

THE SUNDAY TIMES. 29 SEPTEMBER 1991

'Public scandal' of MPs who cash in on jobs'

One of the best-kept secrets in recent years has been the accumulation of private wealth by some of our members of parliament. Unknown to a large section of the British public, many MPs have been quietly collecting a clutch of lucrative consultancies, directorships and, shareholdings. One Tory voter from the Midlands was genuinely shocked to discover the extent of this phenomenon: "I had thought an MP represented only his constituents. I consider it improper in the extreme that, having reached parliament on their votes, he should spend his time there lining his pockets by serving interests of which they may know nothing and which may even be contrary to their own. This should be regarded as a public scandal."

But for the Commons select committee on members' interests this "public scandal" has been curiously absent from its official inquiries. Instead the committee has spent much of its time investigating the activities of lobbying companies. Its latest report, published tomorrow, will recommend a compulsory register for specialist public relations firms that lobby parliament and Whitehall

For many observers, this issue is of secondary importance. The real issue is the conduct of MPs.

In recent years the Commons has become a marketplace with its members too often seen as useful and highly valued commodities. There are now 384 MPs with with commercial interests, holding 522 directorships and 152 consultancies. 'The going rate for a non-executive directorship varies between £12,000 and £18,000 a year, and for a consultancy between £8,000 and £12,000. It is not difficult for some MPs with business interests to rake in an extra £10,000 minimum.

In return, they sometimes represent their interests in parliament, lobby ministers and civil servants in Whitehall and obtain valuable information. Much of this activity is conducted in great secrecy.

MPs defend being paid by out-side interests on two grounds. First, they need to supplement their income. This is a dubious argument. An MP's salary is £28,970 — more than twice the national average. It is true this compares unfavourably with other Western democracies. But it is hardly poverty wages. It is also doubtful that a substantial salary increase would solve the problem. Some MPs, particularly former cabinet ministers, are securing an additional £80,000 a year. Even if the wages of MPs were doubled, it is unlikely that the pursuit of the golden calf would stop.

The second line of defence is that it is of benefit to the country to have MPs with outside interests. "The job of a back-bencher is not intended to be a full-time one," said Dudley Fishburn. Conservative MP for Kensington. "A backbencher is best who brings the outside bustle of the world with him to the House of Commons."

There is, of course, nothing wrong with MPs having outside interests. But a politician does not need to be on the board of several companies to have experience of the real world. And it does not explain why they need to be paid for jobs when many of their colleagues lobby for their constituents, pressure groups and the public for free.

For parliament the only real concern is that the commercial interests of MPs are declared - not the potential conflict that this can create between private and public duties. In the Commons an MP is obliged to declare an interest when making a speech during a debate. But there are several loopholes for the commercially active backbencher to exploit: an MP does not have to disclose his interest when asking oral or written questions, or when making "brief" interventions during debates or sponsor-ing Commons motions.

The public is also short-changed by the register of members' interests, where declarations are vague and incomplete. Among the items missing are the amount of money received by the member, the value and size of declared shareholdings and description of the company and its principal activities.

Perhaps the most significant omission is the clients of consultancy and public relations companies. Many MPs have set up private consultancy firms, often with innocuous-sounding titles, to facilitate their interests. Others are directors of lobbying outfits.

One Labour MP has for many years registered his interest simply as a "consultant". He has never disclosed the identity of his clients: under the rules he is not obliged to do so.

Some senior MI's are now addressing this loophole. "My personal view is that it would be right to give the clients," said John MacGregor, leader of the Commons, in June, "but not to go into any further details beyond that as to the level of consultancy fee."

The select committee has conducted inquiries into the activities of some MI's, notably John Browne (Winchester), Michael Grylls (North West Surrey) and Michael Mates (East Hampshire). But these have all been the result of media disclosures, not the expert monitoring of the committee. Indeed, it is extremely difficult for a constituent to initiate an inquiry into his or her MP. The registrar will only refer a case to the committee if prima facie proof is handed to him personally. As a committee of inquiry is usually the arena where such evidence is obtained — often through testimony — this means few cases are investigated. Whether the voting public is aware that its elected servants may also be working for outside private bodies in return for payment is not known. It would make a fascinating opinion poll.

MPs For Hire: The Secret World of Political Lobbying, by Mark Hollingsworth, is published by Bloomsbury tomorrow.