



MO 5/21/2

Willie
PM does not need to write to the Steel.
Do you want to turn the information below into a note for P.M.?

MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1
Telephone 01-~~9387022~~ 218 2111/3

26th May 1982

MAJ
27/v.

Dear Mike,

Yesterday you asked for a draft of a letter which the Prime Minister might send to David Steele MP amplifying the Answer she gave in the House about the South Atlantic Fund. I am attaching a suggested letter.

Willie Rickett has also requested a little more background for the Prime Minister on the way in which donations from the public are being administered. The donations seem to have fallen into three broad categories: welfare money which is specifically directed to one of the existing Service charities; welfare money which is not directed to one of our existing charities but is rather given in support of those in the Task Force generally; and money intended to defray the cost of operations. The first of these is straight forward, the third is being held in a suspense account by the Treasury. The South Atlantic Fund is designed to deal with the second category.

The South Atlantic Fund has been established on the principle that there should be one fund and not many, with its terms drawn sufficiently wide so as to prevent too much money being directed at only a few people. The Trustees of the Fund will therefore have the flexibility to direct donations across the whole spectrum of those in need - RN, Army, RAF, Merchant Marine and others. The Fund will therefore simply hold money on behalf of existing charities until we have a clearer idea of how best it can be used. Of course, the existing charities can already be used to help those who are in immediate need. We believe that these procedures should avoid the kind of problems experienced by the Penlee Fund.

We hope that these arrangements will be sufficiently flexible for us to meet the wishes of the vast majority of donors.

Yours ever
J E Ridley

(J E RIDLEY)(MISS)

Mike Pattison Esq

DRAFT LETTER TO RT HON DAVID STEELE, MP

I thought it would be helpful if I expanded on ^{my} ~~the~~ answer ~~I gave~~ to you [yesterday] in the House ^{on Wednesday} ~~when you asked~~ about money sent by the public for charitable purposes connected with the Task Force.

I agree with you wholeheartedly that we have many organisations working in this area who cater very well for those in need, and as John Nott explained we will be using these charities to identify and help the needy. Although the South Atlantic Fund will have charitable status it will not itself be involved directly in charitable work: it will simply hold on to the money we receive and divide it between existing charities as the need arises. If a member of the public wants to send money for men on the Task Force but is not sure exactly where the money should go then the Fund is a convenient mechanism for directing the gift. Among the charities likely to benefit are the King George's fund for Sailors (which covers the RN and the Merchant Navy), the Army Benevolent Fund and the RAF Benevolent Fund.

As further background you may be interested to see the attached copy of the Press Release put out by the Ministry of Defence [yesterday] which details the arrangements for dealing with donations.

PRESS RELEASE ON SOUTH ATLANTIC FUND

The Ministry of Defence is aware of, and is most grateful for, the public desire to support all Service and civilian personnel involved in the present South Atlantic operations. Many donations have been received from both at home and abroad. Benevolent support for Servicemen, ex-Servicemen and their dependants who are in need, is normally provided through the following Benevolent Funds:

- a. For Royal Naval, Royal Marines, Royal Fleet Auxiliary, Merchant Naval and all seafaring personnel:

King George's Fund for Sailors
1 Chesham Street
London SW1X 9NF

- b. For Army personnel:

Army Benevolent Fund
Duke of York's Headquarters
King's Road
Chelsea
London SW5 4SP

- c. For Royal Air Force personnel:

Royal Air Force Benevolent Fund
67 Portland Place
London W1N 4AR

Of course, money donated to these Charities can be used only for the benefit of those specified, and for their dependants.

2. The Ministry of Defence has also received donations directed on a more general basis for the welfare of all people, both Service and civilian, who are involved in the Falkland Islands operations. It has therefore been decided to set up a trust fund to be called the "South Atlantic Fund" which will act as a collecting and banking agency for donations not specifically tied to a single Service of the Defence Forces. Subject to Trustee discretion, the funds collected will be distributed to the Service Charities and to other charities, as the need arises.

3. Further information on the South Atlantic Fund will be given as soon as the fund has been legally constituted. Meanwhile money for this fund will be held in a suspense account administered by the United Services' Trustee. Donations should be sent to:

South Atlantic Fund
Ministry of Defence
Archway Block South
Old Admiralty Building
London SW1A 2BE

4. The MOD believes that this arrangement will meet the need and would not wish to encourage the setting up of separate and more narrowly drawn funds or appeals.

5. Donations which have been sent specifically to defray the cost of military operations in the South Atlantic are being held separately.