Confessions of a scoundrel

The Third Man: Life at the Heart of New Labour, by Peter Mandelson

Dave Hyland
5 August 2010

Peter Mandelson played a central role in the transformation of the reformist Labour Party into an openly right-wing capitalist party. Judging by the speed with which the book has been produced, he was determined to bring out his version of events before former Prime Minister Gordon Brown publishes his own memoirs.

Mandelson was forced to resign twice as a government minister. The first resignation came as a result of his failure to declare a home loan deal. The second followed the allegation that he had personally helped the Indian billionaire Srichand Hinduja obtain a British passport, in return for a £1 million donation to the Millennium Dome. In 2006 he became Britain's European trade commissioner in Brussels. He returned to Westminster when Brown offered him a peerage and a role as secretary of state for Business, Industry and Skills.

Mandelson obviously feels he has been seriously undervalued and uses the 566 pages, drawn from his diaries, to put his side of the story and settle a few old scores. The book highlights his Labour Party credentials and the role he played in creating New Labour. He constantly makes criticisms of Tony Blair and particularly Brown, although always being careful to justify Labour's reactionary political orientation and major decisions, including the invasion of Iraq.

The first chapter is used to explain that Brown was in desperate trouble prior to the 2008 Labour Party conference, having pulled-out of calling a general election. According to Mandelson, the assistance he provided resulted in a revival in Brown's opinion poll ratings, after which the prime minister practically pleaded with him to return to British parliamentary life. He claims he knew nothing of Brown's plan to give him a peerage and a job at the Business Department. He also makes it clear he was keeping all his options open—explaining that while he was having discussions and advising Brown he was also holding talks, along with Tony Blair, with Brown's main opponent for the Labour leadership, David Miliband.

Mandelson likes to portray himself as a figure that works in the half-shadow and lives life on the edge. He wants to remind the reader that he was the "Third Man" behind the "New Labour Project". The title is a nod towards the iconic *film noir* of that name, in which Orson Welles plays Harry Lime. In choosing this title, Mandelson is presumably giving a poke-in-the-eye to all those who had proclaimed his demise too prematurely, after watching his fall from favour and subsequent exile to Brussels. It implies that during his time as a European Union commissioner in Brussels, he was simply playing dead, but that now he is back plying his trade in the political dark arts.

Many of the early reviews have focused on and sensationalised the apparent disagreements he had with Blair and Brown. This reviewer will concentrate on what the book reveals about the political history of the author and the making of New Labour itself.

Mandelson grew up in the Hampstead Garden Suburb of London, surrounded by many of the leading Labour Party figures in post-war Britain. Harold Wilson was a near neighbour. Hugh Gaitskell, Michael Foot and Manny Shinwell lived just down the road in Hampstead proper. He never felt out of place among these luminaries, as he considered himself part of a Labour Party aristocracy.

His mother was the only child of Herbert Morrison, the founding general secretary of the Labour Party in London, a minister in Ramsay MacDonald's 1929 government, and the first Labour leader of the London County Council in the 1930s. Morrison served as home secretary in Winston Churchill's wartime coalition cabinet and was the organising force behind the manifesto and election campaign that saw Labour unexpectedly sweep to power in the 1945 general election landslide. He later became deputy prime minister and foreign secretary in the government of Clement Attlee.

Mandelson's father, his mother's second husband, was "the legendary smooth, gregarious and popular manager of London's *Jewish Chronicle*, the world's oldest Jewish newspaper". His father very seldom practiced his religion: "[I]t was rarely discussed at the dinner table, unlike politics". Mandelson himself was "dimly aware of my refracted Jewishness".

One of his earliest political memories, and one that made an indelible impact, was a visit he made to the prime minister's residence at Number Ten Downing Street, when he was just 11 years old.

He writes, "Marcia Williams, [Harold Wilson's trusted secretary] took my hand and led me into the cabinet room, and briefly planted me in the prime minister's chair. I was conscious of feeling somehow special. Conscious too, that part of that feeling had to do with the fact my bond with Labour really began with my family".

His background filled him with political ambition and supplied him with a multitude of valuable connections that he has been able to utilise throughout his life. He writes that in 1970, along with some friends, he resurrected a local defunct Young Socialist Branch. His membership of the YS did not last long; a year later, he had joined the Stalinist Young Communist League.

It was a move that was less surprising than it might seem. The Communist Party was in the process of developing what became known as the Broad Left in the National Union of Students. It brought politically ambitious members of the Labour Party, Communist Party and Pabloite groups together in common campaigns, most often centred on support for the bourgeois nationalist movements in Southern Africa.

Mandelson spent a gap year in Tanzania, "where Julius Nyerere was championing a distinctly African system of village-based socialism which he called Ujamaa", he writes. At Oxford he joined the United Nations Youth and Students Association, as well as a group called the Young European Left. He also assisted the South West Africa People's Organisation, a nationalist group in Namibia: "I would travel to London,

helping to organise campaigns in support of the SWAPO insurgents".

Despite this apparently radical tinge to his activities, Mandelson's political affiliations were always firmly with the right of the Labour Party. Later he would become a member of the Young Fabians and, through them, of the British Youth Council (BYC). His favourite politician was Shirley Williams, education secretary in James Callaghan's 1976-1979 government.

He writes, "[Williams] had been a political protégée of my grandfather and who I first met at a conference on 'young people in post-industrial society…[and] was also a modern, outward-looking, pro-European Labour politician who knew where and how elections were won-by appealing to mainstream voters on the centre ground".

As national chair of the BYC, Mandelson worked closely with the Broad Left leaders of the National Union of Students such as Charles Clarke, who would later become home secretary, and David Aaronovitch, who now writes for the *Times*.

It would take a more objective biographer than Mandelson to trace the careers of these one-time student radicals turned right wing defenders of British imperialism, all of whom have assumed influential roles in public life as journalists, politicians or lobbyists. However, Mandelson has indicated the outline of his own political roots, in a petty-bourgeois layer that soon determined power no longer lay with Labour's traditional social base and accommodated themselves to the new financial elite.

Soon after leaving Oxford, one of his contacts found him a job at the Trades Union Congress headquarters in Congress House in London, where, "I had a crash course in how power was wielded inside Labour. It left an indelible impression on me and a lesson on how not to run the country. The process was a product of a 'corporatist approach in which government, business and trade unions carved-up decision-making and attempted to run the economy—investment, prices and incomes—among themselves. It was an idea whose time had gone, if it ever arrived".

He justifies his rejection of reformist Labour politics by referring to the battle his grandfather had with Ernest Bevin, Labour minister and founder of the Transport and General Workers Union, before the war.

Bevin was "a down the middle trade union man", Mandelson writes. Morrison "argued robustly—too robustly for Bevin—that to become a party of government, Labour had to represent more than just the unions, more indeed than just the working class. It had to be national, not sectional, and appeal to the growing middle class".

It was while Mandelson was at the TUC in the mid-1970s that the International Monetary Fund (IMF) crisis erupted, shattering the post-war agreements, exposing Britain's economic decline, and leading to a sharp polarisation of class forces. Under the premiership of James Callaghan, Labour formed the Lib-Lab coalition with the Liberal Party, to impose the cuts the IMF was demanding. While middle class elements moved rapidly to the right in defence of their own and the national interest, sections of workers shifted sharply to the left, towards international revolutionary politics and Trotskyism.

Mandelson makes it clear where he stood: "The IMF bailout, and then the union chaos that I had watched at first hand in the run-up to the crippling strikes of the Winter of Discontent, had left Labour stumbling towards the finishing line", he writes.

After Thatcher's election victory in 1979, the discussions with friends went on "often long into the night, about the prospect of Labour finding a way back to national power. In Lambeth, where we lived, Labour appeared to be heading in the wrong direction. 'Red' Ted Knight had become council leader the year before. He was very much part of the 'hard-left' vanguard about which Hans Janitschek [Secretary General of the Socialist International] had warned, and Harold Wilson dithered in the early 1970s".

The threat from the left becomes a persistent theme. "The council ward where Roger and I lived, Princes, was dominated by Trotskyists. If Lambeth was to become a model for the future of the Labour Party, we would surely be settling for a long, perhaps permanent, spell out of power".

Mandelson was so pessimistic about Labour's prospects that he admits that, prior to the deputy leadership election between Denis Healey and Tony Benn in 1981, he briefly thought about leaving Labour and joining the Social Democratic Party (SDP). Headed by Roy Jenkins and Shirley Williams, the SDP was a group of renegade right wing Labour MPs christened by the media as the Gang of Four.

If Benn had won the deputy leadership of the party, Mandelson argues, Labour would have been finished: "The moderate sensible centre of Labour, including many trade unionists, would have left en masse for the Social Democrats, and reformed the Labour Party in that shell. Frankly, I suspect I would have joined them. A Benn victory would have sealed the ascendancy of the left, and set us on a path towards extremism, unelectability and irreverence. Denis Healey won, but by less than 1 percent of the vote. That meant the Labour Party I loved was not dead but on life support".

At this time Mandelson was a researcher for Labour MP, Albert Booth, but he left in 1982 to work at London Weekend Television. The party of his heroine Shirley Williams would have been Mandelson's natural home. But after enjoying some initial electoral success, the SDP faded and was forced to join with the Liberals to become the Liberal Democrats. By 1985 Mandelson could see a way forward.

"Barely two years had elapsed since our collapse at the polls; Michael Foot had retreated to the backbenches. He took the blame for the rout, but it more properly belonged to the party's real masters: the Trotskyites organised in Militant, and the 'softer' or at least 'subtler', leftists whom Tony Benn had been rallying ever since we lost power in 1979—in fact ever since we lost power under Harold Wilson in 1970. The idea of Labour as a party of government, with any regard for what voters might actually feel, had been abandoned. Neil Kinnock, however, was now leader, and it was clear he saw the need for change".

Mandelson returned to politics and applied for the vacancy to become Labour's communications director. He narrowly won the job due to the support of right wing union boss, Tom Sawyer, deputy leader of the public service union NUPE. He used his position as director of communications to begin editing policy statements behind the scenes and changing the party's internal structures. Whatever tensions this led to with other right-wing forces, such as Robin Cook, was overcome because they fundamentally agreed on their final goal: blocking off the "left" around Benn and preparing for what eventually became New Labour.

Mandelson's success in creating New Labour was not entirely due to his own political skills. The Labour "lefts" refused to organise a campaign throughout the working class to drive the right wing out of the labour movement. This political cowardice meant it was the "lefts" themselves who were driven out, beginning with the expulsion of the Militant Tendency at the 1985 Labour Party conference.

Nor does Mandelson acknowledge the role played in the transformation of the Labour Party by global economic changes. The end of the reformist Labour Party did not simply come about because of his back-stage manoeuvring. The development of a genuine global economy objectively undermined the basis of all those organisations based on a national reformist perspective. The capitalist political parties increasingly came to represent the interests of a small financial oligarchy. It was under these conditions that a right-wing cynic like Mandelson could come to the fore in the Labour Party. After six years, he set out to become the MP for Hartlepool.

He probably realised at some point he would never obtain the highest offices of prime minister or foreign secretary. His homosexuality—he mentions his partner on four or five occasions—and his Jewish family

background precluded that. The British ruling class has a deep vein of homophobia and anti-Semitism running through it. He has therefore cultivated his image as the back-room man, the Machiavellian behind-the-scenes manipulator. The nearest he has come to emulating his grandfather was in briefly becoming Gordon Brown's deputy prime minister. But that has probably not quenched his ambitions.

This book is a shameless piece of self-promotion, intended to remind those who wield power that Mandelson's talents may yet be needed. But whether or not he returns to the public eye yet again depends very much on events that are beyond his control.

The appearance of power wielded behind the scenes that Mandelson loves so much depended entirely on the low ebb the class struggle had reached. Herbert Morrison knew a different world in which the Labour Party was a means of regulating the class struggle and preventing revolution. Mandelson's grandfather would no doubt be horrified to learn that his vain and vacuous grandson was preening himself for the role he had played in destroying the main political prop of British imperialism.