

PUBLIC FINANCING OF POLITICAL PARTIESDRAFT EVIDENCE OF THE CONSERVATIVE & UNIONIST PARTY
TO LORD HOUGHTON'S COMMITTEE

The total income of the Conservative Party in England and Wales in 1974-1975 was in the order of £5,600,000. In today's circumstances our Party is short of funds. We need a total annual income of £8,500,000 at 1975 prices. To run the central organisation and services that we ought to have we need a regular income of £3,000,000. Our central income in 1974-1975 was in fact £1,600,000, and we anticipate a central income this year of £1,800,000. A Constituency Association with an Agent needs a minimum income of £10,000 a year, whereas the average income of the 552 independent Constituency Associations in England and Wales may be about £7,250. The aggregate of Constituency income therefore needs to be increased from about £4,000,000 to £5,500,000.

Having given very generously in two general elections in 1974 and suffering as they are in the present inflation, our supporters are not finding it easy to raise the money we need with which to run the Party organisation.

We must report that in replies recently received from our Agents 60% of the Agents were inclined to favour State aid. But these agents also expressed deep-seated unease as to the propriety and wisdom of the State subsidising parties.

Having taken the views of a representative cross-section of the Conservative Party, we can say that we are opposed in principle to State financing of political parties. The reasons uppermost in our minds are the following:

1. We do not believe it is right to ask taxpayers to increase the subventions they already pay to the State by adding the burden of national subscriptions to political parties.
2. We do not consider that at the present moment any increase in public expenditure of this nature is justifiable.
3. Such a development would meet with the disapproval of the public, many of whom consider that political parties are distinguished from other voluntary associations by being part of the process of government, and whose respect for elected authorities would be shattered by the spectacle of parties apparently using their position to strengthen their financial situation.
4. Parties would be put in a risky situation if they were made dependent on a programme of public subsidies the flow of which could be switched on by the Government and switched off by its successor.
5. We could hardly contemplate the expenditure of public money without an audit to ensure that taxpayers' money was not being misapplied. But it would be quite wrong in principle for the State to prescribe uses to which parties could be permitted to put their money.
6. Damage would be done to local political activity if local Associations were made to feel that their Party could depend on a State income. Fund-raising, far from distracting from useful forms of activity, provides a focus for political activity and involvement in the political process for many citizens. The incentive to survive would disappear without it.

We are prepared to elaborate on these themes in answer to any question about them.

As a Party we believe in the voluntary principle. We believe that it is right that a Party should be dependent on private subscriptions and private fund-raising activities for its revenue. It will be noted that probably around 75% of the income of the Conservative Party comes from the support of a mass of private individuals. We see however no moral or political objections to donations from major institutions, be they companies or trade unions. The only two observations we would wish to make on the latter are:-

1. We would wish to impress upon the Committee that our objections to the Trade Union Levy have not been to the fact that it is used to fund the Labour Party but that votes in that Party's councils accrue to the Union pro rata with the number of subscriptions it raises. We think it utterly wrong that a Trade Union leader can go to a Labour Party Conference and produce a million card votes from his pocket. The Conservative Party would never contemplate that an industrialist should be granted votes at a Tory Conference in virtue of a heavy subscription to the Party.
2. If the obligation laid on companies to disclose charitable and political donations is to be continued the Registrar should in our view have the same obligation to make public disclosure of Trade Union (and also Co-operative) donations to political parties.

We submit our evidence on behalf of the Conservative and Unionist Party. We cannot of course say what attitude Conservative and Unionist MP's in the House of Commons would adopt towards any proposals. They would wish to exercise their own judgement. Neither could we as a Party Organisation bind ourselves in advance either to accept or reject any particular proposals.