

CONFIDENTIAL

FROM: G HARRISON
CPL DIVISION
5 JUNE 1996

DESK IMMEDIATE

cc: PS/Sir David Fell -B
Mr Thomas -B
Mr Leach -B
Mr Bell -B
Mr Watkins -B
Mr Wood (L&B) -B
Mr Hill
Mr Stephens -B
Mr Beeton -B
Mr Carson -B
Mr Maccabe -B
Mr Jones, FSD
Mr Whysall
Mr Dickinson -B

1. PS/PUS (L&B) (I support equal treatment for all parties which have secured an elective mandate for the forum and (a fortiori) the talks; Sinn Fein cannot qualify for talks-based grants if ineligible for talks. If participating in the forum, granting applications will be discretionary. JAC 5/6/96).

2. PS/Michael Ancram (L&B) -B (I agree with PUS. Should Secretary of State let Paisley Know?)

3. PS/Secretary of State (L&B) -B

TALKS (AND FORUM): PARTY RESEARCH GRANTS

The purpose of this submission is to seek Ministers' further views on the payment of party research grants in the light of discussions with the Irish at yesterday's Liaison Group meeting and the note on remuneration which was annexed to the letter of invitation sent to the parties yesterday.

Background

2. In response to Mr Hill's earlier submission of 2 May, Mr Kyle's minute of 23 May recorded the Secretary of State's agreement to, inter alia, the payment of party research grants in respect of vouched expenditure on relevant items of work, whether related to the negotiations or the forum, up to a maximum of £6,000 per quarter for parties with six or more elected delegates and £3,000 per quarter for parties with five or less.

CONFIDENTIAL

CONFIDENTIAL

3. The issue of Party research grants was discussed yesterday, with Irish officials, in view of the willingness of the Irish to share the costs of the negotiations (excluding Strand One). While they agree in principle to the payment of party research grants, they queried whether it was appropriate to differentiate between smaller and larger parties, arguing that in view of their smaller numbers the smaller parties might well have a greater need to employ researchers, than the larger parties. This issue was not resolved at the time. But, in order to avoid further delay in sending out the letter of invitation to the parties, the accompanying annex dealing with allowances was amended to remove reference to lesser research grants to smaller parties. Thus the parties have been advised that the following will be payable:

"Party Research Grants

a party research grant in respect of vouched expenditure on relevant items of work, up to a maximum of £6,000 per quarter."

Discussion

4. The rationale for proposing to give larger research grants to the bigger parties is that they represent a larger proportion of the electorate; will be significant players in the negotiations and so their contribution will be enhanced by a larger research grant. The smaller parties would thus receive a grant reflecting their smaller representation, and less significant contribution to the process. However the Irish argued for equality, on the grounds indicated in paragraph 3 above.

5. There are merits in both arguments. But the present position is that all the parties have been notified that they are entitled to party research grants of up to a maximum of £6,000 per quarter. This does theoretically leave it open to the Government subsequently to make clear that smaller parties will only receive allowances of up to a maximum of £3,000 per quarter. But the present guidance

CONFIDENTIAL

CONFIDENTIAL

gives no indication that further advice will be forthcoming and so to pursue this course might well result in the Government being accused by the smaller parties, of acting in bad faith. Also, before we could write to the parties, we would need to reach agreement with the Irish on this point, which might take some time.

Recommendation

6. Since the arguments for equal treatment and for differentiation according to party size, are equally valid, and that the Government might be accused of going back on advice already issued to the parties, it is recommended that, in view of the short time available before negotiations begin, we let the advice as now issued, stand. Thus it is proposed that all parties, regardless of size should be able to qualify for research grants up to a maximum of £6,000 per quarter.

7. Is the Secretary of State content to proceed as proposed in paragraph 6?

signed Gillian Harrison

G HARRISON (MISS)
Constitutional and Political Division
OAB Ext 6483

CONFIDENTIAL