

The Prime Minister announced on 30 January an inquiry into the events of 30 January 1972 in Londonderry, which became known as Bloody Sunday. The Inquiry, headed by Lord Saville, is likely to take up to two years to complete.

My officials have already indicated to yours the expected costs of the Inquiry insofar as it is possible to estimate them at this stage. You will appreciate how important it is to the success of this inquiry to demonstrate its independence from the Northern Ireland Office and other NI Government Departments. I understand that your officials have indicated it should lie on an NIO Vote and if this is to be the case, we need to be in a position to demonstrate that the resources are clearly additional to the NI Block, and ring-fenced for the inquiry. Otherwise, the inquiry might be viewed as dependent on the NIO for its funding, and as competing for resources with NI public services. Such impressions would be likely to elicit a strong negative reaction from local politicians and the public.

I would therefore be grateful if you would treat the cost of the Inquiry as a legitimate claim on the Reserve in 1998-99 and, if necessary, future years. If

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you are unable to provide the necessary resources, then we would need to widen the discussion to include colleagues with an interest in the Inquiry so as to ascertain where the costs should fall.

I am copying this letter to the Prime Minister, the Chancellor and Sir Richard Wilson.

MARJORIE MOWLAM