

Britain: Report shows Labour and Conservatives dependant on handful of wealthy backers

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Newly released data by the Electoral Commission identifies all financial donors who have given £5,000 or more to Britain's political parties. The publication of these figures reveals the extent to which the official parties are increasingly beholden to a handful of super rich individuals.

The Political Parties, Elections and Referendums Act came into effect in February this year. The Blair government had introduced the legislation with the stated aim of making political funding more "transparent". In 1997, when Tony Blair first won office, Labour benefited from the discrediting of the Conservative Party, which under John Major's premiership had become embroiled in a series of scandals involving party donations, kick backs for government projects and "cash for questions".

Prime Minister Blair repeatedly stressed that he would take action to ensure corporate financial interests could no unduly influence political policy. However, his government quickly became caught up in its own financial scandal, when it emerged that motor racing magnate Bernie Ecclestone had made a substantial donation to Labour's election fund. When motor racing was exempted from a ban on cigarette advertising, just months after Blair took office, it was seen as a payback for Ecclestone's financial support.

By introducing the new legislation, Blair hoped to minimise the possibility of further financial scandals, or at least distance politicians from them. Rather than diminishing corporate influence, details published under the Act show that the alienation of the official parties from the broad mass of the electorate has increased their reliance on a handful of wealthy backers.

This is particularly true for the Conservative Party, which is dependent on a small number of big financial backers. The Tories spent £9.3 million on its general election campaign this year. The bills were paid largely thanks to John Paul Getty Jnr and the IG Index chairman Stuart Wheeler, who both gave £5 million.

The Labour Party drew a substantial amount of funding from just three wealthy individuals. Supermarket chief Lord Sainsbury, the publisher Lord Hamlyn and the former Tory financier and travel writer Sir Christopher Ondaatje gave over £6.1 million pounds to help fund Labour's election campaign this year, believed to have cost nearly £14 million.

At the same time, the number of small donations made to the official parties has fallen drastically as both the Conservatives and Labour have haemorrhaged members and public support.

Commenting on the latest figures, Sam Younger, chairman of the Electoral Commission, suggested further measures were necessary to counteract the widely held belief that the official parties are little more than lobby fodder for corporate interests. He told the *Times* newspaper that the Commission will consider a cap on donations above £100,000 and the possibility of introducing state funding for political parties. It is unlikely that these measures, should they be enacted, will allay deep public disaffection. Indeed, funding parties that are already widely discredited out of public finances is more likely to intensify disgust with the entire official political set up.

The Electoral Commission report produced a mixed reaction from the press. The nominally liberal *Guardian* newspaper has championed Labour's evolution from a reformist organisation into an openly

big business party. Under the headline “ *Super-rich lead party donor table*,” Westminster correspondent David Hencke explained breathlessly that wealthy donors were replacing the trade unions as Labour’s main financiers. The donations of a few multimillionaires had exceeded the contribution made by affiliated trade unions in the four and a half months leading up to the June general election, Hencke said. Union donations are expected to fall to 35 percent of Labour’s total election spending he continued—almost half the amount they had made to it’s 1992 campaign.

In contrast, the *Financial Times*, Britain’s major big business newspaper, expressed its concern that Labour still had much to do. By subtracting figures from the overall total from a preliminary report covering the first six weeks after the Political Parties Act came into effect, (money which the *Guardian* had included in its calculations), the *Financial Times* concluded that Labour was still far too financially dependent on the trade unions.

Under the headline “ *Labour relies heavily on unions for funds*,” *Financial Times* political correspondent Rosemary Bennett said that the figures showed that the trade unions had contravened party policy by giving more than 30 percent of the total amount of contributions.

Bennett expressed reservations that “Tony Blair appears to be growing increasingly dependent on funds from trade unions at a time when they are becoming restive”.

In keeping with Blair’s repeated declaration that the “class struggle is over,” the prime minister has sought to reduce the role of the trade union bureaucracy in Labour’s affairs to the status of a benign consumer group.

Now however, Labour’s plans for the wholesale privatisation of public services, coupled with the threat of a major recession, are causing concern amongst union leaders that Blair’s political short-sightedness may jeopardise both their own privileged existence and exacerbate already tense class relations.

In the last months, sections of the trade union bureaucracy have made vague noises of protest to Blair about the government’s course. Organisations such as the Fire Brigades Union and the public sector union UNISON have either threatened or suspended political donations to Labour as part of their protest.

Financial Times such events are a warning Blair that more needs to be done to free the Labour Party from any susceptibility to public pressure. Ironically, the newspaper’s advice can only exacerbate the government’s isolation from the broad mass of working people, guaranteeing even greater political instability.

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