

What is behind Labour's expulsion of Scottish MP Tommy Graham?

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The Labour Party's expulsion last week of Scottish MP Tommy Graham has highlighted an ongoing and bitter struggle within the national party, central and local government circles.

Renfrewshire West MP Graham had been the subject of a 14-month internal Labour Party enquiry, following the suicide last year of Gordon McMaster, MP for Paisley South. Labour's National Constitutional Committee took just five minutes to reach their expulsion decision, having questioned Graham for 18 hours.

Considerable media coverage of both this investigation and others also under way has had two main characteristics. It has focussed on the many allegations of sleaze, and has attempted to make them fit a certain political template. Labour's scandals are either presented as another shining example of the Blair governments attempt to clear out local corruption--'new' Labour sweeping clean--or as an attack on the 'old' Labour faithful. What is the truth?

Gordon McMaster killed himself shortly after the Labour Party's election victory on May 1, 1997. A heavy drinker and ME sufferer, he had been depressed following a street attack. His suicide note, which has never been published in full, reportedly stated 'I hope Don Dixon [a former Labour official] and Tommy Graham can live with themselves.' The note also reportedly criticised Paul Mack, a political ally of Graham and former deputy leader of Renfrew District Council, and suggested that McMaster had been the target of a sexual smear campaign organised by Graham and Mack.

McMaster was a Blair supporter and friend of the then Scottish Labour General Secretary Jack McConnell. Tommy Graham, a Labour Party member for 33 years, is a former Rolls Royce engineer and shop steward with the engineering union, AEEU. He was elected a Labour MP in 1987, having been a local councillor in the now defunct Strathclyde Region. The 'new' versus 'old' Labour line-up is seemingly given more weight by the addition of local MP Irene Adams. Another Blair supporter, Adams has been involved in a series of bitter clashes with Graham in the past.

The new/old political template breaks down, however, as

soon as one moves beyond labels. There is no record of any political basis for the Adams/Graham clash, which appears to have focussed entirely on a battle over personal fiefdoms. Boundary changes meant that part of what had been Graham's constituency was transferred into Adams's. Graham, who had assembled many political contacts amongst lawyers, local government politicians and Labour party members over the years, was not prepared to let it go. One of the accusations against Graham was that he was trying to win a more secure parliamentary seat by muscling in on areas neighbouring his own.

Nor has Graham any political record of opposing the Blair leadership. Whilst he immediately denied any responsibility for McMaster's suicide--blaming his one-time associate Mack for the smear--he agreed to Labour's demands that he kept silent until after the referendum vote on Scottish devolution had been held in September 1997.

At the time, the Labour government was concerned that a damaging factional battle would undermine support for a Scottish assembly. Labour claimed that devolution would give people more local control. This appealed both to Scottish nationalists and to many working people who were increasingly angry at the deterioration in social conditions and services, especially in Labour's traditional heartlands such as Renfrewshire and Paisley.

The Labour Party in Scotland has had an effective majority for decades through its control of the local authorities. During this time it has spawned a distinct social layer who control billions of pounds in revenue, awarding building and planning contracts, administering services, etc. Around these local authorities there has been built up a network of both formal and informal relations involving MPs, councillors, lawyers, building contractors, and union bureaucrats, to identify but a few. Whilst the living standards of millions of workers and their families has drastically declined, these layers have established a cosy niche for themselves.

During the Graham investigation the *Scotsman* newspaper ran several articles on Ferguslie Park Community Business Holdings (FCBH), in Paisley. This scheme, established in

the 1980s in the working class area of Ferguslie Park, was supposedly aimed at building 'community' businesses as a means of tackling unemployment. The *Scotsman* reported that at least part of the FCBH--a director of which was a close associate of Graham's--had fallen under the control of Paisley's drug gangs and was being used to launder money.

Graham was cleared of any involvement in the drugs operations. However the Labour inquiry was said to have uncovered a 'substantial body of evidence,' pointing to the systematic attempt to gain 'political and personal advantage for some individuals.' Graham was accused of rigging meetings, stacking membership with his supporters and restricting access to public funds. He was also alleged to have offered Labour officials sexually compromising pictures of a leading gay Scottish trade union official in return for the personal file on Brian Oldrey, a Labour councillor who planned to stand against Graham in his own constituency. He was found guilty on five charges including 'bad mouthing' opponents, attempting to use compromising photographs, membership 'irregularities', and a general 'sustained course of conduct prejudicial to, and acts grossly detrimental to, the party.' Graham left the hearing vowing to fight on. But the following day his lawyer announced that they would challenge only one aspect of the membership rigging charges in court.

Elsewhere in Scotland, Glasgow's Lord Provost, Patrick Lally, only recently successfully prevented Labour's attempt to expel him from office following allegations of corruption. Also in Glasgow, millionaire Labour MP, Mohammed Sarwar, has been suspended and faces legal action for allegedly attempting to bribe political opponents. The Scottish National Party has exploited Labour's local feuding and 'sleaze' to win several recent by-elections in working class areas.

Nationally some 20 local Labour Party organisations are under internal or police investigation. In Hull, the head of the local authority housing committee and a long time associate of Deputy Prime Minister John Prescott, was forced to resign after allegations of membership rigging. In Doncaster four councillors and the entire local organisation have been suspended for 'planning irregularities.' Six councillors have been arrested and one jailed for alleged expenses fiddling and a council leader was suspended for allegedly receiving an 'excessive' gift from a property developer. In Birmingham, Labour's national executive committee found 'massive abuse of the membership system'. The scenario can be repeated in virtually every main town and city. None of those under investigation in either Scotland or England have any record of political differences with the Labour leadership.

That these scandals are now coming to light is not

accidental, however. The Blair government has embarked on a major restructuring of the local authorities, centring on the introduction of regional assemblies and further privatisations. From now on spending is only to be allowed where it directly serves private capital--transnationals seeking locations to build factories, finance capital backing new service companies, or infrastructure spending to service both. Capital will no longer tolerate any reduction in profits caused by having to finance decent local service provision nor the inefficiency created by having to work through petty bureaucrats and their cliques. These changes have disturbed previous relations, generating all manner of frictions.

Faced with numerous damaging revelations, Labour has attempted to 'turn the tables'. It has presented the investigations as proof that it intends to crack down on sleaze whilst attempting to build up support for a new set of local autocrats, charged with reorganising local authorities under the banner of 'modernisation' and 'efficiency'.

In this the Blair government is responding to the demands of big business that it pursue the changes in local government far more ruthlessly. Prior to the final hearing in the Graham case, the August 15, 1998 edition of the finance journal *The Economist* complained that too many previous Labour investigations had been 'frustratingly inconclusive'. It described Tommy Graham's case as 'a big test of [Labour's] resoluteness' and demanded that Blair be more 'vigorous'. Less than one month after *The Economist's* call, Graham was duly expelled.

Labour's effort to do the bidding of its big business backers will prove the undoing of both the party and the government as a whole. The continuous revelations--regardless of Labour's 'spin'--are politically destabilising. Moreover the scale of the investigations under way within the Labour Party indicates that it is not only the parasites but the host body itself that is rotten.

See Also:

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[4 March 1998]



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