs of all those

who have suffered, or could suffer in the future, as a result of

<sup>past</sup> ~~the~~ operations in the South Atlantic. They recognise that a

number of fundraising activities are still underway and contributions

will ~~continue~~ continue to be gratefully received. However, now

that the needs of those who suffered as a result specifically

● of the South Atlantic operations have been so generously provided for, it is hoped that support will return to the established Service and associated Charities whose work continues undiminished across a wide field of need.



ARGENTINA: RELATIONS PT 31

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## 10 DOWNING STREET

From the Private Secretary

29 November 1982

SOUTH ATLANTIC FUND

Following her consideration of your Secretary of State's letter of 26 November, the Prime Minister had a personal word today with Air Chief Marshal Sir David Evans, Chairman of the Trustees of the Fund. Mr. Jerry Wiggin and Mr. Steel (of the Attorney General's Office) were also present.

The Prime Minister said that she believed there was a good deal of public concern that disbursement of monies from the Fund to the seriously injured and the bereaved was proceeding too slowly. She was inclined to think that those who had contributed to the Fund did so in the expectation that capital sums of considerable size would be paid without delay to all in these categories. It was not felt to be right that the onus should be put on those in need to come forward and seek payment.

In further discussion it was emphasised that the Trustees had to proceed in accordance with the terms of the Trust Deed and with the law on charities in general.

The Prime Minister stressed that, with Christmas approaching, there was likely to be a good deal of public interest in the cases of the seriously injured and of bereaved families - she hoped that as many of these as possible would receive at least interim capital payments shortly.

In the light of the meeting, the Prime Minister decided that she would like herself to answer a suitable Question in Parliament this week describing the state of disbursements from the Fund. A text was agreed at the meeting and arrangements are in hand here for the Question to be answered.

A number of other points arose for action.

The Prime Minister would be grateful for a detailed fact sheet, showing what progress has been made so far in disbursing money from the Fund to those in need. It would be helpful if this could include details of the most seriously injured and of any obstacles or difficulties which are obstructing progress. Similar progress reports, at perhaps fortnightly intervals, would be useful in the future.

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There was some discussion of the problem of when and how to wind up the South Atlantic Fund. Contributions were still being made but the point could be reached quite soon when there was no foreseeable use for monies over and above those which had already been contributed. The Prime Minister would be grateful for a note on this problem, prepared in consultation with the Attorney General's Office.

On a different point, Mrs Thatcher would also be grateful for a note about the law and procedures affecting members of the Armed Forces who have been the object of Irish terrorist attacks outside Northern Ireland and are thereby not able to receive compensation in the same way as those who suffer such attacks within Northern Ireland.

I am copying this letter to Henry Steel in the Attorney General's Office.

A. J. COLES

Richard Mottram, Esq.,  
Ministry of Defence.



**DEPARTMENT OF HEALTH & SOCIAL SECURITY**

Alexander Fleming House, Elephant &amp; Castle, London SE1 6BY

Telephone 01-407 5522

*From the Minister of State for Social Security and the Disabled*Tim Flesher Esq  
Private Secretary  
10 Downing Street

26 November 1982

Dear Tim <sup>Wm</sup> <sub>26/11</sub>

THE SOUTH ATLANTIC FUND

In view of today's article in the Guardian about the Prime Minister's statement yesterday that varying sums had been made available out of the South Atlantic Fund you may wish to be aware of the letter (copy enclosed) that Mr Hugh Rossi sent to Sir David Evans earlier this week. He wrote to the Chairman of the Fund without knowing that your office had also been in contact with the Fund.

*Yours ever,  
Chris Evans*

CHRIS EVANS  
Private Secretary





## DEPARTMENT OF HEALTH AND SOCIAL SECURITY

Alexander Fleming House, Elephant & Castle, London SE1 6BY  
Telephone 01-407 5522

*From the Minister of State for Social Security and the Disabled*

Air Chief Marshal Sir David Evans GCB CBE  
Chairman  
South Atlantic Fund  
Ministry of Defence  
Main Building  
Whitehall

23 November 1982

*Dear Sir David,*

I recently met some amputees who received their injuries in the Falklands campaign. Generally speaking the servicemen are satisfied with the attention and help they are receiving but they have one grievance.

They are extremely anxious as to their position under the South Atlantic Fund. No information as to what is likely to happen is being given to them. Meanwhile they are having to incur personal expenditure as a result of their injuries; eg the purchase of larger trousers and shoes because of artificial limbs, the installation of telephones where these were not previously necessary.

I did mention to them that it was possibly difficult for the Trustees of the Fund to make any announcement until the overall needs of those who had suffered had been ascertained. However this would not seem to preclude the Trustees from taking the initiative in making initial payments now, even of relatively modest sums, to meet the kind of personal expenditure I have indicated, without a formal application from the serviceman. I understand that you have been supplied with a complete list of all those injured and the extent of their injuries.

I promised them that I would write to see if anything could be done.

*Yours sincerely*  
*Hugh Rossi*

HUGH ROSSI

*P.S. You may have noted that in yesterday's debate in the House of Commons, David Tompkins, a former Secretary of State of this Dept., referred to the problem and suggested an immediate £2000 "on account".*



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10 DOWNING STREET

From the Private Secretary

25 November 1982

The South Atlantic Fund

The Prime Minister has seen your letter of 24 November.

Mrs. Thatcher has commented:

"I do not think that this is enough. People contributed to the Fund in the expectation that a considerable number of capital sums would be paid so that people did not have to apply for each need to be met. We are coming up to Christmas and money is needed at such a time. Criticism will mount and in my view rightly so."

I should be grateful if you could arrange for the Prime Minister's points to be considered and for further advice to be submitted.

I am copying this letter to John Holmes (Foreign and Commonwealth Office).

A. J. COLES

Derek Piper, Esq.,  
Ministry of Defence.

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MO 5/21/3

MINISTRY OF DEFENCE  
MAIN BUILDING WHITEHALL LONDON SW1

Telephone 01-230 7722 218 6169

24th November 1982

*I don't think there is enough people in the - expenditure that fund that a considerable no. of capital sum would be paid so that people do not have to apply for each need to be met.*

*We are coming to the need Prime Minister & Mr. Nicholl money is needed A.S.C. 24/11.*

*Contributions will be made and in my view rightly so.*

THE SOUTH ATLANTIC FUND

In your letter of 16th November to Richard Mottram you referred to the briefing we had provided that day for Prime Minister's Question Time, on the South Atlantic Fund. The Prime Minister had not been happy with the line that there is no need for the Trustees to pay out a capital sum now to those injured in the Falklands campaign. The Prime Minister asked for my Secretary of State's views on this.

In fact the Trustees of the South Atlantic Fund always intended to make interim awards (where appropriate) to those who were injured as soon as medical assessments could be completed. The Trustees have now considered this further and have decided to make interim payments to the more seriously injured pending the assessment of their long-term needs. As a result of this decision sums of between £2,000 and £20,000 have now been paid to the 73 most seriously injured. The total sum involved is £345,000, and the payments are calculated on the basis of medical assessment of the severity of the injury and of the likely immediate need. In all cases these payments will be less than the final payments which will be made when the assessments of long-term need, which are now underway, are completed.

The Chairman of the Trustees is satisfied that the process of assessing the needs of all the others injured is continuing as quickly as circumstances and resources permit. All cases of need that have arisen so far have been dealt with speedily and if any arise before final awards are made they too will be similarly treated urgently by the Fund.

As regards those Servicemen and others who were only very slightly injured and who recovered fully and rejoined their units after only a few days recuperation, the Trustees of the Fund do not consider it appropriate or necessary to make interim payments. All such cases are, however, being included in the current review assessing long-term needs and it is expected that, when these assessments are complete, everyone concerned will receive some payment from the Fund.

A J Coles Esq





My Secretary of State was glad to learn of the Trustees' decision to make interim payments to those most seriously injured. So far as the others are concerned Mr Nott believes that we should press on as quickly as possible with the necessary assessments to allow final awards to be paid, and is inclined to think that in the meantime we should accept the Trustees' judgement, in the light of the expert advice they are receiving, on the requirement for further interim payments. An exception to this concerns Servicemen who were injured but who choose to leave the Service. There are, for example, two Welsh Guardsmen whose normal period of service is coming to an end this month and who are not continuing to serve. They are to be given interim payments of £1,000 and £700 respectively. There is also one Private in 3 Para who received a comparatively minor injury (a wound to his left hand) which would probably not have prevented him being found alternative employment within the Army but who chose to be medically discharged this week. This soldier's long-term needs are being assessed but he too received an interim award of £1,000 from the South Atlantic Fund when he left.

There is nothing in this letter on which the Prime Minister should not draw if this is raised with her in the House, except for the detailed amounts of money being paid to Servicemen which would not normally be disclosed.

I am copying this letter to John Holmes (Foreign and Commonwealth Office).

*Yours ever,*

*Henry Piper*

(D T PIPER)



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10 DOWNING STREET

From the Private Secretary

16 November 1982

BJ

The South Atlantic Fund

The Prime Minister was not entirely happy with the briefing provided today on the above subject in connection with her Parliamentary Questions.

Mrs. Thatcher takes the view that a small capital sum should be paid to all of those injured in the Falklands campaign. She does not think they should be obliged to approach the Fund and make a request. In her view, a policy which depends on the injured initiating requests for aid is not sufficiently sensitive.

While she is aware that it is for the Trustees to administer the Fund, Mrs. Thatcher would be most grateful for Mr. Nott's considered views on this matter and advice on how the Trustees might be approached, if it were decided that an attempt should be made to change the present policy.

JC

Richard Mottram, Esq.,  
Ministry of Defence.

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