

SECRET



NORTHERN IRELAND OFFICE

WHITEHALL

LONDON SW1A 2AZ

SECRETARY OF STATE  
FOR  
NORTHERN IRELAND

J R R MacGregor Esq OBE  
The Chief Secretary  
Treasury Chambers  
Parliament Street  
LONDON SW1

11 November 1985

*Dear Chief Secretary,*

ANGLO-IRISH TALKS: AN INTERNATIONAL FUND

Thank you for your letter of 17 October. I, of course, welcome your acceptance that there would indeed be difficulties about applying strict non-additionality rules to the Fund, but I must question your qualification that "the implications of a possible very substantial Fund cannot simply be ignored in considering each year the appropriate size of the Northern Ireland block. This is something we can discuss in future Surveys."

I can only interpret you as suggesting that, whatever might be done initially, overseas contributions to a Fund for both parts of Ireland might, in time, be used to relieve wider UK public expenditure. That is quite clearly unacceptable. As I explained in Cabinet on 31 October, contributions to a Fund, if we are to secure one, must be and be seen to be "additional", and we must be able to assure potential contributors from the outset that that will be the position. I have no doubt whatsoever from the contacts we have already had with the US Administration - which is likely to be the main and possibly the sole source of a Fund - that they will need clear assurances about additionality before any money is forthcoming. And, if we sought to fudge the issue, and were then seen to be trimming the Northern Ireland block because

SECRET

PERSONAL

SECRET

PERSONAL

of the American help, I am quite sure that we could expect - and rightly - an uproar both from the Irish and the Americans. It would be better, in such circumstances, that a Fund had never been set up in the first place.

It remains still to be seen what if any funds will become available and over what period. We are not necessarily talking about a series of payments. Robert Armstrong and a senior Irish official are currently in Washington and will be exploring these matters further, and I shall of course let you know the outcome, but I hope that on reflection you will feel able to agree without qualification that whatever sums we succeed in obtaining from the Americans (possibly later from other countries) will be treated as truly additional to what comes to Northern Ireland by, for example, the normal operation of the comparability formula.

I am sending copies of this letter to the Prime Minister, members of OD(I) and Robert Armstrong.

Yours Sincerely

Edward  
Private Secretary

for T.K.

(Approved by the Secretary of State  
and signed in his absence in N.I.)

PERSONAL