

## The Truth About Westminster

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*'Some people can be bought off with an MBE, others with a knighthood.'* Former Conservative Party Agent 1995

*'Politics are ... nothing more than a means of rising in the world.'* Samuel Johnson (1709-1784)

*'The object of power is power.'* George Orwell (1903-1950)

*'I work for a government I despise for ends I think are criminal.'* John Maynard Keynes (1883-1946)

Patronage is a powerful system which allows favours to be given to 'friends' as rewards for support or loyalty, or offered in advance to buy their co-operation in the future. It creates an elite where the only route to power lies in finding favour with 'the powers that be'. Patronage destroys a society based on merit and rots the democratic process. Patronage gives power to patrons and takes it away from everyone else. Patronage thrives on secrecy because the process is so

shameful that even its greatest enthusiasts are loath to have to justify each decision.

Every extension of the power of patronage is a step further towards centralisation of authority, a step nearer to a totalitarian regime. The ultimate patronage state was Communist Russia, where every job, every home, every place at university, every privilege was handed out at the whim of party officials. Patronage belongs in British history to a medieval age where kings bestowed favours, estates and titles as a means of control.

However, patronage shows no signs of dying. A colleague of mine was recently offered a possible place in the House of Lords, if only she would reverse her previous decision and agree to support a government policy by heading up an important project. She refused because she fundamentally disagreed with the proposals. She told a very senior figure within the Department: 'You need to realise that there are some things that cannot be bought.' <sup>87</sup>

This shameful episode is an example of patronage at its very worst, just another form of bribery, used for the sole purpose of undermining integrity. The individual is concerned that her blunt refusal may affect her future career and for this reason has kept quite about what happened. She is scared that her identification may lead to retribution from the Department concerned.

How many others have been targeted in this way through shabby offers and then silenced with fear? I have since discovered several cases where people seem to have altered their positions on matters of public policy and then been rewarded with an honour or a government post or some other favour. It is impossible to prove a link and so the individuals must remain nameless, but they know who they are.

We see unhealthy patronage not only in the honours system which we will return to, but also in the appointments to quangos, non-elected bodies that are taking over more and more of the roles of local government. Tony Wright presented his extensive research on the abuse of patronage in a written submission to the Nolan Committee in January 1995. <sup>88</sup> This is a summary of some of his points.

### The growth of quango patronage

The growth of quango power has been staggering. There are now 5,521 executive quangos responsible for almost a third of all government spending centrally. Examples are the Health Education Authority which until recently had an annual budget in excess of £16 million, or the Forestry Commission, or the Arts Council. They are not properly accountable to the public, and some appear to have fallen far short of acceptable standards.

By 1989, these quangos had mushroomed to the point where Ministers had the authority to give away 51,000 public appointments, with 10,000 new appointments or reappointments every year. <sup>89</sup>

Executive and NHS bodies account for 4,000 each, advisory bodies 10,000 and tribunals

22,000. These appointments were a crucial engine for driving through new policies during the revolutionary Thatcher years, by selecting people with strong views which matched where she wanted these quangos to go.

Departments keep their own shortlists of candidates. However, major appointments have often been made of people outside such lists. Advertising and executive search has hardly played a part in the process. From April 1992 to December 1993, only thirty public appointments were advertised out of several thousand - excluding the health service. During the same period 'head hunting' agencies were used to fill sixteen other posts, at a cost of £341,224, of which £27,000 was for one post alone. <sup>90</sup>

There is another list of 5,000 names maintained by the Public Appointments Unit (PAU), with a secondary list of 20,000 more, and others have been encouraged to nominate themselves, but this is almost a complete waste of time. The 1992 edition of Public Bodies records only 84 appointments from these sources. In any event the PAU is hugely biased towards those in the South East and the over-fifties. Those in the South East form only 31 per cent of the population, yet account for 57 per cent of the list. <sup>91</sup> This speaks loudly of an elite.

One key change has been a programme to increase the number of women appointed. In the first two years after the initiative was launched in 1991, the percentage of women in public bodies increased from 23 per cent to 28 per cent.

The Prime Minister has great power over many appointments. The 'Questions of Procedures for Ministers' <sup>92</sup> states that the Prime Minister should always be consulted over all quango appointments with possible political significance. In 1992, the Prime Minister was directly involved in 137 senior quango appointments. <sup>93</sup> The patronage exercised by a Prime Minister has always been far-reaching. In 1977, James Callaghan, was asked to list all the appointments which were his to make. The incomplete list filled four columns of Hansard.

The Chief Whip is also a key influence on who gets what job. Indeed, his former title was Patronage Secretary. The 'Guide on Public Appointments Procedures' states that the Chief Whip's Office should be notified in advance of all significant appointments and 'the list of candidates held by the Chief Whip's Office should be consulted before Ministers make or recommend appointments to significant Committees, Commissions and other public bodies, in case there are other names the Chief Whip would wish to be considered with other candidates'.

As we will see in a later chapter on whipping, parliamentary voting discipline depends on sanctions and rewards. Keeping the Whips happy is vital to survive in politics. Without their support an MP's career is all but finished and influence becomes negligible.

The appointment process can be interesting. The Chairman of one quango wrote recently that he was appointed 'as a consequence of sharing a cab with a stranger'. He thinks that such a method can work rather well. 'Another quango Chairman was appointed following a pheasant

shoot at which a Secretary of State was a fellow' gun. The subsequent Chairman of a Water Authority bumped into a Cabinet Minister while birding on a Greek island. It is a splendidly capricious and British way of doing things. I am advised that the success rate is about the same as when headhunters are engaged. And look at the thousands of guineas you save.' 94

One former Tory politician said that she could not remember 'knowingly appointing a Labour sympathiser' to a single one of hundreds of quango appointments that were hers to decide.<sup>95</sup> Such a boast would have been worthy of the party machine in Romania, China or any other communist regime.

Baroness Robson had to retire from a Regional Health Authority 'for family reasons' and described to the House of Lords how a replacement was found: 'I was asked if I had any suggestions to make about who should be my successor. I went to see the Secretary of State to recommend a man he might approve. I expected to be questioned about why I was putting that person forward. When I saw the Secretary of State he asked me whether I knew what the man's political opinions were. I said, "No, I am afraid that I have not asked him." The Secretary of State said, "But you do realise that almost every MP in your region is a Tory MP and we do have to make sure that there is compatibility." 96

The National Health Service reforms have also seen the removal of many elected representatives on Health Boards and their replacement by ministerial appointees. One survey found that out of 185 trust chairmen, sixty-two had 'clear links' with the Conservative Party, and three-quarters had a background in private business. 97

The Labour Research Department did a survey of all 482 NHS Trusts in the UK and found 121, one in four, had someone associated with the Conservative Party among the non-executive members. Many spouses of Conservative MPs were on trust boards. For example, the West Midlands Health Authority was chaired recently by the former Chairman of the Federation of University Conservative Associations, and he in turn was succeeded by the President of the Chester Conservative Association. Quango appointees with views out of line with Conservative policy have been systematically replaced.

The Observer found that 40 per cent of the heads of the largest thirty-eight quangos had Conservative Party links. 'A picture reminiscent of the rotten boroughs of the eighteenth century.' 98 The Financial Times concluded from its own survey of the ten largest Health Service quangos and the thirty largest non-health quangos that 'if there is a new elite running British public services ... it appears the best qualifications to join are to be a businessman with Conservative leanings'. 99

The BBC programme Here and Now analysed 20,000 members of 1,500 quangos and found that unsuccessful Conservative candidates from the 1992 election were ten times more likely to be appointed to a quango than Labour candidates. Thirty-three quango jobs were given to failed Conservative candidates after the 1992 election including the former Ministers Christopher Chope, Michael Fallon and Francis Maude. 100 Twenty-four Conservative MPs and Peers had spouses who had been given quango jobs. 101

More worryingly, perhaps, the directors of companies which gave money to the Conservative

Party were three times as likely to have jobs on quangos than those which did not. With the Gallup Poll of October 1994 showing 61 per cent agreeing that the Conservatives gave the impression of being 'very sleazy and disreputable', such patronage has continued to damage public confidence.

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I asked Lord Whitelaw if he thought patronage became imbalanced when one party had been in power for a long period. On balance he disagrees: 'I don't think that is as true as is thought, [but] I think one or two things have happened which in my judgement should have been avoided.' 103

Of course, many would point out that patronage is nothing new and is not a party political issue. Labour governments in the past also used their patronage to appoint friends and allies. In the 1978-9 parliamentary year, twelve out of twenty chairmen of the largest public bodies were Labour supporters, with members of the General Council of the Trades Union Congress being well represented. 104

So how are these posts to be filled, if not by ministerial -favouritism? There are only a few options. One is 'random selection' or statistical representation. This is the basis of jury selection, and is hardly likely to be suitable. Quotas are a variation on this. Then there is 'inheritance', which still survives in the House of Lords and the monarchy, but is unlikely to survive the turn of the century as a means of selecting who governs. Another option is 'free competition' which includes election. Competition has been the basis for civil servant recruitment since the reforms of the last century. Elections are a variation of it. There is also 'patronage'.

Clearly patronage exists to some degree or other at every level of society - for example where someone chooses to employ a friend or a member of the family in a small business. Society as we know it would probably collapse if all such low-level patronage was banned. Relationships are always likely to count as much if not more than a piece of paper listing achievements. But what we are seeing is a wholesale domination of public life by an extreme form of patronage which is an abuse of privilege and power.

Tony Wright commented in his submission to the Nolan Committee: 'In Britain the patronage powers are vast, the constraints minimal and the dangers enormous.' Patronage by the State has been a fact of life for centuries. In the age of Walpole, patronage was a lubricant. Decades later, in a memorandum to Gladstone in 1854, Charles Trevelyan wrote: 'Patronage in all its varied forms is the great abuse and scandal of the present age.' Totally incompetent people were being given great responsibility.

Just over a century later, in 1963, Peter Richards wrote: 'Perhaps the greatest danger for the future is the possibility that one party will exercise uninterrupted power for too long a period. Temptations would grow as security bred carelessness.' 105 In the early 1980s, it was the Right Wing of the Conservative Party who led the fiercest attacks on the system, seeing the growth of quangos as a needless extension of state bureaucracy.

It would be tempting for Labour to try to substitute one kind of patronage for another, having

seen the scale of what is possible. The Conservatives could become the natural champions of quango reform - indeed, this may be a small but hidden additional motive behind accepting some of Lord Nolan's reforms on quangos.

What a stroke of genius it would be for the Tories to strip local authorities of massive powers, give them to non-elected quango staff, appointed on a political whim, and after packing out quangos with your own supporters, reform the system so that from that moment on, even if the next election is won by the opposition, they are left with existing quango staff whom they cannot shift, and a new appointments system which is scrupulously committed to fairness. It could take twenty years or more to eradicate a dominant Tory culture.

However, the public view is clear. Eight out of ten say that there should be a political balance in quangos. <sup>106</sup> The only way to restore imbalances on quango boards in the short term would be to recruit selectively on a strict quota basis. This would require a strong will by a large-majority Labour government.

### Political honours for good behaviour

As we have seen, another much despised area of patronage has been the political Honours List. The granting of honours to people as a political reward has a long history. After Lloyd George allowed party fund-raising through honours sales, a Political Honours Scrutiny Committee was set up. However, it has no real power and works in secret. It failed to influence or prevent the infamous 'Lavender List' when Harold Wilson resigned (said to have been handwritten in great haste by his secretary on a piece of lavender writing paper), or rumours of honours to Conservative Party donors by Margaret Thatcher and John Major.

Should not the whole process of patronage be based on merit, as with the appointment of civil servants? What happened to equal opportunities? In 1968, the Fulton Report had declared that civil service selection 'should be, and be seen to be, independent of any form of patronage', so should not the same apply to rewards for public service? The honours system has become a mockery because it is increasingly obvious that one way to get an honour is to give money to fund the party in power, or to have the right opinions.

In September 1992, a survey was published showing that 'heads of big firms have a 50 per cent greater chance of being honoured if their companies donate to Tory Party funds'. <sup>107</sup>

The Minority Report of the House of Commons Home Affairs Committee printed further statistical evidence of honours for money. The Report goes on to say: 'Asked if there was any connection between donations to the Conservative Party and allocation of honours to industrialists, Sir Norman Fowler told the committee, "As far as honours for political services are concerned, they are scrutinised by an independent committee of Privy Councillors. Since 1979 we have also been in a position where any honours added by 10 Downing Street are also scrutinised. All political honours must be certificated to the effect that no payment or expectation of payment to any party or political fund is directly or indirectly associated with the recommendation.

The report continued: 'It is apparent that Sir Norman's confidence in the system is not shared by all members of the Political Honours Committee.' Lord Carr of Hadley, a member of the Committee and a former Conservative Minister, was asked on BBC Radio's Analysis programme whether it was just a coincidence that industrialists giving money were honoured. He replied, 'Yes, er, and yet it can't be as simple as that, can it?' Lord Shackleton, a former Chairman of the Committee, told The Observer last year that secret donations to the Conservative Party front organisations could enable honours to escape scrutiny. He is quoted 'is saying, 'There is an obvious gap here. It is highly likely ;hat these secret donations are by-passing the scrutiny system and that honours are being effectively bought.'

The report concludes: 'We believe that, whatever the truth, there is a widespread perception among both recipients and the public at large that there is a connection between financial contributions to Conservative Party funds and the award of honours Our attention has been drawn, for example, to a report in the Sunday Times which quoted an unnamed company secretary, whose Chairman was knighted after his company donated £160,000, as saying, "It was made perfectly clear beforehand that if he did this [give a contribution] he would get a knighthood.'

Political service, as distinct from donations, has always long been linked with honours. A study in 1992 concluded that Tory MPs elected that year would have 'a 72 per cent chance of becoming a front-bencher or a knight' if they stayed in the Commons for a reasonable length of time. 108 Thirty years previously a similar analysis found that 'an honour was almost inevitable for those Conservative backbenchers who stayed in Parliament long enough'. 109

On 2 December 1994, a Parliamentary Written Answer revealed that 115 Conservative MPs had received- knighthoods since 1979.

A former Tory agent with fifteen years of experience in local constituencies told me how revolted she was by the abuse of patronage to control people. 'They are corrupt. The root of it all is the honours system. It's the way they keep constituency Chairmen, Treasurers, Area Officers in line. Every Chairman I've ever known has ended up with a knighthood Constituency agents could nominate people for honours. I never did because I didn't believe in the honours system. Patronage is a very powerful tool in the hands of the Prime Minister and it needs to be stopped.'

She also said that she had seen the same system abused in whipping rebel MPs. 'I've seen the hierarchy over Whips. The constituency Chairmen will have been threatened if they don't deselect [rebel MPs]. Some people can be bought off with an MBE, others with a knighthood. 110

Tony Wright commented in his paper: 'This kind of patronage matters. It goes a long way to explain why the House of Commons has become so supine, depleted in vigour and independence (recent events notwithstanding).'

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There is another new development which has further damaged the independent spirit of Parliament and increased Cabinet control, and that is the expansion of the so-called I payroll' vote. It is well known that government Ministers have to vote with the Party and cannot rebel

without being forced to resign. Clearly one way to increase the power of a Prime Minister is to duplicate government posts until a majority is guaranteed without whipping, 'buying' obedience from frustrated, powerless back-benchers.

In order to prevent such a dictatorship developing, the House of Commons Disqualification Act (1975) limits the number of paid office holders in the Commons. However, there is a back door way in which this limit has been systematically abused. Many new 'unpaid posts' have been made, such as assistant Whips and additional Parliamentary Private Secretaries, all with minimal responsibilities. These are also governed by blind obedience in voting. In 1900, the total MP 'payroll' was forty-two, but it has grown alarmingly to more than 130. By 1995, between a third and a half of all Conservative Party MPs had been sworn to complete loyalty in this way. We will return to the power of 'payroll voting' in it later chapter on the abuse of the whipping system. As we have already seen, many of these MPs have also been involved in commercial consultancies. The combined effect of 'payroll' and consultancy pressures is hard to determine, but is undoubtedly significant in the public mind.

In conclusion then, honours and office holding have been twin weapons in destroying the life of the Commons, until it has become little more than a collection of 'yes men' whose votes have been 'bought', together with a number of 'eccentric' radicals, dangerous ex-Ministers and a minority opposition.

Opposition Party MPs are also open to the influence of patronage. It is quite wrong to assume that Whips in an opposition Party have nothing to offer in the way of rewards.

Over several decades Labour MPs have also been knocked into line by the lure of such things as future Cabinet posts, involvement on Select Committees, and political honours. Ken Livingstone has felt this acutely. Having run the Greater London Council before its abolition in the mid- 1980s, he has huge experience of many issues in local government, yet has never once in eight years been nominated by his own party to sit on a single Select Committee.' 112

I have met many people who aggressively defend patronage in all these forms because they say it makes for strong government and political stability. But the price of patronage is a serious lack of accountability and nothing less than the wholesale prostitution of the democratic process. The result is a culture in Westminster that punishes integrity and moral conviction.

Instead of rewarding those with the courage to vote for what they believe is right, the system has told people to vote against their political conscience for things they do not believe will help the country. 'It is right to vote for what you believe is wrong and wrong to vote for what you believe is right - let the party tell you what your vote should be.' This is the basis of whipping, as we will see in a later chapter.

The ultimate role model for a 'rising star' MP is a morally feeble politician, who looks good and sounds convincing, never makes trouble, and always votes as he or she is told. A whole generation of MPs has been encouraged to sell their souls for hope of a title or ministerial office. Now one begins to understand why the level of debate in Select Committees and in the Chamber is often so poor. Those of the greatest calibre in the majority party may well be among

the third of those on the payroll. Their lips are sealed except for words of adulation and flattery, or for trotting out the party line.

This is the reason why resignation speeches of Ministers are often such bloody affairs: years of frustrated, pent-up, suppressed truthfulness come flooding out. The results are often deeply shocking, because the opinions expressed are so vastly different from what has been said from every public platform or in every media interview over previous years in office. Whatever happened to integrity?

It can be argued that collective responsibility is essential in any board, business or government. But where does loyalty end and honesty begin? It is hardly surprising then that the public say they hardly believe a word of the statements that Ministers make. Even if the facts they give are true, what often comes across is a sickening lack of sincerity written all over their embarrassed faces, although some are quite good at acting.

A further result of patronage abuse has been a loss of morale and direction among the majority who are not in office. Meanwhile the real debates have moved out of the deserted Chamber and into the media, which together with the judiciary have developed an aggressive questioning role.

I asked Tory rebel Teresa Gorman what she thought of the honours system and patronage in Westminster. As leader of a rebel group that nearly brought down the government, she has seen abuse at first hand. 'It is extremely corrupting,' she declared without hesitation. 'Many businessmen for example know that the government's policies are antipathetic to business but when you ask them to do something about it they shy away. They know it will affect their chance of getting a knighthood sometime in the future - or they believe it will.'

'The system of giving out honours distorts our public life generally. Colleagues [MPs] see them as the ultimate reward for just being good, minding your own business and never saying anything out of place.'

She is critical of the way 'obedient political clones with no real experience of life get promoted while those with spirit and a track record of achievement are often crushed or ignored. The lack of business experience among politicians is very evident. People get [ministerial] jobs having never managed anything in their lives. They are putty in the hands of civil servants. People with strong personalities do not do very well in either party. Dennis Skinner is an excellent politician, a man of the people, but he has never held office in the Labour Party. You watch people suddenly become desperate for office and begin to conform. The black sheep coming back into the family. Office follows. Parliament works on coteries: you have to be part of a group, a network in which people help their chums along. Women are mainly excluded from the system. People get promoted 'on the old boy system, rather than on know-how or ability. You have to be a team player.'

'First, you get to be a Parliamentary Private Secretary, a bag carrier for a Minister, modelled on the public school fagging system. Grown men humble themselves in this demeaning exercise. Other rewards follow. Maybe they get to be in the Whips Office, or [get given] a junior Minister's post. Merit hardly comes into it.' 113

So, 'while a number of those in Westminster have already compromised their integrity by accepting dubious payments, others have been bought through the offer of jobs in government, or in quangos, or by the lure of honours. The combined attractions of money and patronage have created a culture which is unhelpful at best and corrupting at worst. We will see these influences recurring time and again throughout the remainder of this book, and they are the key to understanding the otherwise inexplicable behaviour of many parliamentarians when under pressure.

We will look further at patronage in particular when we examine the process of whipping, but first, in the light of the possible link between political donations and honours, we need to examine closely the whole question of how political parties raise their money.

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