

# Ashcroft peerage — with strings

By George Jones, Political Editor

**MICHAEL ASHCROFT**, the Tories' billionaire treasurer, has secured a life peerage with unprecedented strings attached: that he returns to live permanently in Britain. The watchdog on political honours took the unusual step of making that public last night.

Mr Ashcroft, who has until the end of the year to comply with the condition, will step down today as United Nations ambassador for Belize as the first step towards ending his tax exile.

He is one of four Tories, including Sebastian Coe, William Hague's private secretary, in a list of 33 working peers approved by the Queen and announced by Downing Street. Most of them — 19 — are Labour and there are nine Liberal Democrats.

Labour has taken the biggest share as part of the Government's efforts to achieve parity with the Tories in the partially reformed Lords.

There will now be 236 Conservative and 202 Labour peers in the 699-strong House.

According to the Conservatives, the 33 new peers bring to 203 the number appointed by Mr Blair since he became Prime Minister less than three years ago. In 11 years as prime minister, Lady Thatcher created 201 peers.

Labour and the Liberal Democrats brought back seven of the hereditary peers who were expelled from the Lords at the end of the last session after failing to secure places in the ballot to choose the 92 allowed to stay on.

Mr Ashcroft, who has donated £3 million to the Conservatives, is the most controversial name on the Tory list.

A year ago he was vetoed by the honours scrutiny committee because of controversy concerning his extensive offshore interests.

For much of last year he faced a barrage of publicity, led by *The Times*, about his business activities, particularly in Belize.

In December he settled a libel action with the newspaper after it retracted allegations of suspected involvement in drug-related crimes or money laundering and announced that he intended to move back to Britain.

Mr Hague, who stood by his embattled party treasurer, then resubmitted his name to Downing Street for a peerage.

Before approving the award, the scrutiny committee, which comprises Lord Hurd of Westwell, the former Foreign Secretary, Lord Thomson of Monifieth and Lady Dean of Thornton-le-Fylde, sought assurances that Mr Ashcroft intended to become a permanent resident and pay taxes here.

The official announcement said that, to meet the requirements for a working peer, Mr Ashcroft had given his "clear and unequivocal assurance that he will take up permanent residence in the UK".

The Tory leadership clearly hopes that the peerage will draw a line under the Ashcroft affair, which damaged the party's image last year and revived the "sleaze" accusations that so damaged the Major government.

Tory officials said Mr Hague felt "completely vindicated" in standing by Mr Ashcroft, who saved the party from near bankruptcy after its landslide election defeat in 1997.

Mr Ashcroft said he was "thrilled and honoured" and looked forward to being able

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to make a contribution in the Lords as a businessman, campaigner against drugs and as a fund-raiser.

Peter Bradley, Labour MP for The Wrekin, who led the Commons attacks on Mr Ashcroft, said: "Cash for coronets plumbs new depths."

Menzies Campbell, the Liberal Democrats' foreign affairs spokesman, said: "Anyone who thinks that manipulation of this kind enhances the reputation of Parliament and politics is living on another planet."

Downing Street refused to comment, beyond stressing that it had been a decision for the scrutiny committee, not the Prime Minister.

Labour said that three of its 19 new peers had given money to the party, but

insisted that this had not been a factor.

The former television executive Alexander Bernstein and the businessman Parry Mitchell had each given £5,000 before the last election.

Janet Cohen, a director of Charterhouse Bank Ltd, joined the 1,000 Club whose members pledged £1,000 to the party in return for access to senior figures.

Officials said all three had been asked to serve in the Lords on the basis of their expertise or record in public life. "We have nothing to hide," a spokesman said.

Among Labour's life peers are five former hereditaries: Lord Acton, Lord Berkeley, Viscount Chandos, Lord Grenfell and Lord Ponsonby.

# The billionaire buccaneer who never says die

With Hague by his side, Michael Ashcroft braved a welter of allegations to win his seat in the Lords, reports **George Jones**

**W**HEN Michael Ashcroft became Tory party treasurer in May 1998 he was determined to secure a seat in the House of Lords. As he remarked in an interview last year: "Every treasurer of the party has gone on to the Lords and I hope I don't set a precedent by being the first who doesn't."

Assuming he manages to return to live in Britain permanently by the end of this year, he will take his seat on the red leather benches in the Lords, taking the Conservative whip.

His inclusion in the list of working peers is a demonstration of his determination — and the loyalty of William Hague, the Tory leader, to a controversial businessman who kept the party afloat financially during its darkest hours after the last election.

The hostile media campaign that Mr Ashcroft has weathered would have been

enough to make thinner-skinned people decide to quit the political world. There were many in the Conservative Party who privately urged Mr Hague to ditch Mr Ashcroft as the row over his business interests was damaging the Tories' image.

But Mr Ashcroft, like Mr Hague, is not a quitter. Likewise, in many high-profile business deals he has clearly won against the odds.

Over the last three years he has given £1 million a year to the Conservatives, and expects to do so up until the next election. In 1998 his donations accounted for 10 per cent of Tory income.

It was the sheer size of his donations — and the fact that he was a tax exile, with homes in Belize and Boca Raton, Florida — that put him under the media spot-

light committee last year, *The Times* newspaper began a sustained campaign questioning his suitability to be bankrolling one of the two main political parties.

The newspaper began an investigation into his business activities, particularly his ownership of the biggest bank in Belize and his role as the Belize ambassador to the United Nations.

It published leaked Foreign Office memos, which it claimed posed questions about Mr Ashcroft's integrity. It also claimed that British diplomats told the last government that some of his business dealings had cast a "shadow over his reputation that ought not to be ignored".

It quoted the now infamous letter from Charles Drace-Francis, a senior diplomat with responsibility for Central America, claiming that Mr Ashcroft had looked "rather hung-over" at a meeting and his "crumpled

shirt was missing a button at the sleeve, which he affected not to notice at first".

*The Times* went on to allege that the United States Drug Enforcement Administration had a series of files in which Mr Ashcroft was named. Eventually, Mr Ashcroft lost patience with the newspaper

and began a libel action to clear his name after a Labour MP used House of Commons privilege to allege that he was linked to an investigation into drug trafficking by United States authorities.

The Tories claimed that copies of Mr Ashcroft's bank statements had been leaked,

likening it to the Watergate scandal that brought down Richard Nixon, the former American president.

In December, however, Mr Ashcroft settled his libel action with the newspaper after it retracted allegations of suspected involvement in drug-related crimes or mon-

ey laundering. While announcing the out-of-court settlement — which was agreed with Rupert Murdoch, owner of *The Times* — Mr Ashcroft disclosed that he would be moving back to Britain so that he would be able to remain a major donor to the Conservative Party.

He also acknowledged the concern over foreign funding of political parties.

He describes himself as a "bit of a buccaneer". His business adversaries are less complimentary, describing him as a "piranha".

His business career, which has made him a billionaire,

has been controversial. In 1991 a Department of Trade and Industry inquiry questioned evidence given by Mr Ashcroft, saying there were "disquieting features" to a transaction involving him and Tony Berry, the criticised Blue Arrow chairman.

Mr Ashcroft is currently chairman of Carlisle Holdings, formerly BHI Corporation. He started out as a management trainee at Rothmans in 1967 but set up as an investment consultant in 1972, making his first million five years later.

He made his fortune through a series of financial deals, including the acquisition of the tentmaker, Hawley-Goodall, which he turned into Britain's biggest video games distributor, and ADT, the transport and security firm, which he bought for £1 billion and eventually sold for £5 billion.

He protected his interests by registering companies in tax havens such as Bermuda and Belize.

But he has also been actively engaged in charitable activities, working with the police and government to set up Crimestoppers.

His private life has been colourful. He enjoyed the company of Paula Hamilton the model, whose alcohol rehabilitation bills he paid.

His London home in Westminster includes marble cantilevered escalators and a glass lift. It also features a medal room that houses an impressive collection of Victoria Crosses.

## The list of new peers

### LABOUR

**Dr Kay Andrews**, director of the charity Education Extra which promotes after-school activities. **Angela Billingham, 60**: magistrate and former MEP for Northampton and Blaby. Councillor in Banbury. Member of Sports Council. **Janet Cohen, 59**: non-executive director and consultant for Charterhouse Bank Ltd. Expert in pensions and savings. Member of Labour's 1,000 Club after giving £1,000 to party funds. **Anne Gibson, 59**: former national secretary of the MSF white-collar union who served for almost a decade as an Equal Opportunities Commissioner. **Richard Lyon-Dalberg-Acton, 59**: the hereditary peer Lord Acton, a barrister who served as law officer in Zimbabwe in the Eighties and now writes on history and literature. **Anthony Gueterbock, 60**: the hereditary peer Lord Berkeley, an engineer who is chairman of the Rail Freight Group and the Piggbank Consortium. His family's title goes back to the 16th Century. He was briefly an opposition whip before the election. **Alexander Bernstein, 64**: former Granada television executive who is now chairman of the Old Vic Theatre Trust. He is a keen patron of the arts, who chaired the board of the Royal Exchange Theatre in Manchester and gave more than £5,000 to Labour funds in 1997. **Daniel Brennan, 58**: a QC and deputy High Court judge, he is currently chairman of the Bar Council. **Thomas Lyttelton, 47**: the hereditary peer Viscount Chandos, who was a member of the SDP but joined Labour and was a party spokesman in opposition. A City banker and chairman of Lopex plc, he is also a director of the English National Opera. **Matthew Evans, 58**: managing director of the publisher Faber and Faber, who is also a Fellow of the Royal Society of Arts, a member of the Arts Council's lottery advisory panel and chairman of the Museums, Libraries and Archives Council. **George Fyfe, 58**: head of the Co-operative Wholesale Society, the largest co-op in Europe with a turnover of more than £3 billion, including the Co-operative Bank which holds the Labour Party account. **Julian Grenfell, 64**: the hereditary peer Lord Grenfell, a former adviser to the World Bank whose family title was created in 1902. **Julian Hunt, 58**: a

mathematician and professor of climate modelling in the Department of Space, Climate Physics and Geological Sciences at University College, London. **Bill Jordan, 64**: former president of the AEEU engineering union who is now the general secretary of the International Confederation of Free Trade Unions. **Peter Layard, 66**: an economic professor who runs the Centre for Economic Performance at the London School of Economics. **Parry Mitchell**: founder of Syscap plc and a prolific patron of charity who has been involved with Jewish Care, World Jewish Relief and organisations in the UK concerned with poverty relief. He has given more than £5,000 to Labour funds. **Kenneth Morgan, 65**: research professor at the University College of Swansea and the leading authority on modern Welsh political history. **Bhikhu Parekh, 65**: professor of political theory at Hull University and an expert on Mahatma Gandhi. He currently chairs the Government's commission on the future of multi ethnic Britain. **Fredrick Thomas, 41**: the hereditary peer Lord Ponsonby of Shulbrede, a former Labour spokesman on education in the last Parliament and delegate to the Council of Europe and the Western European Union. **Sir Leslie Turnberg, 66**: the distinguished scientist who is president of the British Society of Gastroenterology.

### CONSERVATIVE

**Michael Ashcroft, 54**: honorary treasurer of Conservative Party since May 1988. Chairman of Carlisle Holdings Ltd and involved in charitable activities, including Crimestoppers initiative and technology colleges. **Sebastian Coe, 43**: private secretary to William Hague since 1977. Tory MP for Falmouth and Camborne for five years, until losing at last election. Former Government whip. Olympic gold and silver medallist and world record holder as middle distance athlete. **Robln Hodgson, 57**: deputy chairman of Conservative Party and chairman of National Conservative Convention. MP for Walsall North, 1976-79. **Dame Sheila Masters, 50**: partner in accountants KPMG and senior non-executive director of the court of the Bank of England. President of the Institute of Chartered Accountants.

### LIBERAL DEMOCRAT

**Dr Lindsay Granshaw, 45**: chairman of Women Liberal Democrats and former chairman of party's parliamentary candidates association. **Tony Greaves, 57**: Liberal stalwart before merger with Social Democrat Party. Assistant to Chris Davies, a Euro-MP, and book dealer. **Earl of Mar and Kellie, 51**: hereditary peer who lost his seat in the Lords reforms after eight years in the Upper House. **Matthew Oakeshott, 53**: investment director of Value and Income Trust plc and a former Warburg investment manager. Former special adviser to Lord Jenkins of hillhead, former SDP leader. **Lord Redesdale, 39**: also lost Lords after serving since 1991. Liberal Democrat spokesman on overseas development, 1994-99. **John Roper, 64**: MP for Farnworth, 1970-1983, initially for Labour but then defecting to SDP. Visiting professor at College of Europe in Bruges and honorary professor, University of Birmingham. **Ros Scott, 42**: leader of Liberal Democrats on Suffolk County Council and sits on Committee of the Regions. **David Shutt, 58**: chartered accountant and Liberal Democrat leader on Calderdale metropolitan borough council. Trustee of the Joseph Rowntree Charitable Trust. **Joan Walmsley, 56**: public relations consultant and former teacher. Former candidate in Congleton and Leeds South and Morley.

## Ashcroft returning to secure Lords seat

By Andrew Parker,  
Political Correspondent

Michael Ashcroft, the controversial billionaire businessman and Tory treasurer, is to take a seat in the House of Lords after he has moved back to Britain from the US.

Mr Ashcroft, who is also the Conservative party's biggest donor, was included on a new list of 33 working peers released today.

But in order to meet the requirements for a working peer he was asked to give extraordinary assurances that he will move his permanent residence from Florida to Britain by the end of 2000.

Mr Ashcroft, who has British and Belizean citizenship, will join the Lords only after returning to Britain. He has relinquished his role as Belize's ambassador at the United Nations.

Menzies Campbell, Liberal Democrat foreign affairs spokesman, claimed the rules had been "bent" to give Mr Ashcroft a peerage because he has given £3m to the Tories.

"Anyone who thinks that manipulation of this kind enhances the reputation of parliament and politics is living on another planet," said Mr Campbell.

Mr Ashcroft was vetoed for a peerage last year, but the political honours scrutiny committee decided not to object to his renomination by William Hague, Conservative leader, after the assurances.

Sebastian Coe, Mr Hague's chief of staff who lost his Commons seat at the 1997 election, was also awarded a peerage.

The 20 new Labour life peers include five of the 700 hereditary peers ejected from the Lords last November.

One of five Labour "retreads" is Baron Ponsonby of Shulbrede, a great-great-grandson of Queen Victoria's private secretary and a former party spokesman on education.



# Ashcroft told: end exile or lose title

Michael White  
Political editor

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The Conservative party treasurer, Michael Ashcroft, last night suffered the public indignity of having his long-coveted peerage explicitly made conditional upon his return from tax exile to live permanently in Britain — by the end of this year.

The Florida-based billionaire, who has pumped £1m a year into William Hague's defeated Tory party since 1997, is the most eye-catching name on the list of 33 working peers announced this morning.

Twenty are Labour, including the economist Richard Layard, the publisher Matthew Evans of Faber & Faber, the academic and race relations expert Professor Bhikhu Parekh, and five hereditary grandees restored to the Lords by Downing Street patronage.

With the Conservatives confined to four newcomers and the Liberal Democrats to nine, Labour now has more life peers than the Tories in the half-reformed Lords, 198 to 184. No party has a majority.

In imposing unprecedented conditions on the Ashcroft honour, the three-strong public honours scrutiny committee (PHSC), which vetoed the controversial financier's nomination last year, insisted that a

foreign-domiciled tycoon could hardly be a working peer, willing to turn up regularly and vote on the legislative treadmill.

In last-minute wrangling the committee — Lord Hurd (Tory), Lady Dean (Labour), and its chairman, Lord Thomson (Lib Dem) — did not reject Mr Hague's nominee outright. But they demanded his "clear and unequivocal assurance" that he will come home to live and pay his taxes. "That really is quite unprecedented," said one insider.

The struggle follows prolonged newspaper criticism of his business track record last year, including claims of money-laundering, leading to an Ashcroft libel suit against the Times, settled out of court.

Senior Tories deny claims that Mr Hague had to plead directly with Tony Blair for his candidate. Downing Street said discussions were "nothing to do with us", but confined to the PHSC.

The dispute was only resolved this week.

Last night Labour and Liberal Democrats denounced the new Lord Ashcroft as a "conditional peer" for whom the rules had been bent because he had given £3m from his £1bn fortune to shore up the Tories.

The Labour MP Peter

Bradley warned that Mr Hague would regret his "coronets-for-cash deal" on behalf of a tax exile who had been Belize's UN ambassador. Mr Ashcroft has now resigned that post, senior Tories revealed last night.

Mr Ashcroft himself said that he was "thrilled and honoured" to be able to make a contribution to the Lords "as a businessman, a campaigner against drugs and as a political party fundraiser".

So close and important is Mr Ashcroft's relationship to Tory party financial affairs that some Labour experts believe his elevation breaches the 1925 Honours (Prevention of Abuses) Act, which explicitly forbids attempts to procure honours in return for "gifts, money or valuable considerations".

The legislation followed the Liberal prime minister Lloyd George's blatant sale of honours. Some Tory MPs and peers are privately appalled, but party HQ loyally stood by the man who pays the bills.

The Tories pointed to Labour's nomination of the retired TV executive Alexander Bernstein as a known £5,000 Labour donor, and again accused Mr Blair of "packing the

Lords full of cronies". In fact No 10 found it hard to find people of talent willing to do the work and reputedly trawled the City and academia.

Daniel Brennan QC, chairman of the bar council, is on the Labour list. So is the TUC veteran Bill Jordan, and Janet Cohen, an ex-BBC governor and banker. Among the Lib Dem nominees, picked by Charles Kennedy from a list voted for by his party conference, is the grassroots activist and troublemaker Tony Greaves.

In his long career as the epitome of bearded and uncompromising Liberalism, untainted by the fleshpots of London, few colleagues would ever have seen Mr Greaves accepting ermine.

*But it is not an honourific  
appalled but in a way*

# Blair 'balances' Lords with 33 new peers

Lucy Ward

Political correspondent

Tony Blair today moves to create greater parity between Labour and the Conservatives in the House of Lords with the appointment of 33 new working peers to the second chamber.

In a step towards the government's pledge to rebalance the once Tory-dominated Lords to reflect parties' share of the vote at the last general election, the new intake will comprise 20 Labour peers, nine Liberal Democrats and four Conservatives.

The new influx, which follows the exit of all but 92 hereditary peers last November, leaves the upper house with almost 700 members. Of those, 202 are Labour, 236 Tory, 63 Lib Dem and 161 cross bench (without party affiliation), plus 26 archbishops and bishops.

Among the new recruits are a clutch of exotically-named aristocrats, including Thomas Orlando Lyttleton (Viscount Chandos); Julian Pascoe Francis St Leger (Baron Grenfell); and Anthony Fitzhardinge Gueterbock (Baron Berkeley).

The three are among five former Labour hereditary peers brought back to the Lords, together with a string of figures from the public sector, academia and trade unions.

The nine Lib Dems — fewer than the 15 the party had sought but almost double the five it was originally offered — include another Tony Greaves, a former councillor in Pendle, Lancashire and an energetic party activist known for his bobble hat and ability to get up the nose of a series of party leaders.

The Tory new intake includes Sebastian Coe, the Olympic gold medal-winning runner and Conservative leader William Hague's chief of staff.

Together, the 29 Labour and Lib Dems peers are regarded as fresh ammunition in Mr Blair's battle to push the repeal of section 28, which bans the promotion of homosexuality by local authorities.

Despite the exodus of the hereditaries, the part-reformed Lords has rejected both the repeal of the clause and a government attempt to

new pro-family sex education guidance for schools, as well as inflicting a string of other defeats on the government this year over issues ranging from the London mayor and Greater London authority elections to the regulation of private hospitals and homes.

## Michael Ashcroft Victory after bloody fight

Michael Ashcroft's struggle to convert his billion pound fortune into the kind of respectability that ends in a peerage has been one of the bloodiest in living memory.

Ashcroft, 52, is the son of a civil servant and as a boy lived in Belize, then a British colony but later, as an independent state, to figure largely in his financial dealings. He attended Norwich grammar school.

He was 26 when he borrowed £15,000 to set up a cleaning business that, four years later, he sold for £1m. His talent for deal-making was impressive but made colleagues in the City jealous and nervous. In 1984 he moved his interests to Florida, took over the ADT security firm for £600m, then moved to Belize, attracted by lax banking laws he helped set up.

Throughout his rise he had enemies who said he sailed too close to the wind, though friends describe him as unorthodox. Only when he emerged from the wreck of the Tory defeat in 1997 as donor and treasurer to William Hague, did the fight get really dirty.

The Spectator called him "The Man who Bought the Tory party" and the Times ran articles which hinted that his complex interests

were involved in laundering drug money from the Caribbean — suggestions which it denied making when both sides backed down last year over Mr Ashcroft's libel suit.

He has bought a £2m home 200 yards from the Lords and promised to start paying UK taxes again.

## Matthew Evans Publisher with robust style

If everyone has a book in them, then the one inside Matthew Evans, chairman of publishers Faber and Faber, at the moment is probably *How To Lose Friends And Alienate People*.

For a man noted for his charm and ability to smooth the most febrile of egos, his first day as the government's "museums tsar" was unfortunate to say the least. A robust speech to launch the new Museums, Libraries and Archive Commission — which he will head — managed to rub everyone up the wrong way. Museums, he maintained, needed to change drastically or risk turning into the "cultural version of Marks and Spencer". Even institutions at each others' throats over charging united in horror at this interloper who merrily admitted knowing little about them. They were not to know that Evans, a founder of the Groucho Club, has a dry sense of humour. Evans, of course, was right about the most salient fact, attendances are falling and no one quite knows what to do. The next day, well aware of the upset caused, culture secretary Chris Smith delivered the gentlest of raps on the knuckles. As a publisher, though, few would disagree that Evans is without peer. Irreverent, indiscreet, entertaining and astute, he managed to modernise once fusty Faber without sacrificing its commitment to writing of the highest quality and the writers that produce it.

Twice married, he has a home in the Cotswolds, and a seat on the board of the Royal Court theatre.

Fiachra Gibbons

**LABOUR**

**Bhikhu Parekh**

Renowned for uncompromising views on racism in New Labour Britain, Bhikhu Parekh, 65, is professor of political theory at Hull university and former vice-chairman of the Commission for Racial Equality.

He was educated at the university of Bombay, and worked as a lecturer at Glasgow and Hull universities, before being vice-chancellor of the University of Baroda in India, 1981-84.

**Kay Andrews**

Kay Andrews OBE is director of Education Extra, a charity promoting after-school activities for all children, including implementing the first summer literacy schemes. It also administers the Diana, Princess of Wales memorial award for young people.

**Angela Billingham**

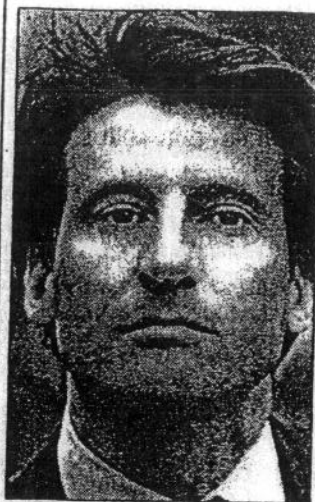
Angela Billingham, 60, is former Labour MEP for Northampton and Blaby. A councillor in Oxfordshire for many years, she contested Banbury in 1992 before becoming an MEP in 1994. After teaching at London University for 30 years, she is now a justice of the peace.

**Anne Gibson**

Anne Gibson, 59, OBE, is former national secretary of the Manufacturing Science and Finance Union. She was an Equal Opportunities commissioner, 1991-98, and a member of the TUC from 1989 and of Labour's national constitutional committee from 1997.

**Baron Acton**

Baron Acton, 58, is a writer. The fourth Baron of Aldenham, he studied at Oxford and was called to the bar in 1976, later becoming a senior law officer in Zimbabwe's ministry of justice. He joined the Lords as a cross-bencher in 1989, joining Labour's ranks in 1997.



**Sebastian Coe**

A peerage for Coe, 43, left, is reward for his service as deputy chief of staff then private secretary, and judo sparring partner, for William Hague. The Loughborough university-educated middle distance runner was made an MBE in 1982 and OBE in 1990. He became MP for Falmouth and Camborne in 1992, serving as a parliamentary aide to defence ministers and then Michael Heseltine as deputy prime minister, before losing his seat in 1997. He is married with two sons and two daughters.

**Janet Cohen**

Mrs Cohen, 59, right, is a leading merchant banker and BBC governor.

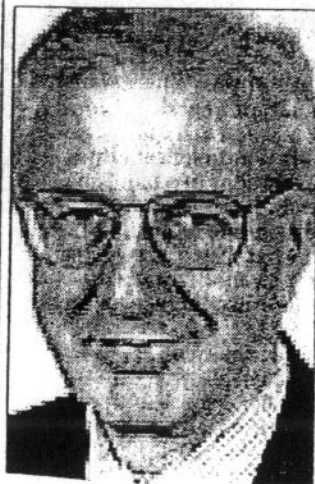
A non-executive director and consultant at Charterhouse bank since 1988, she is a Cambridge law graduate and qualified as a solicitor in 1965. She was a senior civil servant for 13 years, before joining Charterhouse. She also became an associate fellow of Newnham College, 1988-91.

Mrs Cohen, married with three children, also enjoys a successful second career as a thriller writer, writing under her maiden name Janet Neel.



**Richard Layard**

One of the architects, left, of the government's flagship New Deal project to get the long term unemployed back to work, he is director of the Centre of Economic Performance, and professor of economics at the London School of Economics. He is also an adviser to David Blunkett, the education secretary. Foremost among his ideas is the idea that the long term unemployed should be given subsidised jobs and training to get them back into the work habit. Since 1991 he has been a policy adviser to the Russian government.



ford and Pennsylvania universities.

**Tony Greaves**

Tony Greaves, 58, has been assistant to Chris Davies MEP and held various jobs in the Lib Dem party, as well as working as a book dealer. A councillor for Pendle and Lancashire, he is an Oxford graduate and is married with three children.

**Matthew Oakeshott**

Matthew Oakeshott, 53, is an investment director and a former special adviser to Roy Jenkins. An Oxford graduate, he is a former director of Warburg Investment Management and manager of Courtaulds Pension Fund. He was an Alliance candidate in Cambridge in 1983 and a member of the SDP national committee.

**Lord Redesdale**

Lord Redesdale, 32, is the second Lib Dem hereditary peer. The sixth baron, he is a Newcastle graduate and was a member of the House of Lords technology select committee, 1993-97, and Lords spokesman on overseas development 1994-99.

**John Roper**

John Roper, 64, was MP for Farnworth, 1970-83, and is a special adviser on European defence policy to Lib Dem foreign affairs spokesman Menzies Campbell. A graduate of Oxford and Chicago universities, he is a visiting professor at the College of Europe in Bruges, honorary professor at Birmingham university, and a former editor of the journal of the Royal Institute of International Affairs.

**Ros Scott**

Ros Scott, 42, is the LibDem group leader on Suffolk county council, where she has been a councillor since 1993. A graduate of East Anglia university, she was a Mid Suffolk district councillor, 1991-94, and is vice-chairwoman of the Local Government Association's transport committee.



**Baron Berkeley**

Baron Berkeley OBE, 60, the 18th baron, is chairman of Rail Freight Group. A Cambridge graduate, he has chaired the Piggybank Consortium since 1993 and was a member of the Channel Tunnel Group/Euro-tunnel, 1981-96.

**Alexander Bernstein**

Alexander Bernstein, 64, is chairman of the Old Vic Theatre Trust and a trustee of the Royal National Theatre Development Council since 1996. He chaired Granada Group for many years, and the board of the Royal Exchange theatre in Manchester, 1984-94.

**Daniel Brennan**

Daniel Brennan QC, 58, is chairman of the Bar Council and a deputy high court judge and crown court recorder. He was a member of the criminal injuries compensation board, 1989-97, and recently joined a Foreign Office-sponsored tour of South America investigating human rights issues.

**Viscount Chandos**

Viscount Chandos, 47, third Viscount of Aldershot, is chairman of Lopex plc. He was educated at Eton and Oxford. He began a career in banking in 1974, becoming a director of Kleinwort Benson in 1985 and a Labour treasury spokesman in 1995.

**George Fyfe**

George Fyfe, 59, is chief executive of the Midlands Co-operative Society and chairman of the Co-operative Wholesale Society. It has a turnover in excess of £3.1bn, including the Co-operative Insurance Society and the Co-operative Bank.

**Julian Hunt**

Julian Hunt is a leading academic on environmental pollution and climate modelling, based at the Department of Space and Climate Physics and Geological Sciences, at University College London. A former Cambridge fellow, he is at the forefront of the development of technology aimed at dealing with air pollution.

**William Jordan**

William Jordan CBE, 64, is general secretary of the International Confederation of Free Trade Unions. He is a former BBC governor and is a member of the Victim Support Advisory Group and English Partnership.

**Parry Mitchell**

Parry Mitchell is founder and chairman of Syscap and head of the Mitchell charitable trust for poverty relief. He is also founder of the Breakaway Trust in Salisbury that provides holidays for disabled people, and a patron of Jewish Care and World Jewish Relief.

**Kenneth Morgan**

Kenneth Morgan is a research professor at University College of Swansea. He is an authority on modern Welsh political history and his works include biographies of Lloyd George and Keir Hardie. He is currently visiting professor at Bristol university.

**Baron Ponsonby**

Baron Ponsonby of Shulbrede, 41, is the fourth baron. He was a Wandsworth councillor, 1990-94 and a former Lords

spokesman on education. He was a delegate to the Council of Europe and the Western European Union.

**Sir Leslie Turnberg**

Sir Leslie (Arnold) Turnberg, 66, is president of the British Society of Gastroenterology. A research scientist, he is also president of the Medical Protection Society, vice-president of the Academy of Medical Services and chairman of the UK Forum for Genetics and Insurance.

**Baron Grenfell**

Baron Grenfell, 64, is a hereditary peer returning to the Lords. Educated at Eton and Cambridge, he is a former adviser to the World Bank, a captain of the Queen's Royal Rifles and sometime writer for the ATV television station. He published a novel, *Margot*, in 1984.

**LIBERAL DEMOCRATS**

**Earl of Mar and Kellie**

The Earl of Mar and Kellie, 51, the 14th Earl, is one of two Lib Dem hereditary peers. He went at Eton and is a former social worker and a flying officer in the Royal Auxiliary Air Force. *Who's Who* lists his hobbies as canoeing and railways.

**Lindsay Granshaw**

Lindsay Granshaw, 45, has been chairwoman of the Women Liberal Democrats group since 1992. A lecturer at University College London, 1984-91, and a former research fellow, she stood as a parliamentary candidate in Basildon in 1997 and is a graduate of Ox-

**David Shutt**

David Shutt, 58, is a chartered accountant who was awarded an OBE for his services as a trustee of the Joseph Rowntree Charitable Trust, Demos and the Irish Peace Institute. He is leader of the Lib Dem group on Calderdale council.

**Joan Walmsley**

Joan Walmsley, 56, graduate of Liverpool university, public relations consultant since 1987, teacher at Buxton College in Derbyshire 1979-86. She was on the party's West Midlands Euro candidate list in 1998, and a parliamentary candidate in Congleton in 1997 and Leeds South and Morley in 1992.

**CONSERVATIVES**

**Robin Granville Hodgson**

Robin Granville Hodgson CBE, 57, has been chairman of the Granville Group since 1995. He was MP for Walsall North in the late 70s and is a well-known grandee of the Tory party in the country, as chairman of the national convention which oversees the voluntary wing of the party.

**Dame Sheila Masters**

Dame Sheila Masters is a partner at KPMG, the accountancy firm, and a director of the Bank of England, since 1994. She was seconded to the treasury, 1979-81, rising to director of finance at the health department, 1988-91.

*Julia Hartley-Brewer,  
Will Woodward*

## Ladies first

Hugo Young (Comment, 23 March 30) forgets we have only an interim House of Lords. The Wakeham Commission recommended an independent appointments commission, under no obligation to appoint the nominations of party leaders, and separation of the peerage from membership of the reformed house. If these are accepted, some of Hugo Young's worries should be dispelled. He also fails to recognise the contribution made by women — on the government side by senior figures such as Baronesses Hollis, Jay and Blackstone and the younger group of Baronesses Scotland, Amos, Kennedy, Udin etc, who are making the Lords much more representative of our pluralistic society.  
**Rt Revd Richard Harries**  
Bishop of Oxford and member of the Wakeham Commission

# The Guardian

## A house built on sand 23

### The interim Lords is little improvement

The list of new life peers makes dismal reading. Most names are lacklustre: Sebastian Coe was a distinguished athlete, but not much cop as a legislator — yet he wins a seat in our parliament on the whim of his party leader, whom he serves as judo partner and bag-carrier-in-chief. The Conservative party treasurer Michael Ashcroft must be the first peer-to-be whose elevation comes on condition that he deigns to live in the country whose laws he seeks to write. He has survived controversy, so the ermine will be his. Who else? Labour has reversed its previous distaste for the hereditary peerage by recalling seven of the bluebloods, five of whom will take the Labour whip. Thanks to this manoeuvre, it has now recovered one quarter of the hereditary caucus in the Lords it lost last November: quite a feat. There are some pleasing inclusions. The Labour historian and biographer Kenneth Morgan is one; Matthew Evans, who has kept Faber and Faber an independent-minded publisher, is another. So too is that eloquent advocate of multiculturalism, Bhikhu Parekh. But mostly they are a pretty bland bunch.

But what makes this morning's list truly depressing is the headed notepaper on which it arrives: 10 Downing Street. For even though this is the 21st century, and even though we are in the third year of a reforming, Labour government, this woeful practice of prime ministerial appointment to the second chamber continues. Make no mistake, the source of this list — whatever camouflage may be used to disguise the fact — is the office of Tony Blair. We remain governed by a system which allows the executive to hand-pick one half of our legislature. It is worse than an anomaly; it is an affront to democracy.

The indictment amounts to more than the kneejerk criticism that the Lords is

being stuffed with Tony's cronies. As it happens, and as Michael White made clear in yesterday's paper, the upper house has been a far from supine creature since the hereditaries were sent packing. It has rebelled repeatedly, inflicting 10 defeats on the government — with the revolts occasionally led by the very Labourites branded "cronies". The Lords were right to rebel when they defended the right to trial by jury, right again to insist that candidates in London's mayoral election should get a free mailshot to voters. They were wrong, in our view, to defend Section 28. But the problem is not the merits of the rebellions, but the right of the Lords to stage them. In each case, the government has been able to dismiss these challenges from the Lords as illegitimate. Since they are unelected, says Labour, they have no right to hold up the elected Commons.

That suits Labour just fine. Whenever the Lords create trouble, they can be rubbished — even though they sit in an interim second chamber of the government's own making. This is what makes full-blooded reform of the Lords so urgent. As things stand, peers cannot do the job which our system cries out for, acting as a check and balance on the executive. That is not because the wrong people are chosen — as we have seen, one-time cronies can fast become troublemakers. It is because their basis of selection remains so undemocratic. As long as this interim, limbo period remains the Lords will always be dubbed a house of placemen, their challenges to the government waved aside as illegitimate. Yet we need that challenge. To get it, we need to finish the job of reforming our second chamber. That requires not the minimum of elective democracy apparently favoured by Downing Street — but the maximum.



# Ashcroft accepts peerage (and that he must reside in Britain)

MICHAEL ASHCROFT, the Conservative party's treasurer and biggest donor, won his battle to be elevated to the House of Lords after last-minute negotiations with the body which vets new peers.

The Political Honours Scrutiny

BY ANDREW GRICE AND  
FRAN ABRAMS

Committee, which rejected William Hague's nomination of Mr Ashcroft last year, approved his peerage after the controversial Florida-based businessman promised move back to Britain and to give up

his position as the UN ambassador for Belize.

In an unprecedented move, Mr Ashcroft will not be allowed to take his seat in the Lords until he lives permanently in Britain. Downing Street said he had given "a clear and unequivocal assurance" to do so by the end of this year.

Labour MPs claimed Mr Hague had been forced into the humiliating position of pleading with the vetting committee on behalf of the man who is bankrolling his party. "This shows there is nothing Mr Hague would not do for him," said one Labour backbencher. "People will be asking how close

this gets to cash for peerages."

Mr Hague shocked Downing Street by nominating Mr Ashcroft again this year. Ministers believe the three-strong committee said "no" again and that a persistent Mr Hague sought to negotiate with it. However, the Tories claim the committee merely sought

"clarification" over where Mr Ashcroft would live and his role for Belize.

Mr Ashcroft has previously claimed that snobbery among the establishment had stopped him receiving the peerage traditionally granted to the Tory treasurer.

"As a businessman, as a

campaigner against crime and drugs and as a political party fund-raiser there are a number of subjects in which I have both great interest and some experience."

# Honour at last for peer of the off-shore realm

WHEN MICHAEL ASHCROFT donned a cap and gown to collect an honorary doctorate from Anglia Polytechnic University last October, he might have suspected the honour was the last he would get.

The Tory treasurer's nomination for a peerage had been rejected a few months earlier by the House of Lords' Honours Scrutiny Committee. He had been criticised by Labour MPs for his links with Belize and had attempted to sue The Times newspaper over the suggestion - since refuted - that he was linked with criminal activity.

But last night the billionaire businessman was celebrating the news that his name was on a new list of working peers.

The appointment was bound to prove controversial, not least

BY FRAN ABRAMS 4  
Westminster Correspondent

because Mr Ashcroft had many other interests to attend to.

He resigned as Belize's Ambassador to the United Nations on Wednesday, but Tory sources admitted it would be months before he fulfilled a promise to move his main home from Florida to the UK.

With major business interests in Europe, the US and Belize, Mr Ashcroft is known to spend much of his time over the Atlantic. He is registered to vote in Maidenhead, Berkshire, but has houses in Westminster and in Boca Raton, Florida, as well as a base in Belize and a sizeable yacht, the Atlantic Goose.

Mr Ashcroft has a reputation for being one of the business

world's more bucaneeering characters, with complex take-over bids and his jet-setting lifestyle. One bruised financier who lost out to him on a deal described him as "a deal junkie" who was "clever and sharp in the best sense of the word".

In the City those traits have long been regarded with suspicion, and were said to have led him to move his business, ADT, to Bermuda in the mid-1980s. He sold the company in 1997 to an American firm, Tyco, but still holds shares in it.

Mr Ashcroft's friends have dismissed the sniping about him as mere snobbery, born of his grammar school background and his penchant for deals that few other people can understand. But though they say he cares little for what others think of him, it was clear last night that he had dearly wanted a peerage.

In return for the honour, he resigned his Belize post and gave an assurance to the Honours Scrutiny Committee that he would move back to Britain before taking up his seat.

Although Mr Ashcroft has lived abroad for 15 years, he has remained involved with a number of charitable organisations in Britain, detailed in a biography released yesterday.

Mr Ashcroft founded two major charities, Crimestoppers

and Action on Addiction, and remains a major funder and trustee of both. He also funded the ADT City Technology College in Wandsworth and two other schools, one in Belize and the other in the Turks and Caicos islands.

Back at the businessman's alma mater, Anglia Polytechnic University, senior staff remained coy about whether last year's doctorate would be rewarded with a large cheque. However, Mr Ashcroft's office said it was safe to assume there would soon be an announcement on the endowment of a new business school.

The entrepreneur completed an HND in business studies at the Chelmsford wing of the university in 1964, when it was known as Mid-Essex Tech. He phoned its alumni officer last year while revisiting old haunts in the area and has since funded a development study for the business school.

However, Mr Ashcroft's spokesman said last night that he had no plans to give up his Belize passport. Dual nationality would not stop him from sitting in the House of Lords. "Why would Baron Ashcroft of Belize want to give up his Belize passport?" asked the spokesman, before adding "You misunderstand the man; you think that is a joke."

Not quite "in return for"

# The age of the triple-barrelled Labour Lord

IT WAS the moment when the classless society finally arrived in Britain. Alastair Campbell, press secretary to Tony Blair, could not contain his laughter last night as he read out a list of new life peers and their party affiliations.

"Richard Gerald Lyon-Dalberg-Acton, Baron Acton - Labour." Guffaws from the assembled Westminster journalists. "Anthony Fitzhardinge Gueterbock, Baron Berkeley, OBE - Labour." More laughter.

But the new peers with more prosaic names, such as plain, self-made Michael Ashcroft and Robin Hodgson, were Conservatives.

Perhaps someone had got their wires crossed. After all, Baron Berkeley was described in a Downing Street press release as chairman of the "Piggybank Consortium". Surely this was the group Mr Ashcroft used to fund the Conservatives?

Labour's two barons are among six former hereditaries who were brought "back from the dead" only four months after the hereditary peers passed into oblivion.

The other former members who can now return to the best club in London are Labour's Viscount Chandos and Baron Grenfell and two Liberal Democrats - the Earl of Mar and Baron Redesdale.

But the classless society had its limits and there was no life after death for the massed ranks of 300 Tory hereditary peers who were cast into the wilderness last November.

The Tories are granted only four new working peers in the list announced today, compared

BY ANDREW GRICE  
Political Editor

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to 20 for Labour and nine for the Lib Dems. The new working peers were created to help Labour close the gap between it and the Tories in the so-called "interim House of Lords" which will exist until Labour goes ahead with stage two of its reforms of the second chamber.

But even after today's appointments, the Conservatives will have 236 peers compared to Labour's 202, the Lib Dems' 63, 161 crossbenchers and 26 bishops and archbishops.

Mr Blair may therefore be tempted to announce another list of working peers by the summer, which might help him to secure the abolition of Section 28 through a reluctant Upper House.

Apart from the controversial Mr Ashcroft, the best known name on today's list of new peers is Sebastian Coe, the former Olympic gold and silver medallist and world record holder, who is private secretary and judo partner to William Hague. Mr Coe had given up running again for the Commons after losing his Falmouth and Camborne seat at the 1997 general election.

In a rather uninspiring list of new peers, some colour was provided by the presence of Tony Greaves, a fully paid-up member of the "beard and sandals brigade" who used to cause mayhem for the Liberal leadership at party conferences before the party merged with the SDP and became respectably boring.



INDEPENDENT

31/03/00

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## The honours system dishonours our national life: it should be scrapped

2.3

THE BRITISH system of honours is corrupt. The peddling of titles to party donors degrades our national life. It diminishes this New Labour government all the more because Tony Blair adopted such a high-minded posture in opposition, attacking the Conservatives for influence-peddling, and promising a new politics capable of renewing the bond of trust between government and governed.

It was strictly for the birds. Yes, Labour brought in compulsory disclosure of political donations. But the whole point of that – it might have been thought – was to embarrass our political leaders into behaving properly. Instead, Mr Blair's argument seems to be that because we know that most of the peerages he doled out have gone to party donors, that is all right.

It is not. Any advance made by expelling most of the hereditary element from the Upper House has been almost wiped out by the continued sale of places in the interim chamber of appointees. It is quite extraordinary, in the light of such venality, that the "reformed" House of Lords has voted against the Government so many times since the hereditaries were dispatched to their estates last year. It is a measure of this government's lack of moral purchase that it is unable to persuade even its own cronies of the virtues of curtailing trial by jury, refusing free mailings to London mayoral candidates and repealing Section 28.

The Upper House still lacks legitimacy. There is no alternative to sweeping the whole edifice away and rebuilding on sound foundations. That foundation must be democracy, which has two consequences. One is that the core of the second chamber must be elected. The best model proposed so far is that the majority of its

members should be senators elected for long, non-renewable terms, so that they remain immune to the blandishments of the party whips. The miserable piece of toadying produced by Lord Wakeham's committee, proposing that either a tiny or a modest proportion of the Upper House should be elected, would be no better than the present House of Cronies.

The other consequence is that it cannot be called the House of Lords. The removal of the hereditary principle from our legislature is not enough. The idea of calling people Lord or Lady should be left behind in the 20th century, by the end of which it was already out of date. Of course, there can be no restraint on what people are allowed to call themselves, but there should be no feudal titles awarded by the state. A little pomp is right in Parliament, but adding handles to people's names is an undemocratic form of shamanism. The mere fact that people are prepared to donate large sums of money to political parties in the hope of acquiring them is testament to their undesirable power.

The drafters of the American constitution had the right idea in 1787: "No title of nobility shall be granted by the United States." It is not just the nobility. There is the gentry, too. The dispensing of knight-hoods, like merit stars to well-behaved children (Richard Branson got his yesterday), is nearly as offensive as dishing out places in a legislative assembly. There are plenty of other ways of recognising civic service than state-conferred feudal titles.

It is disappointing that Mr Blair's rhetoric of modernisation has proved so shallow in respect of honours. Today's list of working peers will further undermine his bond of trust with the British people.

# This deeply corrupt system is undermining our constitution

THE NEWS that we must now read about Lord Ashcroft should come as a surprise to no one. As the Prime Minister would say in his characteristically verbless sentences – “New Labour, new money.” The fact that it is Tory money makes it worse. It does not matter who you are, you can still buy your way into Tony Blair’s parliament. And the fact that it comes as no surprise makes it worse yet. It means that the Government has won a major political victory in so disenchanting people with the possibility of reforming parliament, that we dismiss its corruption with a shrug of the shoulders.

Corruption in the miserable, sleaze-ridden sense of selling public office, but also the larger corruption of retaining an illegitimate, self-appointing so-called élite to a chamber dedicated to scrutiny and revision – to ensure that it shovels through whatever the executive strong-arms past the Commons.

This is not to say that only a completely elected second chamber is acceptable. This is the principled approach taken by Charter 88 and others who argue that the route to legitimacy and democracy is election. Certainly if the powers of such an upper house were well defined, that could work. But there are also good arguments for a second chamber which is not totally elected. Negative arguments against gridlock, and positive arguments for creating an assembly different from the House of Commons and not dominated by party discipline. Together, they make a case, not for not turning the British system into an American one, but instead obliging the Commons to do its job properly.

Alas, the brief of the Labour-controlled Wakeham Commission on the Lords was not to reform the system in any such way. Instead, it exploited arguments against election to propose a second chamber which will be as undemocratic, illegitimate, crony-ridden and as corrupt as the present one.

By making sure that this was all we have to look forward to, the Commission also ensured that we will have to suffer the present contemptible half-way House for the foreseeable future. Now we know just what this means.

The transition between the intolerable and the unacceptable means that the starting price to buy your way into becoming a life-long British legislator is about £2m. The Wakeham

ANTHONY  
BARNETT 24

*‘It does not matter who  
you are, you can still  
buy your way into  
Tony Blair’s parliament’*

Commission will protest that it has proposed an independent appointments procedure that will provide a safeguard against such blatant acquisition of privilege for cash. But this is only the most odoriferous and superficial form of degradation. The real corruption runs deeper and undermines the constitution.

The Commission makes much of its idea of ensuring a presence of up to 50 per cent women, some ethnic representation and regional voices – eventually. This will be part of the brief for its proposed Appointments Commission which, it thinks, should be made up of eight people, three or so members of the Lords and three representing the main political parties provided they are not MPs.

None of this will come onstream in a significant fashion for 10 years or so. Then they will start to appoint and, yes, re-appoint members for 15 years. Thus not only will the chamber be self-selecting, it will be re-selecting itself.

Appoint someone when they are 50, pay them a decent part-time retainer and day-rate. When they are 60 they’ll think, “this is a fine place, cheap bars, good meeting place, the only club in London which pays you to be a member, could enjoy a further 15 years after I’m 65, must behave myself and let the Appointments people know I am a good chap”.

Corruption? Of course not, just human nature. It is also human nature that the Commission will not re-appoint outspoken peers if their col-

leagues from the Lords agree that they failed to appreciate what Wakeham calls, “the ambience, conventions and style” of the House.

Had Wakeham stipulated that the Appointments Commission should be 50 per cent women, have a member from every region, include people from ethnic minorities, not be made up of peers at all, and hold its interviews in public, it would be different. Then, provided re-appointment was

The corruption of their thinking goes wider still, to envelope the constitution itself. The report quotes Gladstone saying that Britain’s unwritten constitution “presumes, more boldly than any other, the good faith of those who work it”. Gladstone was right; it did indeed depend upon the

good faith. Having quoted Gladstone the Commission goes on to quote John Major. He told them that it would be “highly desirable to have in place a respected Committee of distinguished people who understand how the British constitution works”.

The implication is that British politicians no longer know the meaning of “good faith”. Indeed, Mr Major foremost among them. It was he who secretly and successfully plotted with Neil Hamilton to amend the Bill of Rights of 1689 so that MPs could drop their parliamentary immunity and “pick and chose their privilege” if they wanted to sue a member of the public complaining about their parliamentary performance. Mr Major ordered his spokesman to state that “neither the Prime Minister nor his office has ever been involved” in this constitutional outrage. Later it was admitted Mr Major “steered it through”.

Such are those who “know how the constitution works”. Good faith no longer has anything to do with it. Needless to say, the Wakeham Commission embraced the idea. There would be no need to define anything, instead a distinguished committee with members who will have “a keen awareness of the web of understandings and conventions that underpins the effective workings of the constitution” will oversee the system.

The mafia could not have put it better. Naturally, Baroness Jay welcomed the proposal for the Government. Lord Strathclyde echoed her endorsement for the Tories. Lord Rogers agreed for the Liberal Democrats. You pays your money and you takes your choice. Ashcroft is a apt symbol for today’s House of Lords.

*The writer is the author of ‘This Time: our constitutional revolution’*

**4** **T**HROUGHOUT the Lords reform process - if it can any longer be called that - the Prime Minister has talked of his desire to 'even up', things between Labour and the Conservatives in the Upper House.

With 20 new working peers announced last night, plus nine Liberal Democrats who can be relied on to take Labour's side more often than they take the Tories', the business of 'evening up' starts to look something of an understatement.

A week ago, the Government lost a Lords division on its controversial plans for sex education in schools by 45 votes. That margin would have been cut to 19 had these peers been in place, given that Michael Ashcroft will not yet be taking his seat.

Indeed, had things been that close, Labour might well have got its vote out more effectively and snatched victory from defeat - the Government has lost innumerable divisions in the Lords in the last three years because of non-attendance by supposedly 'working' peers. With 'evening up' now under way, things in the Lords are going to change, and the electorate are unlikely to approve.

Together, Labour and the LibDems now outnumber the Tories by about 265 to 232. Quite a few Tory life peers are very old, and some too infirm ever to attend the House. Although the 150 cross-benchers can therefore exert a great influence, many of them, too, are quite elderly, or regard it as an important principle not to thwart the elected government.

The new peerages do not quite create an elective dictatorship, where the Government can get whatever business it likes through Parliament; but the sheer weight of numbers now means it becomes considerably harder to defeat Labour in the Lords, and therefore the chances of stopping any measures go from being remote to almost non-existent.

Our constitution was not meant to work like this. The second chamber was never supposed to be under the control of the whips in the Commons, but that is how it will now be. A very high proportion of Labour peers are there not because they are men or women of distinction, but because they are willing to toe a party line.

The old idea of a revising chamber where independent judgment could be exercised has been seriously eroded since Mr Blair came to power, and it crumbled badly yesterday. Now the Lords is taking the form that a government with such contempt for Parliament as this must always have hoped it would - that of a rubber stamp for an obedient House of Commons.

The tactic might yet backfire on Mr Blair. This side of an election, some of Labour's older peers - veterans of the Wilson and Callaghan days - may be more inclined to miss votes or engage in more active opposition to the new regime, simply to hamstring the arrogant and presumptuous approach the Government now takes towards its supporters in the Lords.

**A**FTER an election - by which time a couple more lists of peers will have made the prospect of defeats in the Lords even less likely - the burden of opposing Labour will probably return to the

# How Blair is turning the noble Lords into a pack of poodles



COMMENTARY

By Simon Heffer

porters, meaning that the vestiges of Old Labour will have considerable power compared with today. The spectacle of an entirely tame House of Lords, based more and more on one man's patronage, is likely to be all the provocation they need.

Mr Blair's patronage must also be a cause for concern. In his three years in office, he has created 203 life peers. In 11 years, Mrs Thatcher made 201. This, too, is becoming a constitutional mockery, and no one can pretend we are being any better governed.

To an extent, the Tories are hoist with their own petard. The agreement they entered into to save 91 hereditary peers, while well-intentioned, has given Mr Blair all the excuse he needs to postpone, and probably abandon, any further reform of the Upper House.

Had Lord Cranborne, the then Tory leader, not played ball with Mr Blair, the Prime Minister may well already have been forced into a wholesale reform process in which his own patronage was not the main means of staffing the Lords. As the Lords continues its transformation into Mr Blair's poodle, the reform that has taken place so far will seem ever more like an act of unnecessary vandalism. The old hereditary-based assembly was never the anti-democratic conspiracy Labour painted it as.

**P**EERS defeated the last Tory government 290 times in 18 years, something about which Labour kept pretty quiet. The Lords took huge care over, and brought immense expertise to, the revision of legislation. And it stuck to the gentlemen's agreement never to defeat the Labour government on a manifesto commitment, an understanding that has fallen by the wayside since the eviction of the hereditary peers. Last night's new creations are an important, and perhaps crucial, part in the process of substituting something that was branded anti-democratic with something that really is. No government in history has ever claimed that, just because it wins an election, it has a perfect right to do whatever it likes until the next one, though this administration seems to be coming worryingly close to the idea.

The public are used to seeing governments held to account by Parliament when they overstep the mark - as all governments do - and to seeing unpopular policies jettisoned. They may not always have realised it in the past, but the mechanism that more often than not defended their rights and liberties was the 'undemocratic' House of Lords.

We are likely to see less of that from now on. And, when the electorate wakes up to the unpleasant fact that governments can now do much as they like, we might even live to see the supposedly boring and arcane question of the British constitution becoming of burning interest to us all.



# Conditional peerage shock for Ashcroft

WILLIAM HAGUE last night succeeded in getting the man who bankrolls the Tories into the House of Lords - but at a price.

In an unprecedented move, the Political Honours Scrutiny Committee said billionaire party treasurer Michael Ashcroft cannot receive his peerage until he becomes a permanent resident of this country.

The pre-condition followed a bitter behind-the-scenes struggle which has thrown the spotlight once again on the controversial Belize-based billionaire who has given £3million to the Conservatives since Mr Hague became leader.

Mr Ashcroft was one of four Tories - another was former Olympic champion Seb Coe, Mr Hague's private secretary - in a list of 33 new working peers, 20 Labour and nine Liberal Democrats, announced by Downing Street. Designed to beef up the Government's strength in the Lords, it triggered claims that the Prime Minister is packing it with more "Tony's cronies".

The Labour peers include retired television executive Alexander Bernstein, who has donated more than £5,000 to the party, and four former hereditaries who lost their seats in last year's reform of the Lords but who have now been recycled.

The Scrutiny Committee

## 'This plumbs new depths'

insisted on tying strings to Mr Ashcroft's appointment - and then making them public. After intense haggling, Mr Hague, desperate to get Mr Ashcroft the peerage he had promised him, had no option but to agree.

But the committee - one-time Tory Foreign Secretary Lord Hurd, former trade union leader Baroness Dean, and LibDem peer Lord Thomson of Monifieth - made little attempt to disguise its distaste.

It said: 'In order to meet the requirements for a working peer, Mr Michael Ashcroft has given his clear and unequivocal assurance that he will take up personal residence in the United Kingdom again before the end of the calendar year. He would be introduced into the House of Lords only after taking up that residence.'

LibDem foreign affairs spokesman Menzies Campbell declared: "The rules would not have been bent if Mr Ashcroft had not been a £3million sup-

porter of the Tory Party. Anyone who thinks that manipulation of this kind enhances the reputation of Parliament and politics is living on another planet."

By David Hughes  
Political Editor

Labour backbencher Peter Bradley, who under cover of Parliamentary privilege last year accused Mr Ashcroft of being involved in drug money laundering, said that 'cash for coronets plumbs new depths'.

He added: 'How else can William Hague justify his support for a Tory peer who has spent the last 20 odd years as a tax exile, an overseas resident and the UN ambassador for a foreign country?'

Tory sources said Mr Hague was delighted. 'It has vindicated his support for Michael at a time when he was the target for a political and media smear campaign,' said one source. 'It shows that if you push William into a corner, he will fight back.'

They said Mr Ashcroft would become a UK resident 'in the course of this year'. Currently his main home is in Florida. It will take him some time to sort out his business affairs before he returns from tax exile.

Conservative HQ said he has already resigned as Belize's ambassador to the United Nations, which was another issue that worried the Scrutiny Committee.

The Labour list also included publishing boss Matthew Evans of Faber and Faber, and former trade union leader Bill Jordan.

The list is broadly uncontroversial and that was seen in Westminster last night as a deliberate attempt to allow

the Ashcroft appointment to attract all the political heat. The Conservatives claimed it meant that Mr Blair has appointed 203 life peers in just under three years while Margaret Thatcher appointed 201 in 11 years.

The Tory Leader in the Upper House, Lord Strathclyde, accused Mr Blair of 'packing the House full of cronies who will do whatever he says'. He added: 'Tony Blair should concentrate on implementing proper reform of the Lords instead of cramming it full of his cronies.'

Last night's appointments, which included a total of eight women, still leaves Labour short-handed in the Lords with 202 peers compared to 236 Tories, 63 LibDems, and 161 cross-benchers.

# Daily Mail

## COMMENT

### Hague's missed opportunity 12

THIS is a depressing moment for the small, beleaguered band of Tory supporters who still cling to the hope that their party is capable of climbing out of the pit. The list of new life peerages provides further evidence that William Hague has learned little from the disasters and humiliations of recent years.

Yet this could have been a golden opportunity for the Tories to attack a Prime Minister who has now created a total of 203 life peers – more than Margaret Thatcher in all her years in power. The culture of cronyism is on the march.

Step by step, Tony Blair is edging towards an elective dictatorship, in which a packed House of Lords will be just as much of a rubber-stamp as the complaisant Commons. The Tories should be on the rampage.

But William Hague is compromised. In his own quota of four new Tory peers, he has chosen to include the controversial party treasurer, Michael Ashcroft. It is difficult to imagine a choice more damaging to Tory morale. Or more disdainful of what the public might think.

Consider the record. Mr Ashcroft is a tax exile with no obvious qualifications to be ennobled, other than his remarkable generosity to party funds. He was turned down for a peerage last year by the honours scrutiny committee.

And the embarrassment continues. This time, he has been allowed a peerage only on the somewhat demeaning condition of giving his 'clear and unequivocal assurance that he will take up permanent residence in the United Kingdom again'. And as though to ensure that he won't go back on his word, the official note adds: 'these undertakings have been endorsed by the leader of the Conservative party and conveyed to the Prime Minister.'

Hardly a ringing endorsement. But then – fairly or not – Mr Ashcroft's name continues to inspire a certain unease.

Last year, the Times newspaper – without managing to substantiate any of its charges – linked his name with money-laundering and drug-running. Mr Ashcroft sued. The case was settled out of court, with the paper accepting that its suggestions were not true, but offering no apology or damages.

Mr Ashcroft is of course entitled to feel vindicated. But however politically sensible it may have been to avoid a long, debilitating legal action, is not the public equally entitled to wonder why such a wealthy man didn't insist on his day in court? In politics, appearances matter.

That is why Mr Hague has blundered. As this paper has argued, the Tories were always unwise to rely so heavily for their financing on one individual – especially one as colourful as Mr Ashcroft. Now their determination to clothe him in robes of ermine looks uncomfortably like a payback for all his millions. That impression cannot help the party's cause.

After all, when Mr Hague took over, he promised to get rid of the grubbiness and sleaze that drove millions of voters away in disgust. Yet how has he performed?

His much-vaunted ethics committee has never seemed particularly effective. He backed Jeffrey Archer in the race to become mayor of London, ignoring repeated warnings of the risks. And now he promotes an honour which he must know will provoke a hostile reaction.

Who can blame Tory supporters for feeling dismayed? Their party has no chance of regaining the public trust unless every vestige of sleaze – or even the suspicion of sleaze – is rooted out.

And a peerage for Mr Ashcroft is hardly the best way of going about it – especially when the Tories should be exposing the way Tony Blair is so insidiously undermining a Parliamentary system that has always been strengthened by an independent Second Chamber.