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Rt Hon Mo Mowlam MP
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9 December 1997

Dear

IRISH TALKS: "FRAMEWORKS FOR THE FUTURE"
AS VIEWED FROM THE PERSPECTIVE OF THE UK MAINLAND TAXPAYER
FINDINGS, QUESTIONS, AND RECOMMENDATIONS

FINDINGS AND RECOMMENDATIONS

On the basis of the Framework documents, the Talks are not taking into account:

1. The tax contribution of the mainland UK taxpayers to the N Ireland budget amounting to at least £3.2 billion in 96/97 and the principle of "No Taxation without Representation" (See A3).
2. The partnership obligations of N Ire towards its Union partners: The continuing troubles divert energy and resources that could well be better used elsewhere, and belittles the image of the UK in the world (See A5).
3. The discipline of tackling the issues from the perspective of "No Taxation without representation", "Who pays for what?", "You only get what you pay for."

These principles should permeate through every issue in the Talks. Demands matched to financial contribution should reign in unreasonable demands and facilitate a fair and just settlement (See A).

4. The views of the mainland UK taxpayers: Most are unaware of the size of the UK tax contribution to N Ire, they have not been informed, they have not been consulted and they have been treated as spectators for the last 30 years (See B).

Why should the mainland constituencies pay out over £3.2 billion to N Ire when they are treated as bystanders and when at least six Constituencies and possibly nine out of the eighteen do not want the money anyway because they want to be part of the Republic (See A6).

Is it not incumbent on all MPs to represent the interests of their constituents and to take note of the principle "No Taxation without Representation."?

The new Govt should recognise the interests of the mainland taxpayer. Failure to do so would rightly deserve a reminder to the electorate at the next General Election.

5. Working against the UK taxpayer has been the suspension of normal parliamentary opposition for the last 30 years which has put a lid on information and debate.

The interests of the mainland UK taxpayer would be best served if normal service resumed immediately to discuss the issues of who pays for what openly to ensure a fair and just settlement.

The interests of the mainland taxpayer would also be best served if the two Sinn Fein members are permitted to take their seats. It must surely be open for the PM to ask the Queen for a special dispensation.

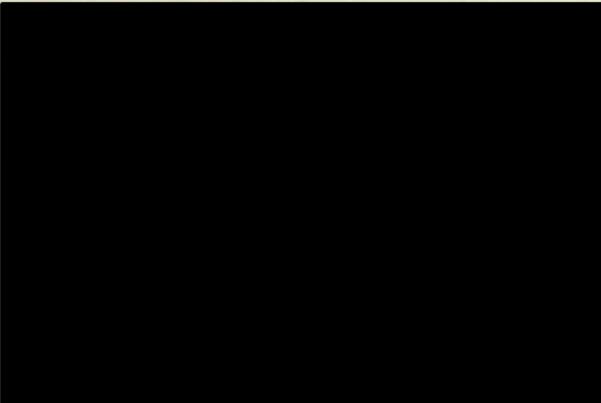
6. The views arising from the N Ire public consultation. The N Ire Office have "lost" the consultation feedback. These should be found, collated and presented to Parliament (See B).
7. The Principle of Majority Consent asserted in the Framework documents does not work on a "whole of N Ire basis" but only on a "Constituency" basis. This basis also equates to the interests of the mainland UK taxpayer (See A & C).

It is recommended that the above seven points are brought into account in the Talks process.

QUESTIONS

Questions are underlined in the text.

I have asked my local MP, Nigel Jones, to submit the questions to you on my behalf.



Encl: 5 Page Report.
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N IRELAND "FRAMEWORKS FOR THE FUTURE"
(COMPRISING PAGES I-IV & 1-37 PUBLISHED FEBRUARY 1995)

AS VIEWED FROM THE PERSPECTIVE OF THE MAINLAND UK TAXPAYER
FINDINGS, QUESTIONS, AND RECOMMENDATIONS

A THE MISSING "STRANDS"

A1 The Frameworks identify the "three strands":

1. The Unionists and Republicans within N Ireland.
2. N Ireland and the Republic (North and South)
3. The UK and the Republic (East and West)

There are two strands missing:

4. N Ireland and the mainland UK taxpayer.
5. N Ireland and its fellow Union Partners.

A2 UK Population (millions):

England	49
Scotland	5
Wales	3
N Ire	1.6

Of which:

Unionists	1.0 (estimated)
Republicans	0.6 (estimated)

Rep of Ire 3.6

A3 N Ireland Expenditure (£ billions):

	97/98	96/97	95/96	94/95	94/94
N Ire Office	8.2	8.1	7.7	7.4	7.1
Cyclical Social Sec	0.6	0.6	0.6	0.5	0.5
Defence (troops)	0.5	0.5	0.5	0.5	0.5
Foreign Office					

Tax contribution made by mainland UK taxpayer
(£ billions):

N Ire Office Dept					
- Grant in aid		2.6	2.0	1.6	2.4
Cyclical Social Sec	0.6	0.6	0.6	0.5	0.5
Defence Dept	0.5	0.5	0.5	0.5	0.5
Foreign Office					

Grant in aid is the subsidy from the mainland taxpayer to balance the N Ire budget, that is, Income from all sources (taxes & duties etc) from within N Ire, less expenditure.

Cyclical social security benefits is expenditure relating

to N Ire but outside the N Ire Office departmental control total.

Other N Ire expenditure arises in Foreign Office departmental budget.

Clearly, if the issue was one of taxation alone the mainland UK taxpayer would welcome a United Ireland as the N Ireland budget deficit would fall on the Republic.

Why have the interests of the mainland UK taxpayer not been identified and taken into account in the Frameworks in view of their tax contribution to N Ireland of at least £3.2 billion?

What would the saving be to the mainland UK taxpayer if the nine Constituencies identified in (A6) left the Union?

What are the costs in the Foreign Office budget attributable to N Ire?

What is the estimate of the 97/98 Grant-in-aid?

A4 Budgets Compared (95/96):

	Income (billions) £	Population (millions)	Per Person £
N Ire (incl aid)	8.3	1.6	£5188
Uk income	271.9	58.6	£4640
Rep Ire income	10.8	3.6	£3000

INCOME SHORTFALL: 2.6 (Excl Defence)

Per head of population:

N Ire taxpayer	1.6	£1625
Uk mainland taxpayer	57.0	£45
Rep Ire taxpayer	3.6	£722

Percentage to total budget income:

N Ire £5.7b(8.3-2.6)	46%
UK	1%
Ire Rep	24%

From the perspective of the mainland UK taxpayer, the N Ire income shortfall of £2.6b 95/96, £3.2b 96/97 is money that could be diverted to Education, Health Care or maintaining benefit to Single Mothers.

What plans are there for the replacement of UK funding by the Ire Republic?

Why was this fundamental issue left out of the Framework documents?

Is there not scope for substantial reductions in the N I budget?

A5 The Union Partnership / United Kingdom:

As in all partnerships, individual partners have duties, obligations and responsibilities to the partnership as a whole. These include the requirement that individual partners obtain the consent of the whole partnership.

N Ireland should not be treated as if an independent state or sovereign state but as a partner in the Union.

A6 The Principle of Majority Consent:

The Frameworks refer to "majority consent in N Ireland."

The Frameworks do not specify the means as to how majority consent should be determined in N Ireland.

There are two possible means:

The assumption has been made that the referenda result will be taken on a whole of N Ireland basis (making the result of any referendum a foregone conclusion).

The other means (which the Frameworks has not ruled out) is to take the referenda results on a constituency or district basis that would allow the fulfilment of the wishes of the majority within those areas. Is this not the objective of the principle of majority consent?

This sees a win for all three parties
The Republicans realise their dreams in the areas where they are in the majority.
The mainland UK taxpayer pays out less in subsidy.
The Unionists are left with a Union pulling together and all the taxation advantages of remaining in the Union.

If referenda on a Union opt out was held on a Constituency result basis up to nine Constituencies would leave the Union:

The five SDLP and Sinn Fein Parliamentary Constituencies: Belfast West, Down South, Foyle, Newey and Armagh, Ulster Mid.

On the basis of the bigger share of the votes cast: Tyrone West.

On the basis of help from non-voters at the last Election: Belfast North, Fermanagh and South Tyrone, Upper Bann.

A7 The context of the union opt out: is the fulfilment of the principle of majority consent envisaged under the Strand One talks, independent of the establishment of cross-border bodies envisaged under the Strand Two talks.

A8 The establishment of cross-border bodies (under the Strand 2 Talks) should have tax implications for the Ire Republic based on the principle of "No Taxation without Representation": Is the Republic to contribute a half share of the mainland UK taxpayers contribution?

A9 There is a clear benefit for the mainland UK taxpayers and to the Republicans.

But the Unionists win as well because they are left with an entity working together rather than pulling apart in different directions.

B THE MISSING INFORMATION AND PUBLIC CONSULTATION:

B1 The UK Govt public consultation on the Frameworks for the Future was undertaken in N Ireland in 1995: A four page Summary of the proposals was posted to every household ending with:

"Copies of the full text of both documents for discussion are available at your main post office or by calling Freefone No: 0800 374 964"

Sent with the summary was a one page message from the N Ireland Secretary ending with:

"These are our suggestions. Let the parties and us have your views."

B2 No such distribution was carried in mainland UK, not even to public libraries.

The N Ireland Office have advised that it was a not an oversight but a deliberate decision not to undertake a public consultation exercise in mainland UK.

B3 Successive Govts have relegated the mainland UK taxpayer to the status of spectator, onlooker and bystander as if the Irish troubles had nothing to do with them, disenfranchised! The Govt have not represented the interests of the UK taxpayer in their Framework document, not provided them with relevant information, and not consulted them.

Keeping the mainland taxpayer in ignorance: Was this incompetence or negligence or a deliberate attempt to deceive?

Was not the Govt aware of the principle of "No taxation without representation"

B4 The public consultation exercise in N Ireland has not been made public, that no report was submitted to Parliament, and that the feedback has now been mislaid (as advised by the N Ire Office).

Will the Govt now find the feedback from N Ire, collate the information and present a Report to Parliament?

C MAJORITY CONSENT AND SELF DETERMINATION

C1 Both Govts have signed up to the over-riding principle of a just and fair settlement.

Consent on "a Whole of N Ireland" basis is unjust and unfair because it ignores:

The wishes of those Republicans within N Ire who are in the majority in a particular area.

The mainland UK taxpayer who subsidise it.

The interests of N Ireland's Union partners.

The principle of consent, therefore, is not realised in practice, in practice the "the tail wags the dog". This ought to be absolutely unacceptable to all parties.

C2 The areas would either be based on the 18 Constituencies (used in the Forum Talks Elections 30/5/96 and the Parliamentary Elections 1/5/97) or based on the 26 Districts (used in the Local Govt Elections 21/5/97).

C3 After the first referendum, subsequent referenda would be held at the same time as general elections making a maximum referenda interval of not more than five years.

C4 This proposal meets the requirements of all the principles stated in the Framework documents and does not appear to contravene directly any statement made by either the UK or Irish Govts.

C5 If a Republican Constituency or District is surrounded by Unionist Districts it should not be beyond the ingenuity of the two Govts to work out a practical solution in the Strand One Talks.

C6 The over-riding importance is the fulfilment of the hopes, dreams and aspirations of those who wish to be part of the Republic. This sentiment over-rides all practical considerations: The sense of freedom and the air you breath matters.

C7 What is the Govt's position now on the nature of majority consent in N Ireland?

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