

The Truth About Westminster

- [Acknowledgements](#)
- [Introduction](#)
- [Chapter 1: MPs Available for Hire](#)
- [Chapter 2: Buying and Selling MPs on a Large Scale](#)
- [Chapter 3: MP Fiddles and Some Reluctant Lords](#)
- [Chapter 4: The Power of Patronage](#)
- [Chapter 5: The Truth About Party Funding](#)
- [Chapter 6: Sex, Money and Power](#)
- [Chapter 7: Whipping and the Death of Conscience](#)
- [Chapter 8: Secrets of Ministers and Civil Servants](#)
- [Chapter 9: Trade Scandals and Arms Deals](#)
- [Chapter 10: The Changing Culture](#)
- [Chapter 11: Rebuilding the House](#)
- [Chapter 12: Christians in Politics](#)
- [Notes](#)
- [A Short Bibliography](#)

'Those who have once been intoxicated with power, and have derived any kind of emolument from it, even though for but one year, can never willingly abandon it.' Edmund Burke (1729-1797)

'Politics is supposed to be the second oldest profession. I have come to realise that it bears a very close resemblance to the first.' Ronald Reagan (1911-)

Cash for questions is shocking enough to most members of the public, but unfortunately the rot has been deeper. It was only a tiny problem on the surface of a vast, rapidly growing system of unofficial payments to MPs. In 1995, Lord Nolan found that 30 per cent of all MPs were being paid for consultancies (advice and lobbying) related to their parliamentary role. ³⁵ These were jobs they were only qualified to do because they had seats at Westminster, a direct perk of being elected.

The only purpose of these arrangements was to buy or sell information about Westminster or to gain influence. Very few of these 200 or so MPs would have been able to obtain these commercial roles unless they were or had been MPs. This was the real root of the

cash-for-questions affair. Most of the MPs involved were Conservatives, and if you exclude Ministers who are not allowed to accept money, it probably means that in 1995 the majority of Conservative backbenchers were 'spoken for' by one commercial lobby or another. Many MPs had several such interests, worth some tens of thousands of pounds in some cases. Paid consultancies were often attached to large corporations, but whole businesses were set up simply to sell access to senior politicians.

The British people are utterly opposed to MPs offering time on a commercial basis for lobbying, consultancies or even retaining previous long-standing business arrangements. In 1995, it was found that a mere 3-4 per cent agreed that MPs with long-established business interests should be allowed to continue as MPs, or that MPs should be able to speak on matters where they had a financial interest?' 36

So how do lobbying organisations work? One such 'lobbying company' was set up by Ian Greer, who began in politics as the Conservative Party's youngest agent, working for Cabinet Minister Peter Walker. He remained a Conservative agent for thirteen years after which he has enjoyed close links with senior Conservative politicians. In 1969 he began lobbying as a business. Ian Greer Associates (IGA) now has a turnover of £3.5 million and employs forty-five staff .37 His clients include British Airways, Cadbury Schweppes and Prime Minister Bhutto.

38

Today it is just one of many companies cashing in on the lobbying industry.

A sign of Ian Greer's status and acceptability is that in 1992 he held a reception at the National Gallery to celebrate ten years in the business. It was attended by the Prime Minister John Major, Norman Lamont, former Chancellor of the Exchequer, John Wakeham, former Leader of the House of Commons, and the Environment Secretary John Gummer. Ian Greer's credentials are second to none. He first knew John Major when he was just a back-bencher, has dined with him at Chequers, and has been to several parties in Downing Street. However, Ian has also developed powerful contacts within the Labour Party. 39

He has made it clear that one or two MPs have not declared the payments he gave them. However, he said he thought accusations of sleaze were exaggerated. 'I'm not really sure much goes on. There's a lot of suggestions ... in the media that much goes on. I'm not aware of anything.' 40

Ian Greer has never made any secret of paying MPs but says it was never directly to ask questions. He has never employed an MP as a consultant. Payments were given as 'commissions' if an MP introduced a client to him. This is entirely lawful and permitted by Parliament. Ian Greer was the architect of new self-regulation introduced by lobbying companies in 1994 which prohibited members from acting as consultants. He has argued since 1985 for a statutory code of conduct. 41 He wrote then: 'Unless action is taken swiftly to legitimise and regularise the activities of the lobbyist at Westminster, the suspicion and mistrust which is being built up by the unskilled operators will do irreparable damage to an important part of our constitutional process.'

42

Roy Hattersley, formerly on the Labour front bench, has been one of the strongest critics of

lobbying. He felt that 'MPs for hire demean democracy. If Lord Nolan and his committee do not propose that Parliament bans lobbyists and the recruitment of MPs to lobby on behalf of private interests, they will have failed to deal with the most pressing problem of standards in public life.'

43

He described 'squalid little events in which integrity and reputations are sold for a few hundred pounds'. But he was embarrassed himself when the Evening Standard reminded him that he had once been paid as a consultant for two months by the US computer giant IBM while he was an MP in the early 1970s. 'Was it two months?' he asked. 'It was twenty years ago and I don't remember exactly. I gave it up very quickly as I did not approve of a number of things the company was involved in. It didn't work for me and I don't see why it should work for anyone else ... I'm sounding very pious. I don't want to. I'm sounding like John the Baptist.'

44

Another lobbying company to hit the headlines was Decision Makers, partly because one of the directors was no less than Dame Angela Rumbold, Vice-Chairman of the Conservative Party. On Friday 28 October 1994, at the height of media frenzy over Mohammed Al-Fayed's allegations against senior party figures, she suddenly resigned from Decision Makers.

Earlier in the week there had been a report in the Evening Standard alleging that Decision Makers had played a key role in the location of the Channel Tunnel Rail Link station. The decision to choose Ebbsfleet had been announced six weeks earlier. 45

Massive commercial interests were tied up in the final decision which lay between a tiny, almost unknown place in Kent, and densely populated Stratford in East London. One of the biggest potential winners was Blue Circle cement company, which owned the land where the Ebbsfleet station might be built. The site was once Europe's largest cement works but without a new development the land was almost worthless. 46

It was Blue Circle, rather than local community associations, that hired Decision Makers to try and persuade the government to use their land. The decision was said to be worth around one billion pounds and would lead to building 40,000 new homes as well as the station. 47

The timing of Dame Angela's resignation was highly significant, as she confirmed during the Nolan Committee hearings. The Evening Standard had obtained a leaked document allegedly written by Decision Makers for Blue Circle. Marked confidential, the contents were 'astonishing'. The editor of the Evening Standard told the Nolan Committee that he had been shocked 'to see the extent of the claims' about meetings with senior Ministers and even the Prime Minister himself. The question was whether the contents of the document were true.

Lord Nolan heard evidence on 18 January 1995 from Maureen Tomison, Chairman of Decision Makers, from Dame Angela Rumbold, and from Stewart Steven, editor of the Evening Standard.

This was part of his in-depth inquiry into various legitimate parliamentary activities in the context of his later report on integrity in public life. Their evidence reveals the inside story when it comes to lobbying power, or the public perception of it. What follows is extracted from the transcripts of the hearings.

As Maureen Tomison of Decision Makers confirmed, Dame Angela Rumbold had not been engaged in directly lobbying MPs or Ministers and she had acted with the utmost probity. Her role had been to provide political and governmental experience, not to exercise influence. The Decision Makers campaign had been huge. She explained that they had first campaigned over the route of the rail link.

'During our campaign for the route, we met 360 all-party Members of Parliament, including all the relevant Ministers and Shadow Ministers, with tremendous support from John Prescott and Joan Ruddock, the Labour transport team. We also wrote to every Member of Parliament three times, and I topped and tailed to each one of them with the specific paragraph about each one.

'It was a huge job but this massive weight of informed discussion eventually succeeded in overturning government thinking. In October 1991 our route was adopted and at that stage most politicians had been convinced of the merits also of locating the intermediate station at Dartford.

'At this stage Dame Angela Rumbold was still a government Minister and therefore had not worked for Decision Makers and I had not even met Blue Circle. Blue Circle asked us as late as March 1993 to work with them to conclude our task and locate the intermediate station at Ebbsfleet on the Dartford Gravesham borders. This was for a small fee and there was no success bonus. To our minds the major part of the lobbying had already been done.'

She went on to explain: 'At the height of the media controversy about sleaze, the Evening Standard published a report on 24 October 1994 based on a leaked document, dated 20 May 1993, and this had been written for our client only - and bear in mind our client understood what was going on.', She said that 'totally inaccurate conclusions [had been drawn] about a certain meeting which had led to a Kafkaesque experience in which the reputation of Dame Angela and my company was threatened by a whole series of unrelated accusations'.

Diana Warwick (part of the Committee) asked: 'Did you distinguish in seeking to influence [ministerial] decisions between official meetings, unofficial meetings, hospitality and so on?' Maureen Tomison replied: 'Yes of course. There is a huge difference between formal meetings and informal meetings. I am in the House of Commons a very large percentage of the time but I do not simply bang into a Minister and say I would like a station; that is not how it happens. I would go to a meeting with a Minister and explain the arguments about the station.

'As far as entertaining is concerned, one of the great problems is that because lobbyists do not have a registration or a real entity - they are not recognised - you actually have a difficulty in meeting people and one of the better places to meet people is actually over lunch...'

'How did you actually approach Ministers to obtain those meetings?...'

'I phoned up the Minister's Private Office, I think in almost every instance, explained . . . what it was all about, then I would send them a note which they would show to the Minister, asking for

a meeting . . .' She added later: 'Everybody knew that Dame Angela worked for us; they knew that she did not ask questions; she did not intervene in debate; she did not lobby on their behalf . . .'

'Given your experience and you may have many friends in Parliament and among Ministers, is it not a little ingenuous to say that somebody in the sort of influential position that Dame Angela was, would not be providing a considerable service? If she was doing what you yourself are capable of doing so eminently, obviously, why was she on your books?'

'Well I do not have the monopoly of wisdom ... I have never been a Member of Parliament. I have not taken a Bill through Parliament.'

Maureen Tomison went on to explain that Dame Angela Rumbold was on her books in order to provide valuable advice and expertise.

Diana Warwick later turned the questions to the fairness of lobbying. 'One of the arguments [against lobbying] is that lobbying provides privileged access for those who can afford to pay and therefore disadvantages those who cannot. What are your views on this?'

'I do not think there is any doubt that in an ideal world everybody should have their own lobbyist.'

Lord Nolan asked whether having an MP on her board was a 'very good selling point for the organisation'.

'Well it would certainly be much more useful than if I were to say I have got a plumber or an electrician on my board.' She also added, regarding her own personal contacts as Chairman of Decision Makers: 'It is obviously important to know a Minister or Member of Parliament. What the Minister, or the MP at the end of the day is concerned about is, here is this woman, I knew her at university, can I really be bothered seeing her, is she going to waste my time?'

Lord Thompson asked about the allegations in the Evening Standard: '. . . Allegedly on the basis of this leaked document, that there was a dinner with the Prime Minister, there was a reception at number 11 Downing Street as part of the campaign that Miss Tomison organised. What I want to know is, is that true or not, or is that a false statement by the Evening Standard? 'There are opportunities and there were opportunities to attend a dinner with some 400 other people at which the Prime Minister was present. My client took that opportunity but I am not

sure that that client took any opportunity to discuss his particular case with the Prime Minister. .

'And the reception at number 11 Downing Street?'

'There was a reception at Downing Street which we were not able to offer the client access to. The client, I believe, paid for that in the way that they would have paid for it and in the same way as we paid for the meeting in Brussels.'

Lord Thompson remarked: 'I do, I must say, draw a distinction between the public home of a Minister (as a venue for sponsored reception) and a meeting in Brussels or a hotel in London organised by any political party.' It was pointed out that Hansard contained a statement that no such reception had taken place on the night in question.

Dame Angela Rumbold told Lord Nolan's committee later that morning that she had first earned £8,000 a year from Decision Makers and that this had risen to £12,000 a year. She was asked by Professor Anthony King if she still held the view that 'it is all right for a Member of Parliament to be paid to work for a general lobbying firm'.

'Of course I do,' Dame Angela replied.

'You do?'

'Yes, absolutely.'

'There is no problem about that at all?'

'Absolutely no problem at all, provided there is a code of conduct, provided it is clearly demonstrated to everyone who wishes to know exactly what that role entails.'

Professor King asked her about the alleged meetings she had attended as part of her role with Blue Circle or with other clients.

'You spoke of lunches and various meetings outside the House of Commons, and so on. I mean, who on these occasions would you have been seeing?'

'Well, I might have been talking to people who were clients of Maureen. I might have been talking to Maureen herself in the evening, when it was possible for both of us to meet, so we did have a number of meetings like that, both in...'

'Specifically not Ministers and fellow MPs?' asked Professor King.

'No. I think only on a couple of occasions did I have an evening meal with someone who happened to be a Minister at the time present.' Dame Angela pointed out that in any event as Deputy Chairman of the Conservative Party she had no access to ministerial papers or to the decision-making process in government and her party role had 'no bearing whatsoever on my role as Member of Parliament'. She had been 'seven years a Minister' but was not in office while lobbying.

Professor Anthony King made it clear that she was 'in no sense on trial. You followed the rules.... What we want to do, however, is see whether your experience, precisely because you've played by the rules, throws some light on what those rules should be.'

He asked later: 'Is there not a problem about public perception, and although everything you say [about the adequacy of current rules] may well be true, is there not a problem that people may find it odd that somebody should be paid to be a Member of Parliament, should be a senior figure in a political party, yet, at the same time, working for an organisation whose express and stated function is to lobby the institution of which he or she is a member?'

Dame Angela replied that the 'mystery that surrounds this particular area' Was something she hoped the Committee would sort out.

Lord Nolan took her back to her resignation from Decision Makers. 'You resigned because you had been put in an impossible position, you felt, and had become, in effect, an embarrassment to the company, quite unjustly because you were behaving perfectly, but because there was an apparent conflict of interest in the eyes of the public. Is that right?'

'I felt . . . that it was extremely important from the company's point of view not to have further embarrassment

Dame Angela's evidence was then followed by that of Stewart Steven from the Evening Standard, whose article had precipitated her resignation. He gave a copy of the leaked document to the Committee and began reading from it.

'On page three: "Ministerial Meetings, No 10 Downing Street" is the portentous heading. "The Prime Minister had already been brief (sic) on the proposed East Thames Corridor Project in an informal and private presentation by the campaign team." Then it says: "The Prime Minister showed a keen interest in the project and would like more information." I found that incredible.

'As a matter of fact I have to say that the following day we approached No 10 Downing Street for an on-the-record statement, which they were not prepared to give us before publication. It wasn't clear if the meeting had happened, but the Prime Minister was aware of the lobbying: he was aware of the issue. Quite what had gone on between the Prime Minister and the lobbying firm I think is a bit murky. All I can say is that here it specifically states that he had been briefed by this lobbying team at No 10 Downing Street and that he had shown a keen interest.

'The document is remarkable. It is remarkable because it seems to suggest - of course we are dealing here with a PR company so one has to remember there are obviously elements of hype which could be involved as well - that indeed they are deep into the government of this country so that when they say in this document, as they do on page three, "The following lists details of the key meetings and briefings of, senior Ministers and officials" there is indeed a long list. Later it goes on to say that Dame Angela as Deputy Chairman of the Party has been able to keep the Party fully apprised of Blue Circle's plans of the East Thames Corridor. She told you today that, of course, she did not involve herself with the constituency. It also says here: "Dame Angela has recently visited the project site and met local authority leaders." It then goes on to say that, timetable, there was a dinner with the Parliamentary Labour Party: "28 May. A dinner with the Prime Minister." It does not mention here that 400 other people were allowed to be present too. '18 June. Evening for the Ministers at Hampton Court. 28 June. Reception at No 11 Downing Street." If there is any hype at all I do wish to emphasise that that hype is not Evening Standard hype, it is the hype by Decision Makers.' 48

Lord Thompson asked what conclusions he had drawn at the end of the investigation.

'We drew two conclusions from it. First of all we did feel that, when MPs get involved in this sort of thing, at the very least their activities are likely to be misrepresented. It is possible, I suppose, that the people who have the greatest reason to complain about the activities of Decision

Makers is Blue Circle who received the document called "The Campaign Update" which may be a load of "tosh". Maybe these meetings did not take place at all. Maybe this influence which Decision Makers tell the directors of Blue Circle they have, they do not have at all. That of course we do not know.... There is a subsidiary issue, which is whether we are sure that the government service is sufficiently immune to the activities of lobbyists or not.'

And later he added: 'The facts in this case are the document. This is a document, 20 May 1993, headed "Strictly Private and Confidential, Update on activities carried out by Decision Makers on behalf of Blue Circle Properties Ltd". Once we had proved that this was a genuine document, that it was not a forgery ... it seems to me that it would have been intolerable not to have printed it ... In retrospect, looking at the document and hearing Maureen Tomison say at this table today, "When this document says that we arranged a meeting with the Prime Minister, actually 400 people were present and we are not even sure whether our lobbyist actually managed to address the Prime Minister," all I can say is that didn't appear from the document.'

So what are we to make of all this? It is clear from Maureen Tomison's comments that she is utterly convinced that lobbying can succeed in 'overturning government thinking', indeed that Decision Makers had been able to do just that, providing no doubt an excellent return on the money spent on lobbying by Blue Circle.

Many senior politicians have told me that people are fools to think that lobbying plays a real part in altering ministerial decisions. They say that the effect is very marginal, if it exists at all. Indeed I have even heard that argument used by people involved in lobbying, particularly when they have been criticised for attempting to pervert the democratic process.

However, you can't have it both ways. Either aggressive commercial lobbying is a real threat to impartial decisions, with the most well-funded lobby able to 'buy' influence and the hope of a favourable decision, or the whole lobbying industry is a con-trick designed to deceive, selling nonexistent power. The very name 'Decision Makers' seems to me to imply what the company is trying to sell: a decision made or altered as a direct result of their action. The truth about the degree of actual influence may lie somewhere between the two extremes above, depending on the issue, the Minister, the civil servants involved, and the quality of government contacts.

Nevertheless, Blue Circle may have been delighted to know that the Vice-Chairman of the Conservative Party was herself going to become personally involved as a result of their payments, providing them with expert support and advice. Decision Makers certainly delivered an effective campaign, if their own briefing document is to be believed. Members of the company and representatives of Dartford and Gravesham Borough Councils had personal meetings with a series of government Ministers, including John MacGregor who was then Secretary of State for Transport, and even with the Prime Minister. 49 These meetings were said to have happened informally over lunch, dinner, or at social events such as an evening with Ministers at Hampton Court.

50

This was a powerful operation with the highest possible access. Ministers are extremely busy people. Formal meetings can be very hard to arrange, and informal contacts are therefore of greater importance to those buying services from lobbying companies.

My view is that Dame Angela's involvement was fraught with danger from the start and liable to public misunderstanding, particularly in the current climate, following months of sleaze allegations against senior politicians. She kept to the rules and her involvement with Decision Makers was entirely legitimate, but one could argue that in the light of possible public reaction, her involvement in such a high-profile campaign was unwise.

Ronald Dworkin, Professor of Jurisprudence at Oxford University said recently: 'A conflict of interest is a situation, not a particular piece of wrong-doing. The difference is very important, because avoiding conflicts of interest means avoiding relationships and connections that might raise questions of improper motives.' 51

Sir George Young plays down the significance of lobbying. I asked him in that case whether MPs involved in lobbying were deliberately misrepresenting the access they had for commercial gain. Sir George pondered for a moment. 'When a Minister is confronted by an MP who is arguing something, if he knows he's paid to say it, it is just discounted. If the guy comes along and says something because he believes in it, he knows about it or it touches his constituency, you sit up and listen. 52

My own experience in the voluntary sector is that most MPs are delighted to help, advise or support any cause that they believe in, as part of their public service. On many occasions I have found their help invaluable, particularly in drawing the attention of a Minister to important issues. Lobbying is thus an essential part of any healthy democracy, and is clearly most effective when a case is presented passionately, with deep conviction, by an MP acting out of a sense of public duty, rather than as a job for a fee.

The controversy arises only over paid lobbying arrangements where one suspects an MP is doing more in support and advice than he or she would if no money were involved. Some MPs vigorously deny that they behave in this way. They say that they only do for a consultancy what they would have done anyway even if unpaid. But if that is the case, why do firms waste all this money paying them retainers?

David Alton is in no doubt that lobbying can alter voting in Parliament and gives the new Sunday Trading laws as an example. (The year) '1994 saw the greatest victory yet of vested interests in Parliament. I think that individual Members of Parliament and political parties were bought lock, stock and barrel by the powerful Sunday Trading lobbies. The succession of dinners; champagne receptions at political conferences; contacting

constituency parties; hiring of party political figures at the end of the last election; the direct financing of funds of political parties, [all] created an Umbilical link between their interests and those of politicians in this place. They bought Parliament.'

I asked him how much he thought the Sunday Trading lobby had spent. 'Probably tens of millions over the years. Huge sums of money have been poured into the coffers of political parties. By comparison, those who fought against that were like a bow and arrow against an armada with nuclear weapons.'

Of course MPs change their minds for many reasons, and it would be wrong to conclude that just because such a change has taken place after intensive lobbying, that the lobbying necessarily had anything to do with it. In any case it is no shame to change your mind after being presented with another view. However it is sobering to reflect that the sole purpose of both the pro- and the anti-Sunday Trading lobbies was to do precisely that: change the way MPs voted. If there was no effect then presumably every penny of the millions spent was entirely wasted.

So, accepting money to assist companies is a widespread practice among MPs, established over years and deeply rooted in the psyche of the House of Commons. The practice has been fully sanctioned by Parliament, the only restriction being that such paid consultancies have had to be publicly disclosed by the MPs concerned in the Register of Members' Interests. This explains the bizarre and nauseating displays of righteous indignation by MPs when Lord Nolan's inquiry suggested that such behaviour should cease. Many MPs argued in reply that there is a huge difference between offering professional advice on a commercial basis to help people understand how Parliament works, or to interpret political trends, and advising on particular legislation, campaigning on amendments and otherwise assisting in a representational role - including asking questions.

However, as we have seen, on the strictest definition it could be said that all commercial arrangements which affect actions taken or not taken by MPs are merely forms of bribery. In Canada, Article 119 of the Criminal Code states: '[One who] corruptly accepts or obtains, agrees to accept, or attempts to obtain any money, valuable consideration, office, place or employment for himself or another person in respect of anything done or omitted, or to be done or omitted by him in his official capacity is guilty of an indictable offence and liable to imprisonment for a term not exceeding 14 years. Should such a general principle not be applied to MPs at Westminster?

After the Poulson scandals, the Commission headed by Lord Salmon recommended that 'Parliament should consider bringing corruption, bribery and attempted bribery of Parliament within the ambit of Criminal Law'. In 1976, James Callaghan, then Prime Minister and now a Peer, agreed that 'a Member who accepts a bribe in return for some action which is proceeding in Parliament cannot be the subject of criminal proceedings'. Although Mr Justice Buckley cast some doubt on this in 1992 when dealing with false allegations against Harry Greenway, all legal opinion concurs that this matter is uncertain, to say the least.

Interests in making money

In the 1970s and 1980s so many MPs were being paid by so many different businesses that undue financial influence seemed inevitable. As a result a Register was set up, which was supposed to be a full list of all financial links which might compromise an MP's impartiality. The Register is maintained by a small team on the first floor of Westminster, overseen by a Registrar, and it has always been incomplete.

MPs are required to declare nine types of interest: for example directorships of companies, remunerated employments, trades, professions and vocations, financial sponsorships, and the names of clients when they are making representations to Ministers or civil servants.

Every MP is sent a form to complete after a new election, and thereafter a reminder is sent every year with a fresh form to register changes. The Register was a big step forward but it does not tell the whole story. There are often delays, deliberate omissions and accidental oversights in registration.

Until 1996 the Register did not say if an interest was worth £500 a year or £500,000, which made it very difficult to interpret the significance of an entry. There was great resistance from Conservatives to list the amounts because it was seen as an embarrassing 'invasion of privacy'. Perhaps they would have changed their minds earlier if they had thought that large sums of money were finding their way into the back pockets of Labour MPs from trade unions. There is also no requirement to register directorships where there is no payment at present - an important gap as we will see.

Simon Hughes has always wanted far more information to be disclosed. 'I think you should require that everyone standing for election states whether they have had any other interests, expressly how much they were paid for them, and what their commitments were. The Register should show the money received, not just the jobs done.' He felt that unpaid positions should also be listed, 'because every other claim on your loyalty ought to be something your electorate know about'.

I asked Lord Ennals what he thought about MPs' disclosure and whether the Lords should have to do the same. Lord Ennals represented Labour in Parliament for almost three decades, half of which was in the Commons with many posts in government.⁵⁵ 'I think the amount ought to be given absolutely. Far more information needs to be known.' But what about copies of contracts being made available for inspection, or even tax returns? 'Never thought of it. I'm more inclined to say "yes". I think if they are going to elect a Member of Parliament, they should know what he is. How much time is he going to give to it if he is a member of ten companies?' 'And the Lords?' I asked.

'I would have no objection to it. Not nearly so important because none of us is paid apart from our expense allowance. Therefore it is expected that people will have outside interests. The second reason is that we have no constituents.'

There is plenty of evidence that commercial lobbying has infiltrated the House of Lords too. A Channel Four Dispatches programme in November 1995 claimed that unnamed Peers were

accepting up to £2,000 a time to host receptions for companies in the House of Lords rooms, which are available to Peers free of charge.

Lord Ennals is however against a professional class of full-time politicians, who do no other work. 'I'm not saying there are no circumstances in which people should have no other work. There is something I would find disappointing about a House of Commons where they were all professionals. There are too many of them as it is. I think it ought to be a group of people, men and women, broadly representative of people. And it's a good thing to have a farmer, doctors and nurses.' 56

Ken Livingstone would take disclosure as far as tax returns. 'I think everything should be revealed down to the last penny, including contracts. I'm happy to have my tax returns published. They tend to be much more revealing. First time I stood for Parliament I challenged the other candidates to all open our bank accounts.' 57

One big gap in the Register's usefulness is the omission of unpaid directorships. These are relevant. Clearly unpaid directorships may also involve some sense of obligation or there would be no point in being a director. A sense of obligation is by definition capable of creating a conflict of interest.

Paul Halloran and Mark Hollingsworth made a comprehensive study of the lists of directors of different companies at Companies House and compared them with the lists registered by MPs. 58

They found a large number of directorships had not been registered in the House of Commons, presumably because every single one of them was completely unremunerated and therefore there was no requirement whatsoever to register them at Westminster.

There is one exception to this: it is perfectly in order for MPs to register the directorship of a holding company as a remunerated position, without having to register the names of all the subsidiary companies. However this is another important and confusing gap. The purpose of a Register of Members' Interests is to ensure that everyone is aware of areas of potential conflict of interest. The name of a holding company may not indicate very well that - say - a subsidiary company is involved in arms manufacture or television production.

I have found two examples recently where non-registered directorships (presumably unpaid) have been later registered as paid directorships. This is important and hardly surprising. Take the example of a new company which cannot afford to pay its founding directors for the first year or two. After profits start to grow, income begins to flow.

In such a case one could argue strongly that there was a strong commercial interest in the company from the start, even if no payments were made in early years, and there is no requirement to register. The answer is simple: MPs should indicate all directorships, whether of holding companies or subsidiaries, remunerated or not. An increasing number of MPs are already beginning to do this on a voluntary basis, presumably because they recognise that the public want to know, and should know.

In conclusion, we have seen that almost a third of all MPs are being paid by commercial interests to advise or represent them at Westminster, and that it is not unknown for straight offers of cash to motivate an MP into selective action. However, as we will see when we look at party funding, perhaps another third or more are also vulnerable to union 'string pulling' through individual sponsorship arrangements. Therefore the truth is that by the end of 1995, most MPs were being paid or sponsored by organisations with an interest in what their MPs were doing politically, in arrangements frowned on by the majority of the electorate. This is part of the culture of Westminster. In addition some hundred Peers may be involved in similar activity.

On 6 November 1995 history was made when MPs voted decisively to change their ways, with a ban on all commercial lobbying arrangements from 31 March 1996.

The Register of Members' Interests published on 31 March 1996 was the first under the new rules for disclosure of amounts earned from parliamentary consultancies and other categories of income. The list runs to no fewer than 148 pages of A4 in small print, and lists relevant earnings in various hands. In the text below, 'received £xx- £yy' means that this is the band in which the exact amount lies.

Examples of items declared are as follows. 59

Doug Henderson received £15,001- £20,000 from the Joseph Rowntree Reform Trust Ltd for 'research support' as well as more than 25% of his election expenses at the 1992 General Election from GMB Union. He also received £5,001- £10,000 as Consultant to Machine Tool Technologies Association.

Another example is John Greenaway, who received money as Parliamentary Advisor to the Institute of Insurance Brokers (£10,001- £15,000), to Yorkshire Tyne Tees Television plc (£10,000- £15,000) and to General Healthcare Ltd (£5,000 - £10,000).

Quentin Davies received £20,001- £25,000 as advisor to NatWest Securities and £10,001- £15,000 as Parliamentary Consultant to the Chartered Institute of Taxation. Nigel Forman received £20,001- £25,000 as Political Consultant to Saloman Brothers International Ltd (investment bankers). John Butterfill received £10,001- £15,000 as Parliamentary Advisor to British Insurance and Investment Brokers Association (BIIBA) and £10,000- £15,000 as Parliamentary Advisor to British Venture Capital Association (BVCA). Jack Aspinwall received for Parliamentary and 'Public Affairs Consultancy £15,001- £20,000 from BAA plc, £5,001- £10,000 from British Gas plc and £5,001- £10,000 from Rentokil plc.

One difficulty is deciding what is and is not related to a parliamentary role. Some MPs have taken the view that many of their sources of outside earnings are entirely unrelated to their parliamentary role, and so have not declared the amounts. In practice it must be hard to determine whether one has obtained a consultancy purely on the basis of non-parliamentary expertise. Nevertheless, the new rules on disclosure have brought far greater openness, with many MPs declaring more detail than is required.

We now need to turn to the question of pay and allowances. What is the truth about MPs' pay? Are MPs being paid too much anyway (particularly in the light of other earnings), the right

amount, or scandalously little? Are the rumours true that some MPs fiddle their expenses? And what is the truth about allowance claims by Peers?

The Truth About Westminster

- [Acknowledgements](#)
- [Introduction](#)
- [Chapter 1: MPs Available for Hire](#)
- [Chapter 2: Buying and Selling MPs on a Large Scale](#)
- [Chapter 3: MP Fiddles and Some Reluctant Lords](#)
- [Chapter 4: The Power of Patronage](#)
- [Chapter 5: The Truth About Party Funding](#)
- [Chapter 6: Sex, Money and Power](#)
- [Chapter 7: Whipping and the Death of Conscience](#)
- [Chapter 8: Secrets of Ministers and Civil Servants](#)
- [Chapter 9: Trade Scandals and Arms Deals](#)
- [Chapter 10: The Changing Culture](#)
- [Chapter 11: Rebuilding the House](#)
- [Chapter 12: Christians in Politics](#)
- [Notes](#)
- [A Short Bibliography](#)