

IT DOESN'T ADD UP

Peter Mandelson appears very much the well-off man-about-town. In addition to the trappings of office in the shape of a chauffeur-driven Rover saloon, all-expenses-paid trips to visit foreign decision-makers and invitations to the most exclusive soirées around, he has a large house on a sought-after street in one of London's most fashionable districts and a four-storey Victorian semi in his Hartlepool constituency.

His London house alone is valued in excess of £500,000 and local estimates put the price of his Hartlepool residence at £70,000. Not bad going for a man who, until last May, was on a back-bencher's salary of around £43,860. As Minister without Portfolio, he now earns £87,851, but even that would appear to be hopelessly inadequate to support such an expensive brace of properties. In fact, the mortgage on his London home is said to be in the region of £150,000. But that still leaves us with the question of where the other £350,000 came from.

Perhaps it was grandpa. After all, Mandelson did once say: "From an early age I was my grandfather's grandson," and Herbert Morrison was a man who rose to within a heartbeat of the highest office, being at various stages deputy Secretary of the Labour Party, Home Secretary and Foreign Secretary. A trip to the Guildhall, however, reveals that the great man left £28,000 when he died in 1965 — around £300,000 at today's prices. And it all went to his second wife. His first wife, Mandelson's grandmother, and her immediate family received nothing.

Mandelson's extrovert father George,

Mandelson scrapes by on a minister's salary. So how can he afford a £500,000 house in Notting Hill? Dominic Midgley and Pete Sawyer investigate

who preferred to be called Tony, was both the advertising director and financial editor at the *Jewish Chronicle*. Tony, who was also nicknamed Mandy, died in 1988 after working for the paper for 30 years. He left the family home in Hampstead Garden Suburb, and other assets valued at £57,711, to his widow, Mary.

So this leaves us with the profits of Peter Mandelson plc (as his newly market-aware Labour Party might put it). After leaving St Catherine's College, Oxford, in 1977, he worked in the economics department of the TUC. Hardly a goldmine. By 1979 he was a Labour councillor in the London borough of Lambeth, a position that paid only an extremely modest attendance allowance, probably less than £5 a session.

In 1982 he joined LWT on the same day as Tony Moss, now the BBC's head of factual entertainment. Contemporaries there recall him as "very spotty and pock-marked, but extremely obsequious and very good at ingratiating himself with the right people". One even goes so far as to say: "He would have made an excellent valet." He was, however, "incredibly meticulous and hard-working" and soon progressed from this position as a researcher on *The London Programme* to a producer on Brian Walden's *Weekend World*. Walden is reluctant to comment on the former *wunderkind's* performance, confining himself to a terse: "He was very good at what he did, but then he would be, wouldn't he."

What we do know is that when Mandelson left commercial television to join the Labour Party as Neil Kinnock's £21,000-a-year director of campaigns and communications, he didn't have to take a vertiginous pay cut. Former colleagues reckon he couldn't have been on more than £30,000 a year when he left LWT.

It wasn't until 1990 that Mandelson was exposed to a line of work that could conceivably have offered him the sort of cash that would fund the lifestyle he has today. He was taken on by at least two strategic consultancy outfits, Prima (see "Lord Snooty of the Commons", *Punch*, last issue) and SRU, the company founded by Peter York, author of *The Sloane Ranger Handbook*. In addition to advising multinationals on the prospects for relevant

legislation under a New Labour regime, however, he had to tout for a constituency and, once one was found, nurture his constituency electorate.

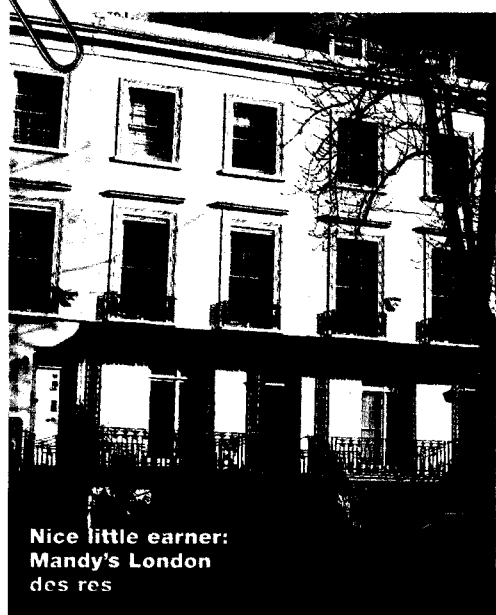
If, for the sake of argument, we assume that this brief window of commercial activity failed to furnish sufficient readyies for him to purchase his current home on November 12, 1996, where else could it have come from? One rumour has it that it was his friend Robert Harris, the former political commentator and best-selling author of *Fatherland* and *Enigma*, who made him a loan. But Harris strenuously denies that he had any role in the purchase.

"Absolutely not true," he says. "There was one point two years ago when we were thinking of buying a place in London and Mandy would live in it during the week while we stayed in the country. But then we had another baby and decided not to go ahead with it. That's probably where the rumours started. He bought his own place without any assistance from me, I can assure you." Which takes us back to square one.

In these ethically scrupulous days, however, there is one last possible means of resolving the mystery, the Register of Members' Interests. Alas, here too the cupboard is bare. But the office of the Parliamentary Commissioner for Standards, Sir Patrick Neil, does point out that personal gifts and loans — quaintly termed "relief from indebtedness" in Parliamentary parlance — need not be declared.

The published rules relating to the conduct of MPs state: "Both the possible motive of the giver and the use to which the gift is put have to be considered. If it is clear on both counts that the gift or benefit is entirely unrelated to membership of the House, or would not reasonably be thought by others to be so related, it need not be registered. If there is any doubt, it should be registered."

So there we have it. Mandelson either enjoyed an 18-month-long period of spectacular income generation, a pal who did not like to see him slumming it came to the rescue, he had an incredible coup on the stock market, or he won a fortune on the gee-gees. And that's all there is to it. □



Nice little earner:
Mandy's London
des res