

British media show concern about Labour's closeness to business

Barbara Slaughter
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For several weeks, the Sunday *Observer* has run an ongoing story dubbed the 'cash for access scandal'. This continued in its July 12 issue with the paper devoting eight pages to it. The original claims were that key Labour Party aides are now employed by lobbying firms and earn thousands of pounds a month by exploiting their contacts with Whitehall and Westminster.

The paper reported boasts by such individuals that they passed confidential government information to companies and offered meetings with ministers. The going rate for a seat at the dinner table next to a minister is claimed to be £2,000.

One of the central figures in the story is Derek Draper, who had played a key role in Tony Blair's election victory. The *Observer's* recent revelations were summarised in a banner headline: 'Mandelson, faxed Draper almost daily'. (Peter Mandelson is Minister without Portfolio in the Labour government, and is Tony Blair's closest collaborator.)

However, the faxes had not, in fact, been sent by Mandelson, as the headline claimed, but by one of his aides, who had no access to confidential documents. The prime minister's office insisted that only press releases, copies of speeches and published documents could have been passed on.

Lobbyists are part of political life in Britain. No criminal charges have been brought so far. It is generally agreed that this is not a re-run of the 'sleaze' scandals that rocked the Tory government before the last election. No government minister is being accused of taking money to advance business interests.

So what is behind the orchestrated campaign being mounted by the *Observer*?

On a recent late night television show Will Hutton, the paper's editor, explained his concerns. While big

business enjoys unrestricted access to government, other 'interest groups' are confronted with closed doors. Hutton warned of future danger if the government continued to operate in a small circle of business leaders, newspaper editors and spin-doctors, excluding those like the trade unions, charities and groups dealing with poverty and exclusion who play a vital role in ensuring social stability and cohesion.

An article in the *Observer* complained: 'On the one side is a high command anxious to do business with business. On the other are corporations desperate to get their hooks into a new administration. Working both sides is a breed of New Labour apparatchik, whose minds and methods are uncluttered by principle.'

Under Labour, big business appointees now have unprecedented representation in all areas of government. It would be truer to describe the process as 'reverse lobbying'--with the government using contacts in the lobbying industry to gain access to business.

The Blair leadership operates through a small circle of ministers and advisors that increasingly bypasses the House of Commons and ignores parliamentary procedures. The Speaker of the House of Commons, Betty Boothroyd, recently complained that government policy was being announced in the press before Parliament had a chance to discuss it.

Far from being an opponent of the government, Hutton is a keen supporter of the Blair's 'Third Way'. In his book *The State We're In*, published in 1995, he explains that a return to the post-war welfare state is not at issue.

Beginning from the premise that 'inequality is there whether we like it or not,' he proposes policies which 'build in inequality,' but at the same time maintain essential 'social cohesion'. 'Critics may object to this as the nationalisation of inequality, but the gains outrank

the losses. By incorporating inequality into the public domain, at least it is contained and managed.' He warns, 'The consequences of high unemployment and social distress can be repressed for only so long, but finally even the instruments of repression--the police, army and prison service--would begin to recognise the hopelessness of their task.'

Hutton expressed his fears in a recent lead article in the *Observer*, which urged: 'Labour must reclaim the party--the government needs to be less credulous about businessmen, and develop a proper philosophic base for its policies that link up with what most in the Labour Party believe they are in politics to do--promote social justice, individual rights and social solidarity.'

Other sections of the press have expressed similar concerns. A recent article in the *Economist* said, 'The *Observer* allegations did not come in a vacuum.... No wonder there is revulsion at the existence of an inner circle of sleek young men with lucrative access to the parts of government that journalists and MPs cannot reach.'

The *Financial Times*, which supported Labour in the May 1997 elections, made similar warnings to Blair, even before the *Observer* story broke. On June 26, Philip Stevens, one of the paper's main columnists, wrote: 'Mr Blair will have to change the way he governs.... Government-by-issue and by edict will not work on rougher terrain.'

All these comments express a nervousness about the developing world economic crisis and the 'bumpy landing' that is widely anticipated for the British economy. Under the conditions of sharp class struggle this will provoke, Will Hutton and his colleagues know that Blair's methods of spin-doctoring and emotional hype will not cut much ice.

Hutton sees the danger that Labour's close relationship with business is alienating wide sections of society, both from the government and from the parliamentary process itself. He senses that Labour's identification as the 'party of big business' could lead many workers and middle class people to look for an alternative political vehicle to defend their own social interests.

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