

## Opening Statement from Stuart Wheeler

I am due to give evidence before your Committee tomorrow at 10.15 and I understand you might like to have a written opening statement from me. Here it is and I have decided to confine it mainly to the matters raised in the proposed line of questioning which has been sent to me, partly because there will not be time in 45 minutes to discuss too many different matters:

### General

- **General view on the current state of party funding.**  
I think there is far too much regulation. On the whole my reasons come under subsequent headings. I also think there is a danger of further undesirable regulation, for reasons which will also come below.

### What motivates donors?

- **What motivated you to donate?**  
I was inclined towards the Conservatives anyway and admired William Hague, their leader at the time. I had also recently become, at that time, rich. I was aware that the Conservatives were so short of money that they could not afford to bring somebody down from Scotland who was needed for a meeting in London. At the same time the Labour Party had recently had three £2million donations from individuals who each initially tried to disguise their identity, (they all failed in that attempt). The situation seemed unfair and I was at that time able to help.
- **Why don't people more people donate?**  
In general I think there is a failure by party organisations to use the internet and other methods as effectively as, for example, the Americans. As far as the rich are concerned it simply seems to me that they are too mean and it has always been a source of astonishment to me that very rich people express strong views about politics but nevertheless give little or nothing to the party they want to win.
- **How widespread are self-interested motivations for donating?**  
I believe that in the case of big donations self-interested motivations are very widespread but (see below) I believe the problems caused by that are easy to eliminate.

### Donations

- **How can the perception that money buys honours be removed completely?**  
I believe the fact that money buys honours can be eliminated completely by an instruction being given to the Committee which vets suggested honours that no honour should be given to a big donor unless it is quite obvious that the honour would have been given even if the donation had not been made.
- **Why are large donations not problematic?** Partly for the point just made above. The other possible problem i.e. that the donor may hope to get an advantage for his business or some other financial advantage can also be dealt with. The answer is publicity. I believe big donors, defined in some acceptable way, should be required to list their business interests and so forth just as members of Parliament are. If that is done the press is likely to give a lot of publicity to any situation where a big donor appears to be getting a business advantage and I think that would solve the problem.
- **What impact do large donations have on democracy?** They are of benefit to it. Without the money from big donations parties would not be able to get their message across (see below).

## Expenditure

- **How would a cap on donations prevent parties from getting their message across?** It would reduce the amount of money available to parties, and parties unquestionably need money to get their message across. The level of turnout at elections is very low at the moment and that makes it all the more desirable for parties to have the money to help them get their message across.
- **Is there value in creating a level playing field?** I am not sure what this question means.

## Regulation

- **As a candidate in 2010, what was your experience of the rules for candidates?** It became very clear that a candidate who was not previously well known, especially in the constituency, was severely handicapped by an inability to spend more than is allowed. In my particular case the rules worked very badly indeed. The local authority, presumably by mistake, though I am not 100% sure of that, sent my election address to many thousands of people who were not in the constituency and failed to send it to many thousands of people who were in the constituency. I then tried to get permission to spend money to put this right by getting the address to those who ought to have received it but had not received it but was quite unable to get that permission.
- **Are the rules proportionate for smaller parties?** No. Parties who have no MP or only one MP get no money from the state and no free airtime. I am not suggesting that money from the state should be increased, merely that it should be distributed in a way which is fair to small parties or indeed independent candidates.
- **Is regulation created to prevent the rich from buying seats in Parliament still relevant today?** For one thing those who are not rich should be entitled to raise as much money as they can and to spend as much as they can raise. The regulation is probably to some extent still relevant today as I suppose an extremely rich candidate could, if there were no regulation, significantly enhance his or her chance of winning a seat by spending an enormous amount of money. I think, however, that this is an example of using a sledgehammer to crack a nut. It may in fact be a good thing if extremely rich people are so interested in politics that they spend an enormous amount of money trying to get into Parliament. Such people would be very useful in Parliament.
- **What is the role of the media in regulating politics?** I do not think the media **regulates** politics at all. It does, however, have a very large influence, both by deciding to whom it will give publicity and also by deciding the line of questioning etc which it will adopt when it does deal with a candidate or party. But it is a good thing that it is there. A free press (or media) is far better, whatever its faults than no press or a too heavily regulated press.

I would like to raise one other point. I think the rule or rules by which there is a limit on how much can be spent on 365 days before an election is or are ludicrous. It is obvious that an election can suddenly be called unexpectedly and someone who has spent a lot of money in the previous nine months, say, may suddenly find that he or she is in breach of the rules.

Yours sincerely  
Stuart Wheeler