



Lords Special Select Committee on Party Funding – February 2016

1. The Associated Society of Locomotive Engineers and Firemen (ASLEF) is the UK's largest train driver's union representing approximately 20,000 members in train operating companies and freight companies as well as London Underground and light rail systems. ASLEF is affiliated to the Labour Party.
2. ASLEF believes there needs to be a wide ranging debate on party political funding. There has been considerable discussion around trade union financing of the Labour Party over the last year. Regrettably these debates have not extended to the large donations from businesses and hedge funds which bankroll the Conservative Party. Trade Unions are already amongst the most regulated and transparent organisations in the United Kingdom with union finances published for the public inspection by the Certification Officer.
3. The trade union movement created the Labour Party and the links between the two are a cornerstone of British democracy. That is not to say that all trade unionists support the Labour Party. For that reason, many do decide to opt out of the political fund, an option taken by many hundreds of ASLEF members. However, even the Conservative Party until recently recognised this link. Margaret Thatcher said in a cabinet meeting in 1984 "legislation on this subject, which would affect the funding of the Labour Party, would create great unease and should not be entered into lightly."

4. Indeed when the matter was previously investigated, the Conservative Party explained "The question of trade union funding of parties is not a matter of direct concern to the Conservative Party. We recognise the historic ties that bind the trade union movement with the Labour Party [...] The Conservative Party does not believe that it is illegitimate for the trade union movement to provide support for political parties." Perhaps this is why the Conservative Party of the time introduced different regulation in regards to political funding than that currently under discussion. We already have legislation introduced in 1984 that dictates that for a union to have a political fund it must ballot its members. To maintain that fund, a union must then re-ballot members every ten years. The Trade Union and Labour Relations Consolidation Act 1992 additionally prevented the transfer of money from the general fund to the political fund. These laws put further obstacles in the way before unions can spend money on political activities. Unions have to be open about where this money comes from, and members can opt out of this funding individually and also vote to end it collectively. ASLEF would argue that this is unnecessary and obstructive regulation as it stands. However there can be no doubt that the political fund is already extremely transparent, democratic and is often correctly referred to as the cleanest money in politics.
5. Big businesses often make large donations to political parties, yet do so virtually unimpeded in comparison to the administrative requirements placed on union funding. For example, companies do not need separate political funds nor do they need company rule books explaining how these funds work. Shareholders are not given the option to contract out of donations or balloted on the matter.
6. It would appear that the current Conservative Government are trying to go even further than the Thatcher government did in weakening the political voice of trade unions. This is for partisan reasons with no other aim other than trying to silence opposition. No matter what an individual's politics

are, everyone who believes in democracy would agree that it is damaging for one political party to be vastly better funded than others. Clearly some parties will attract bigger donations than others, especially larger ones or those with wealthy donors. But to deliberately attack one party's funding in a partisan way is fundamentally undemocratic. It also breaks with the consensus that party funding should be discussed cross-party on a non-partisan basis.

7. The main argument given by the Government for changing to an opt-in system is that those who want to contribute to the political fund will still be able to do so by opting-in. However the government is also aware that inertia or oversight likely to mean that most members who do not object to trade union political spending, are unlikely fill in a form and post it out on this matter. Many trade union members are active and follow these matters closely. Many on the other hand, want their trade union to campaign for them, and be there when they are needed, however give very little consideration to them at most times. These members will almost certainly know their union is campaigning for them politically and will certainly have access to detailed information about how this is financed. This does not mean they chose to look in to the matter further. In short inertia will lead to people no longer funding something they wish to.
8. Inertia is an area that the government has considered before and legislated on the basis that it does not mean lack of consent. ASLEF fully supports the government's legislation on pensions' auto-enrolment. This legislation means that people must be automatically placed in a pension scheme and must actively opt out of it if they don't want to be. The theory is that that most people would choose to be in a pension, but may not get around to filling in the appropriate paperwork. This is true for union members and political campaigning too. Unions clearly campaign politically as well as industrially so there is no issue of deception. This government

by changing to an opt-in system is relying on inertia to reduce Labour Party funding rather than truly giving consideration to how consent works.

9. Consideration must also be given to internal Labour Party changes. Union members must now opt-in in order to become affiliate supporters of the party and have the union contribute £3 a year on their behalf to the party. Therefore the most explicit form of party political donation is already administered on an opt-in basis.

10. The Labour Party General Secretary Iain McNicol has already told this committee estimated that the change will cost the party £8 million a year. This combined with cuts to public funding of opposition parties of 19% show an all-out attack on the Labour Party and a government attempting to silence opposition by any means necessary.

11. Over several decades, the main Westminster parties have always attempted to deal with party funding on a bipartisan, cross-party basis. These changes introduced as part of the trade union bill constitute party funding legislation through the back door. They are significant changes but ones which only impact one political party. Hitting an opposition party's funding unilaterally is undemocratic and the changes to an opt-in system are nothing to do with trade union democracy but a party political attack on the Labour Party and an attack on the voice of organised labour.

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