

Senior UK Labourites Darling and Brown join the gravy train

Margot Miller
17 December 2015

Former Labour Party chancellor of the exchequer Alistair Darling is to join the board of directors of Morgan Stanley, following closely on the heels of ex-prime minister Gordon Brown, who is to act as an advisor to the global investment firm Pimco.

Brown led the Labour government from 2007 until its general election defeat in 2010, after being chancellor in Tony Blair's government for 10 years.

Darling, who served in Brown's cabinet as chancellor, has also been awarded a peerage and will sit in the House of Lords. He was one of only three people to serve in Labour cabinet continuously from 1997 until 2010.

The American multinational bank Morgan Stanley, which operates in 42 countries, is known for rewarding its board members handsomely. Last year, the 11 non-employees on the board of directors were paid between \$85,000 and \$115,000 as well as another \$250,000 in stocks.

Darling will be cashing in at the same time that many of Morgan Stanley's workers are being laid off, with an additional 1,200 job cuts recently announced. In the second consecutive quarter of this year, the firm's profits fell amid uncertainty about a possible rise in US interest rates and concerns about China's slowdown, driving investors out of bond, currency and commodity markets.

James Gorman, chairman and chief executive of Morgan Stanley, welcomed Darling's appointment, saying, "He brings strong leadership experience, as well as insight into both the global economy and the global financial system."

He added, "As chancellor of the exchequer he played a central role in responding to the [2008] financial crisis," and the bank, would "greatly benefit from his experience."

Gorman has reason to laud Darling.

In October 2008, as the global capitalist economy was teetering on the abyss in the greatest financial collapse since 1929, he organised a massive bail-out operation to save the Royal Bank of Scotland (RBS), Lloyds Bank and HBOS from bankruptcy. The Bank of England provided £45 billion in loans to RBS, and the government agreed to underwrite its debts should it default.

Having bailed out the banks at a cost of more than £1 trillion and effectively nationalised their debts, the Labour government began implementing a massive looting operation against the working class to pay for this crisis.

RBS was later exonerated of any wrongdoing by a parliamentary investigation in 2009. In August of this year, the government sold off the first stake of RBS shares at a £1 billion loss to the taxpayer. The beneficiaries were mainly hedge fund owners who bought the shares at 330p, compared to the 502p paid by the government in 2008.

Brown will join a team of five "well known experts in economic and political issues" at Pimco, including former US Federal Reserve Bank chairman Ben Bernanke and Jean-Claude Trichet, former president of the European Central Bank.

According to Brown, all the remuneration he receives from Pimco will be transferred to the charitable foundation run by his wife, Sarah Brown.

The US-based Pimco, one of the world's largest asset managers, was sold to German asset manager Allianz in 2000 and administers \$1.4 trillion of assets for its clients.

In joining the world of high finance, Darling and Brown are emulating the unindicted war criminal Tony Blair, now estimated to be worth more than £125

million.

In 2003, he took Britain to war against Iraq on the basis of a “dodgy dossier” warning of non-existent weapons of mass destruction. After the war, JP Morgan was chosen to run the new trade bank of Iraq, anticipating millions from the trade in oil.

In 2008, shortly after leaving office, Blair became senior advisor for US investment bank JP Morgan, for which he was paid \$2 million a year.

Numerous Labourites have also profited from the ongoing privatisation of the National Health Service (NHS). In 2012, when the Conservatives’ Health and Social Care Bill was being debated, 200 MPs, including Labour members, held financial interests in private health care. This bill obligated the trusts that ran the NHS to tender out services to private companies.

McKinsey & Co, which drew up many of the proposals in the bill, paid South Shields Labour MP David Miliband £10,000 for a speech he gave at a Global Leaders Summit in Singapore. They also paid his travel and accommodation expenses, a further £10,044.

Alan Milburn, Labour health secretary from 1999 to 2003, was a consultant for the parent company of Alliance Medical, Alliance Healthcare. In 2008, he was paid around £30,000 as a member of Lloyd’s Pharmacy’s Healthcare Advisory Panel. Also in 2008, Milburn was a member of the European Advisory Board of Bridgepoint Capital Ltd, a private equity firm that acquired Care UK.

Labour’s Lord Peter Mandelson, a key adviser to Blair, was registered as late as May 2012 as a senior advisor to an international advisory investment bank, Lazard Ltd, which holds corporate interests in private health care.

Mandelson epitomised Labour’s programme with his open adulation of the acquisition of wealth by the few at the expense of the majority. “I am intensely relaxed about people getting filthy rich,” he declared.

In an interview with the *Guardian* in 2008, Darling, while refusing to be described as a “socialist”, echoed Mandelson, saying, “I’m not offended with someone earning large amounts of money.” After all, “It’s a fact of life.”

Radicalised as a student in the 1960s and early 1970s, Darling’s move to the right is part of a general shift of upper middle class layers among the pseudo-left, in

academia and local government who benefited during the Thatcher years.

Darling was formerly a member of the International Marxist Group in his youth, then the British section of the Pabloite United Secretariat of the Fourth International.

The seamless journey of Labour’s senior figures into the corridors of the financial elite underscores its character as a party of big business. The election of longstanding “left” backbencher Jeremy Corbyn as leader did not change this one iota, despite the claims of various pseudo-left groups.

The appointments of Darling and Brown are payment for services rendered, and a recognition by the financial elite that as the crisis of capitalism escalates, they can rely on tried and trusted representatives in the Labour Party.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact