

Britain: Government suspensions forced by lobbying revelations

Julie Hyland
30 March 2010

Three former cabinet ministers were suspended from the Parliamentary Labour Party last week, after Channel 4's *Dispatches* exposed them seeking to line their own pockets in exchange for helping corporations shape policy.

Former Defence Secretary Geoff Hoon, former Transport Secretary Stephen Byers and former Health Secretary Patricia Hewitt were suspended after the programme aired, March 22.

The party was forced to act quickly because the spectacle of the three, caught on secret camera boasting that they could work favours for the right price, comes in the run-up to a General Election, expected May 6.

Dispatches had set up a fictional US public affairs company, complete with website, and contacted 20 politicians with a view to their taking a position on its advisory board. According to reporter Antony Barnett, the supposed lobbying group was deluged by favourable responses. Many of those approached "got back to us within 24 hours, eagerly offering their services. In the end we had too many possible recruits so we invited 10 in for an interview and covertly filmed nine."

In addition to Hoon, Byers and Hewitt, others involved included Labour's Baroness Sally Morgan and Margaret Moran and Conservative Sir John Butterfill.

The Conservative numbers would have been greater had not one of those approached "smelled a rat" and "informed Tory HQ", Barnett reported. Consequently, "a number of our hopeful Conservative recruits sent apologetic emails that they were no longer interested." The warning was conveyed too late for Butterfill.

Byers was the most open in declaring he could use his privileged access to help the bogus lobbying group win government contracts. Describing himself as "like a sort of cab for hire," he said he would act for the going rate of "three to five thousand pounds per day".

More damaging still, Byers claimed that he had already been able to help out major corporations to the tune of millions. Specifically he said that he had aided National Express negotiate favourable terms for jettisoning its loss-making East Coast rail franchise, through his contact with Transport Secretary Lord Andrew Adonis.

He told reporters, "They [National Express] approached me, June of last year, and said, 'We've got a huge problem. We

want to get out of the East Coast main line but not pay a huge penalty and we want to keep the other two franchises as long as we can'.

"So between you and I, I then spoke to Andrew Adonis, the transport secretary, and said, 'Andrew, look, they've got a huge problem. Is there a way out of this?' And then we, we sort of worked together—basically, the way he was comfortable doing it and you have to keep this very confidential yourself."

"He [Adonis] said we shouldn't be involved in the detailed negotiation between his civil servants and National Express, but we can give them a broad steer. So we basically got to a situation where we agreed with Andrew he would publicly be very critical of National Express and talk about, 'I'm going to strip you of the franchise' and be very gung-ho.

"And we said we will live with that and we won't challenge you in the court, provided you then let us out by December, by the end of the year, and we can keep the other two franchises for a little longer. So, and that's what we managed to do."

Byers, who also claimed to have assisted the Tesco supermarket chain in delaying and amending food labelling plans through his contact with Business Secretary Lord Mandelson, was also heard advising that the best time to begin lobbying was, "When the election is called, we all run off and start campaigning.

"The civil servants spend that month working through all of the policy options. It's a great time... and if there's an issue where your clients want to get a regulation changed or some law amended, that's the time to get in and see the civil servants."

Hewitt told the undercover reporters that she had enabled one of her clients, who was paying her £3,000 a day, to gain a seat on a government advisory group involved in its area of business.

"If you've got a client who needs a particular regulation removed then we can often package that up," she said.

For his part, the former Defence Secretary explained that he had just returned from Washington where some of his time had been taken up doing what he described as "Hoon work". He was hoping to turn his contacts into "something that frankly makes money" following his retirement at the general election.

In a rushed statement, Leader of the Commons Harriet

Harman sought to “reassure MPs and the public that ministers act in the public interest. It is an absolutely fundamental part of the duties of their office.”

Byers has subsequently claimed that he had engaged in self-aggrandisement and that he had told the pseudo-lobbying group lies. Both Hewitt and Hoon also deny any wrong doing.

Prime Minister Gordon Brown denied that Mandelson and Adonis had been involved in any “impropriety”, while Labour has sought to dismiss Byers as a fantasist.

The *Guardian* newspaper leapt to the government’s defence. Labour’s problem, it editorialised, was that “the party’s activists and MPs are so obviously convinced of their own decent intentions and past record that they fail to see how Labour can appear to outsiders.”

In the same newspaper, transport commentator Christian Wolmar dismissed Byers as “yesterday’s man”. The notion that he had “made a difference with National Express is fanciful,” he claimed.

The company, headed by Richard Bowker, had sought to renegotiate its franchise, but Adonis “was in no mood to acquiesce to his demands and forced the company to throw in the towel.”

In the end, the company had to pay out £75 million in liabilities to break the contract.

The “one concession” made by Adonis, Wolmar continued, was to enable “National Express to keep its other two franchises rather than be forced to relinquish them which the government can under its ‘cross-default’ rules”.

In fact, Adonis admitted that he had been approached by Byers, although he claimed it made no difference.

More importantly, it was reported that National Express had been prepared to pay up to £150 million to break the contract, so it got off lightly. Not so the taxpayers, who have had to pick up the bill. And given that the company’s two other franchises are worth millions, the fact that Adonis enabled them to keep running until 2011 is hardly a minor concession.

As for Tesco, the *Independent* noted that in “July Britain secretly opposed a French bid to force EU manufacturers to state the country of origin of milk, cheese, meat and other non-processed foods. In the meantime, Defra [Department of the Environment, Food and Rural Affairs] said yesterday that shoppers did not want or expect compulsory country of origin labelling on cheese and meat, which it said would be a burden on business.”

The newspaper asked, “Did the Business Secretary intervene in this decision?”

In a separate investigation, the BBC revealed how more than 20 MPs had broken parliamentary rules by failing to declare luxury trips paid for by foreign governments. They include Labour MP Andrew Dismore, a member of the Standards and Privileges Committee, who is alleged to have breached regulations more than 90 times in relation to trips to Cyprus.

The lobbying sting is only the latest in a series of scandals

involving Labour’s relations with big business over its 13 years in office. Together they underscore that the party’s efforts to disassociate itself from the working class and remove official politics from any form of popular control has resulted in a government of the kleptocracy.

Every policy enacted by the government has been dictated by the interests of the super-rich and big business. Its members are clearly accustomed to receiving something back in return.

Byers, Hoon and Hewitt are minnows compared to former prime minister, Tony Blair.

It is a well-known fact that Blair is feted in right-wing circles internationally. This is especially the case in Washington, where his support for the US-led war in Iraq in defiance of mass opposition, won him powerful and wealthy backers.

Blair has reportedly raked in some £20 million since leaving office. This includes £9 million for speeches, and £6 million from consultancies such as JP Morgan bank and Zurich Financial Services.

It has now emerged that Blair benefited more directly from that illegal, pre-emptive war.

Just days before *Dispatches* aired it was disclosed that Blair obtained a lucrative “advisory” position with a South Korean oil firm, UI Energy—one of the largest investors in Iraq’s oil-rich Kurdistan region—just 10 months after his resignation as party leader.

Whitehall’s Advisory Committee on Business Appointments agreed that the deal could be kept secret because of “market sensitivities”. A separate £1 million deal to advise the Kuwaiti royal family was also kept secret.



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