



Po - CH / NL / 0404

PART A

Part A

Begins: 10/1/89
Ends: 31/1/89


 PO -CH /NL/0404

 PART A

Chancellor's (Lawson) Papers:

PAYMENT OF THE
 CANDIDATES DEPOSIT AT
 THE EUROPEAN ASSEMBLY
 ELECTIONS

PO -CH /NL/0404
 PART A

DD's: 25 Years

Phelan

15/12/95



CH/EXCHEQUER	
REC.	11 JAN 1989
ACTION	PMG
COPIES TO	

QUEEN ANNE'S GATE LONDON SW1H 9AT

✓ 11/1

10 January 1989

✓

[Handwritten signature]

Dear John,

CANDIDATE'S DEPOSIT AT EUROPEAN ASSEMBLY ELECTIONS

I propose to increase the £750 deposit at the European Parliamentary elections to £1,000 in new Regulations which I need to lay before Parliament early next month. The Regulations are subject to affirmative resolution and can, I hope, be taken at the same time as an Order under the Representation of the People Acts covering the non-contentious issue of raising the permitted maxima for candidates' expenses at United Kingdom elections. Both measures will need to take effect in March 1989.

The deposit at European Parliamentary elections (the Euro-deposit) was originally fixed in 1979 at £600: the Parliamentary deposit was then £150. The Representation of the People Act 1985, following much debate, raised the deposit at Parliamentary elections from £150 to £500. Subsequently, in 1986, after consultation with colleagues, the Euro-deposit was raised to £750 to establish the principle that the Euro-deposit should be increased from time to time in line with inflation. The value of the £600 at which the deposit was originally set would now be at least £1,180, and even the £750 of 1986 would now be the equivalent of about £840.

As part of the preparations for next year's European Parliamentary election, it seemed right to consider whether the Euro-deposit should again be increased and, indeed, whether the opportunity should be taken to increase it by rather more than the value of the inflation of the past few years in order to approach its original value. My officials accordingly sought the views of those political parties represented at Westminster on an increase in the deposit from £750 to £1,000. That approach was leaked to the press and gave rise to some lobbying by the Green Party, to the effect that deposits were undemocratic in principle and unfair to small parties in practice - and that £1,000 would be exorbitant.

The views of the parties originally consulted are less embattled. Neither the Conservative nor the Labour parties would object to a deposit of £1,000: the Ulster Unionists would positively favour it. Unsurprisingly, all the smaller parties - the Social and Liberal Democrats, the Social Democrats, Plaid Cymru, the Scottish National Party and the Alliance Party of Northern Ireland do not support an increase.

The main utility of the deposit in modern times is to deter frivolous candidates, though there have so far been none at European Parliament elections; and to protect the free postage facility - now, if taken up, worth of the order of £50,000. To achieve these objects a rise of rather more than the rate of inflation to restore the deposit nearer to its original level seems desirable, so I propose to increase it to £1,000.

The increase in the Euro-deposit may call in question the level of the Westminster deposit. The increase to £500 in 1985 has already been eroded by inflation and we shall have to watch for the right moment to bring this matter formally before the House again. Meanwhile we can indicate, if pressed, that we are aware of the issue.

Are colleagues content for me to proceed on the basis of an increase in the Euro-deposit from £750 to £1,000? The Regulations and Order must be laid and debated in February, so arrangements will be put in hand in the next few days unless there are views to the contrary.

I am copying this letter to the Chancellor of the Exchequer, the Secretaries of State for Wales, Northern Ireland and Scotland, the Chief Whip and the Paymaster General.

Yours,

D. G. M.



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CT/4031/88

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From The Secretary of State for Wales

18 January 1989

PWP

Dear Lord President

CANDIDATE'S DEPOSIT AT EUROPEAN ASSEMBLY ELECTIONS

I have seen a copy of Douglas Hurd's letter of 10 January asking for agreement to increase the Euro-deposit to £1,000. I am content with his proposal.

I have no doubt that Plaid Cymru will add its voice to the objections from the smaller parties. In practice the proposal will barely affect the party. Wales has only four European constituencies and in 1984 all four Plaid Cymru candidates retained their deposits. Any increase in the Westminster deposit will of course need more detailed consideration.

I would make one small but important point in relation to the presentation of the proposed increase. In his letter Douglas mentions that frivolous candidatures have not been a feature of Assembly elections to date. In giving our reasons for the increase we should take care to ensure that the distinction between small and "frivolous" is clearly acknowledged.

I am copying this letter to Nigel Lawson, Douglas Hurd, Malcolm Rifkind, Tom King, David Waddington and Peter Brooke.

CH/EXCHEQUER	
REC.	19 JAN 1989
ACTION	PMG
COPIES TO	

- #11

*Yours sincerely
Keith Jarvis*

Approved by the Secretary of State
and signed in his absence

The Rt Hon John Wakeham MP
Lord President of the Council
Cabinet Office
70 Whitehall
LONDON
SW1



pwp

SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

The Rt Hon Douglas Hurd CBE MP
Secretary of State for the Home Department
Home Office
50 Queen Anne's Gate
LONDON
SW1H 9AT

CH/EXCHEQUER	
REC.	19 JAN 1989
ACTION	PMG ✓ 19/1
COPIES TO	

19 January 1989

Dear Douglas,

CANDIDATES' DEPOSIT AT EUROPEAN PARLIAMENTARY ELECTIONS (EURO-DEPOSIT)

Thank you for sending me a copy of your letter of 10 January to John Wakeham proposing an increase in the Euro-deposit from £750 to £1,000 and an increase in the permitted maxima for candidates' expenses at United Kingdom elections in line with the Retail Price Index. I agree with what you propose on candidates' deposits.

As regards candidates' expenses, I agree that the permitted maxima for United Kingdom elections (including local government elections) should be raised in line with the Retail Price Index (RPI). While the maxima at European parliamentary elections appear, in general, to be more than sufficient, 2 candidates for the Highlands and Islands seat in 1984 spent 83% and 85% respectively, of the maximum. I should perhaps add that several candidates from all parties in the 1987 general election for parliamentary seats which form the Highlands and Islands European constituency, spent more than 90% of the maximum. I therefore suggest that, to meet the circumstances of this seat, the limit on expenses at European parliamentary elections should also be raised in line with the RPI.

I am copying this letter to the Lord President, the Chancellor of the Exchequer, the Secretaries of State for Wales and Northern Ireland, the Chief Whip and the Paymaster General.

Malcolm Rifkind

MALCOLM RIFKIND



CH/EXCHEQUER	
REC.	01 FEB 1989
ACTION	PMG
COPIES TO	

- 1/2

QUEEN ANNE'S GATE LONDON SW1H 9AT

31 January 1989

pmg

Dear Malcolm,

EUROPEAN PARLIAMENTARY ELECTIONS

Thank you for your letter of 19 January 1989. I have put in hand the increase in the Euro-deposit to £1,000, to which you and other colleagues have all agreed.

You have raised the question of the maximum permitted level of candidates' expenses at that election. When we were framing our proposals earlier, we did not know of the particular situation of candidates in the Highlands and Islands Euro-constituency, where the electorate is only about 300,000 as against over 500,000 for most Euro-constituencies. In view of what you say, I have no objection to raising the Euro-expenses limit also in line with inflation but, unlike the expenses limits for internal UK elections, there is no statutory requirement to observe precisely the movement in the Retail Price Index in this case. That suggests the choice of a round figure rather than a precise amount - just as we chose the present £8,000 in 1984. The RPI has gone up by 24% since then, which points to an increase to £10,000 and by 4.3p per elector, and that is what I propose. I am assuming colleagues will be content with this, so I am arranging for it to be done as time is now short.

I am copying this letter to John Wakeham and other colleagues as before.

Conroy

Dyke

The Rt Hon Malcolm Rifkind, MP
Secretary of State for Scotland