

Northern Ireland Secretary Peter Mandelson resigns from British government a second time

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Northern Ireland Secretary Peter Mandelson was forced to resign unexpectedly from the Blair government on Wednesday, for the second time in just over two years.

Over the weekend, press reports had claimed that in 1998 Mandelson had used his influence to help secure a UK passport for Indian billionaire Srichand Hunduja. Hunduja's successful reapplication for a UK passport in 1998 (he had been turned down once before) came after the Hunduja brothers pledged £1m in sponsorship for London's Millennium Dome, when Mandelson was in charge of the project as Minister without portfolio.

On Wednesday morning, Mandelson insisted that he had not acted improperly over the passport application of Srichand Hunduja. However, after a two-hour meeting with Prime Minister Blair, Mandelson appeared on the pavement outside 10 Downing Street in the afternoon to announce his resignation. Whilst still maintaining that he had done nothing remiss, the Northern Ireland Secretary said he accepted that he had given "wrong information" to the government on his exact role in Srichand's passport application.

The so-called "cash for passports" scandal first emerged in a written parliamentary answer passed on to the *Observer* newspaper by Liberal Democrat MP Norman Baker on January 19 this year—the same day that the Hunduja brothers were bailed by an Indian court, over allegations concerning a 1986 arms scandal. The answer stated that Mandelson had "made inquiries" to the Home Office about how a passport application by Srichand might be viewed. But in an interview with the *Observer* published January 21, Mandelson said the passport application had been "dealt with by my private secretary ... I did not support or endorse this application for citizenship."

By Tuesday, with the press denouncing him as a liar, Mandelson said that he now recalled personally making a two-minute call to Home Office Minister Mike O'Brien about the passport application, but that it was "an innocent inquiry" and that "no wink or nudge" had been involved.

Mandelson's "recollection" produced an immediate *volte-face* by the Prime Minister. Previously Blair had defended Mandelson against the allegations of wrongdoing, but now his

official spokesman bluntly said the previous statements made on the issue by the Northern Ireland secretary were "plainly not true". The die cast, Mandelson was invited to fall on his own sword, and he duly obliged.

Technically, Mandelson's phone call to the Home Office, of itself, was not a matter for resignation. Even whilst making a furore over the passport "scandal", most of the press had not expected him to go. There was no question that Mandelson had personally benefited from making his inquiry. The money donated by Hunduja went to fund the "Faith Zone" at the Millennium Dome, a government project that had been started under the previous Conservative administration. Indeed, prior to Blair winning office, the Hundujas had bankrolled the Tories to the tune of £6 million. They had first "expressed an interest" in contributing towards the Dome's costs in February 1997, under Conservative Prime Minister John Major.

Another factor that appeared to count against a precipitous departure by Mandelson was the delicate state of the Northern Ireland "peace process". After weeks of discussions, and visits by former President Clinton and Blair to the North, there is still no agreement on the decommissioning of IRA weapons and the reform of the Royal Ulster Constabulary. With evidence of renewed terrorist activities by dissident Unionist and Republican forces opposed to the Good Friday Agreement, few anticipated the government could afford to lose their prime negotiator at such a critical juncture. Almost immediately, Scottish Secretary John Reid was moved into Mandelson's place in charge of Northern Ireland. Although a loyal Blairite, Reid has no previous experience in Northern Irish politics.

Some commentators have presented Blair's preparedness to act swiftly against his erstwhile closest political confidante at even the faintest whiff of wrongdoing, as a sign of strong leadership and political self-assurance. The reverse is the case. Mandelson's resignation testifies to the government's extreme nervousness at its political isolation just months way from a general election.

Mandelson was already soiled goods, having been forced out of government once before in 1998. At that time, it was disclosed that, on a mortgage application form, he had failed to

declare a £373,000 personal loan he received from Cabinet colleague Geoffrey Robinson, then Labour's Treasury Minister. As a result of the scandal, both resigned from the government, but Blair then brought Mandelson back into office just 10 months later as Northern Ireland Secretary.

His first resignation and subsequent political resurrection, only confirmed Mandelson as a figure of political hate. The Conservative right hate Mandelson for his role as a key Blair strategist. As a homosexual who is part Jewish, he is also a natural target for their worst prejudices. The Tories were therefore apoplectic over the ease with which Mandelson was able to resume his hobnobbing with the rich and influential, after his apparent fall from grace.

In Northern Ireland, Mandelson was regarded as a "pro-British stooge" and his resignation was welcomed by most of the political parties. Only Ulster Unionist leader David Trimble expressed any regret at his leaving. But nowhere was the Northern Ireland Minister disliked more than within the Labour Party itself. Virtually no Labour MP, let alone government minister, has been prepared to come to his defence.

Mandelson's reliance on "political spin" and Machiavellian-style briefings against any one he regarded as "off-message" earned him many enemies in the party. And none more so than Chancellor Gordon Brown. The two were once close friends, but following the sudden death of Labour leader John Smith in 1994, Mandelson was said to have secretly switched his backing from Brown to Blair for party leader; even running Blair's leadership campaign under the codename "Bobby".

The simmering feud between Blair and Brown has become a focus for various political factions within the party to fight out their differences. The fear of alienating Labour's big business backers means that the leadership cannot tolerate any open discussion on crucial issues such as Britain's adoption of the European single currency (Mandelson is ardently pro-euro, whereas Brown is extremely cautious, to say the least). These questions are increasingly fought out by means of character assassination, "off-the record" briefings, etc.

Brown's name had been suggested as the "smoking gun" behind Mandelson's previous resignation. That the latest allegations against the Northern Ireland Secretary also emerged from normally pro-Labour sources—the *Observer* is the sister newspaper of the *Guardian* who had broken the story of Mandelson's secret loan in 1998—suggests the possibility that similar factors are at work in this instance. As the *Financial Times* noted on Thursday, Mandelson's departure "is a heavy blow to Tony Blair's government. It will reinforce the cynicism of an already disenchanted electorate, shift the balance of power within Tony Blair's administration and rob the prime minister of one of his closest political allies". Even after Mandelson had resigned, the factional warfare continued with the former minister and his friends suggesting it was others who had given the wrong information to the media.

But while Blair's fear of isolation within the party had

prompted him to bring Mandelson back into the government once before, there would be no second chance this time. Having so closely associated himself with Mandelson's political career, Blair was afraid that his friend's propensity for being "economical with the truth" would hurt Labour badly in the upcoming general election.

Even before this latest incident, pollsters are predicting the lowest voter turnout this century; such is the widespread alienation from the official parties. Turnout is expected to be especially low in working class constituencies, where disgust at Labour's big business agenda has already manifested itself in low polls in the local elections, and even a number of victories for the Liberal Democrats.

Since there is no sign of a revival in Conservative electoral fortunes, it would require a spectacular reverse to overturn Labour's current 178-seat majority and prevent Blair becoming the first Labour Prime Minister to win two full terms in office. But voter disenchantment could be enough to reduce it considerably, and expose the extremely narrow social base of Blair's New Labour government.

Such an outcome would have important political ramifications for any second Labour term. For the past four years Labour has sought to justify its cuts in welfare and restrictions on public spending by arguing it had a "popular mandate". Blair claimed that his election victory in 1997 represented a new stage in British history. The country had overwhelmingly united behind his government because, in keeping with New Labour philosophy, it was now determined to set aside "trivial" class differences, in the interests of "national renewal". The Prime Minister pledged that Labour would be free of the type of corruption scandals that had engulfed the previous Tory administration, as a sign of this renewed contract between "government and the people".

If the election revealed large sections of the country in opposition to virtually the entire political establishment, such claims will not wash. In the hope of extracting a little more mileage out of the faltering New Labour bandwagon, Blair has moved against Peter Mandelson, one of its key architects. That this should be so is more than a little symbolic.



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