

# The Mandelson-Epstein crisis and the socialist struggle against the Starmer government

**Socialist Equality Party (UK)**  
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The impact of the Epstein crisis on Britain's Labour government has reached the point where the survival of Prime Minister Keir Starmer is threatened.

Starmer appointed Peter Mandelson as US Ambassador in December 2024, fully aware of his intimate connections with the paedophile sex trafficker Jeffrey Epstein. The extent of Mandelson's relations with Epstein were shown by the latest batch of US Department of Justice releases to have included extensive lobbying on his behalf and leaking state secrets to him.

Known as the "Prince of Darkness", Mandelson embodied New Labour's connections with the financial oligarchy established under Tony Blair—epitomised in his declaration of being "intensely relaxed about people getting filthy rich".

His appointment as US ambassador was seen by Starmer and his allies as epitomising the triumph of Labour's Blairite orthodoxy, following the crushing defeat of the Corbynites. His political and business record—especially his intimate connections with Epstein—were also intended to reassure the incoming Trump administration that the Labour government was a trustworthy ally, economically and militarily, wholly embedded in the same criminal oligarchy.

Visiting Washington at the time, Starmer declared, "Peter is the right person to help us work with President Trump and to take the special relationship from strength to strength." A Downing Street press release stated, "He will bring extensive foreign and economic policy knowledge, strong business links and experience at the highest levels of government to the role..."

## Starmer's bought-and-paid for Labour Party of the financial oligarchy

However, all attempts to portray the crisis over Epstein-Mandelson as an opportunity to clear out Labour's Augean stables, beginning with the removal of Starmer, are a political fraud. The events of the last week underscore that the removal of Starmer would have no impact on the reactionary political character of the Labour government. Labour's crisis brings the working class face-to-face with the urgent necessity of intervening independently in the situation, above all through the creation of its own party.

Starmer has not faced a leadership challenge to this point, despite plunging popular support, because the entirety of his deeply corrupt government is committed to serving the interests of the global financial oligarchy.

None of the MPs within the Parliamentary Labour Party (PLP) who the media suggested would deliver the coup de grâce to Starmer were prepared to do so at the risk of rocking the bond markets and the City of

London, and the international relations of British imperialism. The insistence in the highest echelons of the ruling class which Labour serves was that political stability be maintained to ensure the continued imposition of austerity through a war on the working class, and to preserve British imperialism's ability to project its global interests under conditions of escalating trade and imperialist war.

On Monday morning, the British media was awash with speculation that Starmer's position had become untenable, citing discontent within the PLP and MPs' self-serving, disingenuous declarations of outrage at Starmer's appointment of Mandelson, given the nod by his closest political advisor Morgan McSweeney.

Starmer was forced to accept the resignation of McSweeney—the Mandelson protégé who spearheaded Starmer's campaign to become Labour leader—and those of three other members of his inner circle. Predictions of his imminent downfall appeared to be confirmed when Scottish Labour leader Anas Sarwar gave a press conference calling on the prime minister to resign. Speculation was that Sarwar had acted in collusion with Starmer's main potential challenger, Health Secretary Wes Streeting, and that more calls for a resignation would follow.

Instead, every major member of the cabinet declared their support for Starmer—including, albeit reluctantly, Streeting himself. Flanked by his cabinet, the prime minister's address to Labour MPs Monday evening was interrupted 30 times by rounds of applause, including four standing ovations.

Emboldened to the point where he heaped fulsome praise on McSweeney, Starmer delivered a warning that a move to replace him as leader would threaten to plunge "my country... into chaos, as others have done."

The message was not only Starmer's. His appeal echoed the City of London and the bond markets. Investor concern about Starmer's resignation saw the pound sterling suffer its biggest one-day fall against the dollar since September, and the spread between 10-year and two-year government borrowing costs—a measure of investor concern about future government borrowing—hit an eight-year peak. UK borrowing costs are currently the highest in the G7.

The *Financial Times* reported as early as February 6 that Starmer's allies:

have warned Labour MPs that an attempt to topple the prime minister would wreak havoc on the economy after days of turmoil that hit sterling and rattled investors fearful of a shift to the left.

In a sign of their alarm at the threat to Starmer's leadership over his handling of the Lord Peter Mandelson scandal, the prime minister's supporters invoked the risk of a Liz Truss-style surge in interest rates if he was pushed out of office.

"Volatile bond markets make leadership challenges extremely costly for the country; it would be totally irresponsible," said one

close ally of Starmer.

Andy Higginson, chair of JD Sports, told the FT of the “big fear” in business circles: “we voted for their pro-business message, and the risk is this would be a shift to the left through the back door.” Bond fund manager and Fidelity International Mike Riddell said similarly, “If the UK saw new leadership that decides to go down the fiscal expansion path, then the gilt market would likely throw a wobbly, and sterling probably would too.”

The replacements for Starmer who might have been considered acceptable by business were, moreover, not in a good position to replace him. Streeting, who has earned support through his brutal offensive against the National Health Service, is deeply comprised by his intimate relations with Mandelson. He was forced to pre-emptively release a small selection of WhatsApp messages, in which he tells the then ambassador of his dissatisfaction with Starmer’s economic performance, ending each one with a kiss.

No such direct connection with the Epstein-Mandelson scandal was necessary to ensure at least the temporary loyalty of the wider PLP. Notwithstanding their feigned outrage, every Labour MP knew exactly why Mandelson had been brought to the fore by Starmer.

### How the Corbynite left opened the way for Starmer

None of this guarantees Starmer’s long-term survival. But it shows how the bourgeoisie is working to ensure that any replacement for Starmer continues and deepens the Labour government’s agenda of austerity and trade and military war in alliance with Washington. If this fails, then Nigel Farage’s Reform UK is being prepared to head an alternative right-wing government—likely in alliance with the Conservatives.

Responsibility for the ruling class’s ability to make such preparations must be laid squarely at the door of Labour’s Corbynite left and the trade union bureaucracy, which have functioned as the key mechanisms for preventing the working class intervening amid a deepening crisis of British and world imperialism.

Mandelson’s political fate should have been sealed in 2015, when Jeremy Corbyn was elected as Labour leader because of an outpouring of opposition to the Blairites and their criminal political record—above all, the illegal war against Iraq.

Instead of honouring his mandate, Corbyn capitulated all along the line to the Blairites—including Mandelson, who made no secret of his own efforts to get rid of Corbyn—in the name of preserving Labour’s “broad church”. Starmer did not replace Corbyn through the genius of McSweeney, but the cowardice of Corbyn, who betrayed a huge popular movement to the point of his own suspension from the parliamentary party in 2020, and expulsion in 2024.

The handful of “lefts” still remaining within the Labour Party were near invisible amid the unfolding scandal, with Corbyn’s former shadow chancellor John McDonnell and chair of the Socialist Campaign Group Richard Burgon politely suggesting Starmer should resign while focussing on calls for a corruption probe into the party to which they remain loyal. Rather than a call to arms for a fight against the right, Burgon declared, “There is a lot to do to rid the Party of the nasty factionalism that has left Labour so unpopular with the public.”

Corbyn and his de facto co-leader of Your Party, Zarah Sultana, were no less insipid, with Corbyn again demonstrating his absolute loyalty to the British state and the Labour Party—expelled or not. He suggested as a solution to the Mandelson crisis the tried-and-tested means of the British

ruling class sweeping any accountability under the carpet: a public inquiry, open “for the most part” only, to protect national security.

Sultana responded to false reports that Starmer was intending to address the nation with the joking aside, “This better be a resignation.”

As for the trade union bureaucracy, the way for Starmer’s election was paved by their suppression of an 18-month strike wave. Amid rising demands for a general strike against the crisis-ridden Tory government, the more prominent leaders of those strikes (Mick Lynch of the Rail, Maritime and Transport union, Dave Ward of the Communication Workers Union and Jo Grady of the University and College Union) mounted the “Enough is Enough” campaign, urging workers to place their faith in the election of a Labour government.

Only two trade union leaders—Steve Wright of the Fire Brigades Union and Maryam Eslamdoust of the Transport Salaried Staffs’ Association—broke ranks this week to call on Starmer to resign.

This pathetic response caps a bitter political experience made by the working class with the Corbynite left.

Corbyn’s election in 2015 was hailed as an opportunity to transform Labour into a means of the working class defending itself against big business and opposing war by returning to the party’s past reformist programme. This chorus was led by Britain’s pseudo-left tendencies, the Socialist Workers Party, Socialist Party and forerunner for today’s Revolutionary Communist Party.

Instead, Corbyn presided over a disastrous rout culminating in Starmer coming to power on the lowest share of the popular vote in British history, with millions of workers refusing to vote Labour above all due to Starmer’s support for Israel’s genocide of the Palestinians.

Yet once again, a chorus went up that this could be answered by Corbyn leading a new left reformist party, together with the only other dissident—Labour MP Sultana—and a handful of formerly Labour and Liberal Democrat independents allied to Corbyn and elected due to their opposition to the Gaza genocide.

The result, Your Party, has since collapsed into factional infighting, with Corbyn occupying a position firmly on its right-wing and witch-hunting anyone calling in the remotest terms for a socialist struggle against Starmer’s government.

Far from ending the political disenfranchisement of the working class, Your Party has emerged as the latest incarnation of efforts to subordinate the working class to the leadership of the trade union bureaucracy and to various pro-capitalist petty bourgeois politicians, religious groups, NGOs and protest movements.

### The death of reformism and the need for revolutionary politics

To formulate a response to Starmer’s government means understanding the objective causes leading to the creation of such a monstrosity—and in this way to understand the type of party that must be built to replace Labour as the new party of the working class.

Ahead of the last general election, the Socialist Equality Party rejected the lie of a “lesser evil” vote for Labour advocated by all the pseudo-left groups. We explained that Labour has always functioned as a political defender of British imperialism, one half of the two-party parliamentary mechanism of rule in the UK. Its role was either to divert opposition to the Conservative Party as the naked party of business into safe channels or, as it did in 1997 under Blair, to replace an exhausted Tory government and continue its essential agenda.

We insisted that that the right-wing evolution of the Labour Party could not be answered by efforts to build a new reformist party. Its junking of its old reformist policies and transformation into a Thatcherite advocate of

free market capitalism was rooted in fundamental transformations within world capitalism.

Globalisation—the development of a worldwide system of production involving huge transnational corporations and their integration with globally mobile flows of financial capital—has rendered impossible measures to implement social concessions through the regulatory apparatus of the nation state.

The financial oligarchy that has assumed ever more monstrous and parasitic forms as a result of the huge concentration of wealth at the apex of society, declining rates of profit and the cancerous growth of speculation, demands of its political servants the destruction of past social gains to ensure competitiveness in the struggle to control the world's markets and resources.

The eruption of trade and military war means an end to social compromise and democratic rule and a turn to class war, state repression and right-wing reaction. This finds its most developed expressions in Trump's efforts to erect a fascist dictatorship in the United States, the promotion of far-right parties across Europe, the predatory imperialist war in Ukraine, the Gaza genocide, and the advanced preparations for regime change in Iran.

The new party the working class needs must be built according to these political realities. Its task is the industrial and political mobilisation of the working class, independently of all sections of the labour and trade union bureaucracy, including its left flank now organised as Corbyn and Sultana's Your Party.

It must champion the building of rank-and-file organisations in every workplace and neighbourhood to mobilise workers in defence of their democratic and social rights, making clear that these can ultimately only be secured by expropriating the wealth of the oligarchy, dismantling the coercive powers of the state and placing political power in the hands of the working class.

Above all, such a party must seek the international organisational and political unification of the world working class, which everywhere confronts the same threats of escalating global war, deepening social inequality and the growth of fascism and dictatorship—all of which demand global solutions. Only the international working class, the most powerful social force on the planet, can defeat the power of the oligarchy, its corporations, banks and mechanisms of state repression, and replace capitalist barbarism with socialism.

This is the perspective advanced by the Socialist Equality Party, as the British section of the International Committee of the Fourth International (ICFI), the World Party of Socialist Revolution.



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