

Prime Minister

30 March 1998

Dear Tony

**NORTHERN IRELAND REFERENDUM AND ELECTION:
FUNDING FOR THE PARTIES**

We are working towards a referendum on the outcome of the Northern Ireland political talks in May. It is likely that elections to new Northern Ireland institutions would then take place in June. I am concerned that these two important events falling close together will place a heavy financial burden on the parties.

These will of course be extremely important events which will shape the future of Northern Ireland: I am keen to ensure that the parties can put their cases as effectively as possible. Following the precedents set in the referendums in Scotland, Wales and London, we propose to send to every household a factual statement on the agreement on which the electorate will be voting. It will present the issue in neutral terms, to minimise the possibility of legal challenge to such a distribution. It will also attach the text of the agreement.

We have to bear in mind that there will be intense international interest in the referendum and there is a possibility that overseas observers will criticise the absence of any facility for critics of the agreement to put their case. I would not want to see such criticism undermine the legitimacy of the referendum result.

For this reason, I am writing to seek colleagues views' on proposals to provide assistance to the parties. The Government did not provide funding or any election communication facilities, either to individual

parties or to the 'yes' and 'no' umbrella campaigns, during the Scottish and Welsh Referendum campaigns, nor is this to be done in the London Referendum. I do not propose doing so in Northern Ireland. There is little prospect of the parties organising themselves under umbrella campaign groups either in support of or in opposition to the agreement. Providing direct financial assistance to parties would be controversial and might set a precedent for future referendums.

I do however wish to extend to the referendum and elections a special facility for the parties which already applies in local government and Westminster Parliamentary elections. In these elections in Northern Ireland, given the local difficulties of political campaigning (for example, door-to-door canvassing) the Government provides a free mailing for all candidates. I believe this facility is made available only at general elections in the rest of the United Kingdom. This would be a relatively straightforward way of assisting the parties. It could be defended against claims that it sets a precedent for future UK referendums by pointing out that this is a special facility which already applies to Northern Ireland because of the special circumstances there.

It would be my intention to make these facilities available to all ten parties elected to the talks, provided they had not been expelled or suspended from the talks at the relevant time.

The cost of each free mailing will be approximately £948,000 (which would need to be found from within the NI Block). Legislative provision would be made in the referendum and election Orders.

Because of the tight timescale, it would be most helpful to receive comments from colleagues by Friday 3 April.

I am copying this to members of CRP, George Robertson, John Morris and to Sir Richard Wilson.

SIGNED

MARJORIE MOWLAM