

CONFIDENTIAL



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Prime Minister  
COP  
25/2

Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Tom King MP  
Secretary of State for Northern Ireland  
Northern Ireland Office  
Whitehall  
London  
SW1P 3AJ

*mt*

25 February 1996

Dear Tom,

**NORTHERN IRELAND: AN INTERNATIONAL FUND**

Thank you for your further letter of 11 February.

I fear I must say once again that I find your request quite impossible to concede. If the Americans and Irish are really demanding an assurance, as a precondition of an International Fund, that your automatic, formula-based block arrangements should be kept intact for all time, they must be tactfully but firmly told that no government could ever give an assurance which bound its successors in this way. I have said that I see no difficulty in your assuring them that the Fund is to be spent on projects additional to any currently, or prospectively, funded from your block; that, on any reasonable view, is surely the proper limit of their concern.

You go on to suggest that for the future extra resources created by the Fund will need to be projected indefinitely and at the same level by higher public expenditure, after US funding runs out. As with additionality, we simply cannot bind our successors in this way. Future decisions will have to be taken on their merits at the time.

I am copying this letter, and yours, to the Prime Minister, member of OD(I), and Sir Robert Armstrong.

*Yours ever,*  
*JM*

JOHN MacGREGOR

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Situation PT20

