



House of Commons  
Committee on  
Standards and Privileges

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**Conduct of Mr George  
Galloway**

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**Seventh Report of Session 2005–06**

*Report and Appendices, together with formal  
minutes*

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## The Committee on Standards and Privileges

The Committee on Standards and Privileges is appointed by the House of Commons to oversee the work of the Parliamentary Commissioner for Standards; to examine the arrangements proposed by the Commissioner for the compilation, maintenance and accessibility of the Register of Members' Interests and any other registers of interest established by the House; to review from time to time the form and content of those registers; to consider any specific complaints made in relation to the registering or declaring of interests referred to it by the Commissioner; to consider any matter relating to the conduct of Members, including specific complaints in relation to alleged breaches in the Code of Conduct which have been drawn to the Committee's attention by the Commissioner; and to recommend any modifications to the Code of Conduct as may from time to time appear to be necessary.

### Current membership

Rt Hon Sir George Young Bt MP (*Conservative, North West Hampshire*) (Chairman)  
Rt Hon Kevin Barron MP (*Labour, Rother Valley*)  
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The constitution and powers of the Committee are set out in Standing Order No. 149. In particular, the Committee has power to order the attendance of any Member of Parliament before the committee and to require that specific documents or records in the possession of a Member relating to its inquiries, or to the inquiries of the Commissioner, be laid before the Committee. The Committee has power to refuse to allow its public proceedings to be broadcast. The Law Officers, if they are Members of Parliament, may attend and take part in the Committee's proceedings, but may not vote.

### Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at: [www.parliament.uk/sandp](http://www.parliament.uk/sandp). A list of Reports of the Committee in the present Parliament is at the back of this volume.

### Committee staff

The current staff of the Committee are Dr Christopher Ward (Clerk), Miss Libby Preston (Second Clerk) and Miss Michelle Owens (Secretary).

### Contacts

All correspondence should be addressed to The Clerk of the Committee on Standards and Privileges, Journal Office, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 6615.

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# Conduct of Mr George Galloway

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## Introduction

1. We have considered a memorandum by the Parliamentary Commissioner for Standards relating to a complaint against Mr George Galloway, the Member for Bethnal Green and Bow, by Mr Duncan Crossey. Mr Crossey complained that Mr Galloway had failed to include in his entry in the Register of Members' Interests the George Galloway Legal Fund (the Legal Fund). Mr Galloway had launched this fund in June 2003 to help finance his legal costs in libel actions he had initiated against the *Daily Telegraph* and the *Christian Science Monitor*.

2. The Commissioner's memorandum is appended to this Report. In summary he concludes, arguing from first principles, that Mr Galloway should have registered both the existence of the Legal Fund (under Category 10) and those individual contributions which exceeded the threshold for registration as gifts (under Category 5).

3. Mr Galloway consistently maintained to the Commissioner that he had no obligation to register the Legal Fund. In essence he advances three arguments in support of this contention:<sup>1</sup> the existence of the Fund and its objectives were self-evidently in the public domain; he had no personal access to the resources of the Legal Fund; he now had no need to draw on its resources and, as he undertook to do in this eventuality when publicly soliciting contributions in 2003, he intended to repay all contributors. He maintains that the Legal Fund would only have become a benefit to him had he lost the libel case, as he would then have drawn on it to mitigate his legal bills, and states that he would have registered it at that point.

4. Prior to considering the Commissioner's memorandum, we invited Mr Galloway's comments on it, and these are reproduced at Appendix 2.<sup>2</sup> In these, he strongly disputes "the argumentation, conclusion and public interest justification" of that memorandum.

5. We consider Mr Galloway's arguments in detail later in this report. However, we note at this point that the only issue for us to decide is whether, as Mr Crossey alleges in his complaint, Mr Galloway should have disclosed the existence of the Legal Fund in his entry in the Register of Members' Interests and, if so, in what way.

## The Context

6. At the heart of this case is a fundamental difference of view between Mr Galloway and the Commissioner as to the scope of the interests which are registrable. The present structure derives in large measure from the First Report from the Select Committee on

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<sup>1</sup> WE6, p. 24.

<sup>2</sup> p. 26.

Members' Interests of Session 1991–92,<sup>3</sup> which was, in all material respects relevant to this Report, approved by the House on 28 June 1993.<sup>4</sup>

7. In approving the Report, the House endorsed the main purpose of the Register of Members' Interests as “to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament”.<sup>5</sup> This statement is now incorporated in the Guide to the Rules, as the Commissioner notes in his memorandum.<sup>6</sup>

8. The Committee also proposed “more detailed and explicit guidance to Members” about the classes of interest they were required to disclose, and these classes are essentially those still in use in the Register. However, the Committee continued:

“We do not wish this increased precision to detract from the obligation upon Members to keep the overall definition of purpose in mind when registering their interests. It is a cardinal principle that Members are responsible for making a full disclosure of their own interests in the Register; and if they have relevant interests which do not fall clearly into one or other of the specified categories, they will nonetheless be expected to register them.”<sup>7</sup>

9. The Committee went on to lay down nine specific categories for registrable interests, updating those originally approved by the House in 1975.<sup>8</sup> It added a tenth (Category 10 in the Register) “for the registration of interests which Members consider to be relevant and covered by the definition of the Register’s purpose, but which do not obviously fall within any of the specified categories”.<sup>9</sup>

10. It is clear from the above that the House saw the nature of the interest as the paramount element in deciding whether an interest is registrable, the specific classification being a secondary matter. Neither we or our predecessors appear to have been required to decide whether a fund such as the Legal Fund should be registered. **We therefore consider that the Commissioner was right to approach this question from first principles, and note that he did so in a way wholly consistent with the approach of the Select Committee on Members' Interests in 1992.**

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3 HC 326 (1991-92).

4 CJ (1992-93), p. 709.

5 HC 326 (1991-92), para 27.

6 Appendix 1, para. 31.

7 *Ibid*, para 29.

8 *Ibid*, para 6.

9 *Ibid*, para. 36.

## The Key Questions

11. Mr Galloway argues that there was no need to register the Fund as its existence was public knowledge. He maintains that “the Register is supposed to put into the public domain details of members interests which might otherwise be unknown to the public”.<sup>10</sup>

12. The Commissioner rejected this argument, and so do we. As we have made clear at paragraph 8 above, it is the intention of the House that any relevant interest, not just interests which are not public knowledge, should be included in the Register.

13. Given the definition of the main purpose of the Register, we agree that the two key questions are those identified by the Commissioner in paragraph 32 of his memorandum.

14. Did Mr Galloway receive any pecuniary interest or other material benefit from the existence of the Legal Fund? The Commissioner concludes that Mr Galloway received both. It is clear from Mr Galloway’s own evidence that he had a pecuniary interest as the purpose of the Legal Fund was to help finance his legal costs.<sup>11</sup> Indeed in his e-mail appealing for funds he said “I can’t do it without your help and I hope you will donate what you can.”<sup>12</sup> The material benefit included the costs paid from the Legal Fund;<sup>13</sup> even if these are subsequently recoverable following Mr Galloway’s victory in the Court of Appeal, he has avoided meeting these from his personal resources in the meantime.

15. Mr Galloway does not appear to have challenged the similar conclusions in the Commissioner’s memorandum. **We therefore conclude that Mr Galloway received both a pecuniary interest and material benefit from the existence of the Legal Fund.**

16. Was the benefit such as a reasonable person might think could influence Mr Galloway in his actions, speeches or votes in Parliament, or actions taken in his capacity as a Member?

17. Two preliminary questions also need to be addressed prior to seeking to answer these questions. The first is the status of the donations: should they be seen purely as gifts, and thus be treated as subject to the requirements of Category 5 if they related in any way to his membership of the House? The second is whether Mr Galloway’s position as a Member of Parliament was in any way material to his taking the libel action.

18. On the status of the donations, we have no doubt that the Commissioner was right to regard these as gifts. As the *Guide to the Rules* makes clear in relation to gifts, the motives of the donor are one relevant factor. In the absence of any evidence to the contrary, we cannot believe that donors had any realistic basis at the time of deciding on Mr Galloway’s prospects of ultimate success, and thus of assessing the likely prospects of their donation being returned. They were in reality, as Mr Galloway maintains, making a gesture of

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<sup>10</sup> WE6, p. 24.

<sup>11</sup> WE2, p. 21.

<sup>12</sup> WE2, p. 22.

<sup>13</sup> Appendix 1, para 23.

support for him in launching his legal action. We have no doubt that it is reasonable to view donations as gifts to Mr Galloway to help meet his legal costs.

19. Mr Galloway seeks to argue that even if they were gifts, there was no prospect of him being influenced by them, even by those which exceeded the Category 5 threshold. The threshold set by the House for registration is the point at which it considers that there is prima facie evidence that a reasonable person might think a Member might be influenced. Whether or not Mr Galloway was in fact influenced is immaterial.

20. The existence of the Legal Fund influenced the conduct of the libel action, but was Mr Galloway's position as a Member in any way relevant to it. Mr Galloway asserts that it was not.<sup>14</sup> The Commissioner identifies substantial evidence to suggest that it was.<sup>15</sup>

21. We note from the Court of Appeal Judgement that the allegations in the *Daily Telegraph* clearly refer to Mr Galloway's membership of the House. We also note that in a leader published on 23 April 2003, the newspaper commented of Mr Galloway:

“...He has betrayed Parliament....Whether or not he has committed a criminal offence, he has done great damage, not only to his own reputation, but also to that of Parliament”.

22. The *Daily Telegraph* clearly linked its criticisms of Mr Galloway to his membership of the House of Commons. In these circumstances, and in the light of the evidence referred to by the Commissioner, we agree that Mr Galloway's position as a Member of Parliament was indeed relevant to the libel action.

**23. We therefore share the Commissioner's view that both questions set out in paragraph 16 are answered in the affirmative. It follows that we agree with the Commissioner that both the Legal Fund, and individual donations exceeding the Category 5 threshold, are in principle registrable.**

24. This case raises, as the Commissioner pointed out in his memorandum, a situation which appears not to have arisen previously. The Legal Fund is, for the most part, an accumulation of a large number of very modest contributions (leaving aside the four largest donations, the average contribution was about £40) to a single vehicle for a common purpose, which accumulated to a significant sum. Had this been multiple sponsorship or gifts from a single donor, the rules would have required their aggregation. From first principles, it is clear that in this case the vehicle should have been registered, irrespective of the existence of the four large donations. **As there is no other category in which such vehicles can be registered irrespective of the size of donations, it is clear that, as the Commissioner has concluded, they should be registered under Category 10 if they met the overall criteria for registration laid down by the House.**

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<sup>14</sup> Appendix 2, p. 26.

<sup>15</sup> Appendix 1, paras 43-44.

25. The Commissioner has suggested that, for the future, the scope of Category 5 (Gifts) might be extended specifically to include collective funds of this and of a similar nature. We propose to give consideration to this suggestion in our forthcoming review of the *Guide to the Rules*, and we therefore welcome views on this suggestion.

### Other points raised by Mr Galloway

26. In the concluding section of his final submission to us, Mr Galloway makes a number of more general assertions, not all of which are directly relevant to the matter on which we are required to come to a decision. We do, however, wish to comment on two of them: that the interpretation of the rules has in some way been varied by us, to Mr Galloway's detriment; and that there is a political motivation behind the timing of this report.<sup>16</sup>

27. We reject any suggestion that the interpretation of the rules has been varied in this case to Mr Galloway's detriment. As both we and the Commissioner have demonstrated, our conclusions as to the registrability of both the Legal Fund and certain large donations are firmly based on the principles underlying the arrangements approved by the House on the advice of the Select Committee on Members' Interests nearly 15 years ago.

28. We also reject any suggestion of political motivation in the timing of this report. Indeed, the primary reason why we have not previously reached a conclusion in this case is the length of time that Mr Galloway and his advisers have taken to reply to enquiries from the Commissioner. In this context, we note that it took over two months for Mr Bays to respond on Mr Galloway's behalf to the Commissioner's request for a formal response to the complaint,<sup>17</sup> and over a month to produce the list of donors. **Mr Galloway and his advisers undoubtedly could and should have responded much more promptly to the Commissioner's requests. Had they done so, we could have disposed of this complaint significantly earlier.**

### Conclusions

29. As we have already said, we agree with the Commissioner that Mr Galloway should have registered the Legal Fund under Category 10 and the four individual donations that exceeded the registration threshold for Category 5 (Gifts). We therefore uphold Mr Crossey's complaint.

30. **In the light of this conclusion, Mr Galloway should register both the Legal Funds and the relevant donations accordingly, within seven days of the publication of this report. In accordance with our usual practice in cases of failure to register an interest, we have asked the Commissioner to ensure that these entries appear in the next published Register in a distinctive form. If Mr Galloway fails to comply, we reserve the right to give further consideration to this case, and to report again to the House.**

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<sup>16</sup> Appendix 2, p. 26.

<sup>17</sup> Appendix 1, paras 15-16.

# Appendix 1: Memorandum from the Parliamentary Commissioner for Standards

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# Complaint against Mr George Galloway

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## Background

1. In April 2003, the “Daily Telegraph” newspaper published documents which, it was alleged, showed that Mr George Galloway (now the Member for Bethnal Green and Bow but at the time the Member for Glasgow, Kelvin) had received, directly or indirectly, financial assistance from the former Iraqi regime through the diversion of monies under the UN Oil for Food programme.

2. Mr Galloway immediately and vigorously contested the allegations, and in response, instituted a libel action against the owners of the “Daily Telegraph”, Telegraph Group Limited. He also launched a separate action against “The Christian Science Monitor” which had published other documents purporting to show that Mr Galloway had improperly received money from the former Iraqi regime. In May 2003, Mr Galloway launched the “George Galloway Legal Fund” (the Legal Fund) to help finance his legal costs in these actions, and appealed for donations. This fund has been administered throughout on his behalf by his solicitors, Davenport Lyons.

3. The “Christian Science Monitor” settled the action against it when the documents published by that newspaper were revealed to be forgeries. The action against Telegraph Group Limited was heard in the High Court and resulted in the award of damages, and costs in Mr Galloway’s favour. An appeal by Telegraph Group Limited was dismissed on 25 January 2006, and the company subsequently announced that it would not be seeking leave to appeal to the House of Lords.

## The Complaint

4. On 18 August 2005, Mr Duncan Crossey wrote to me saying that he wished formally to complain against Mr Galloway in respect of his alleged failure to register or declare the existence of the Legal Fund. Mr Crossey wrote:

*The financial benefit to Mr Galloway is that, as he claims in the enclosed correspondence, he could not have brought the above mentioned libel action without this financial assistance.”*

The text of Mr Crossey’s letter of complaint is at WE1.

5. The correspondence to which Mr Crossey referred is an e-mail drawn from the web-site of “Al-Jazeera”. Attached to that e-mail (from a supporter of Mr Galloway) was another e-mail from Mr Galloway himself which, as Mr Crossey notes, appears to have been sent from Mr Galloway’s e-mail address at the House of Commons. The text of the e-mail from Mr Galloway is at WE2. The e-mail is, in effect, a circular letter to supporters announcing the establishment of the Legal Fund and appealing for donations.

6. The Committee will be aware that the documents published by the “Daily Telegraph” also form the basis of complaints made to me in April 2003 that Mr Galloway had received some £375,000 from the former Iraqi regime, under the guise of the UN Oil for Food

Programme, which he had not recorded in the Register of Members' Interests<sup>1</sup>. My inquiries into these complaints have not yet been completed, and they are therefore outside the scope of this report.

## Relevant Provisions of the Code of Conduct and Rules of the House

7. The Code of Conduct applying to Members of the House has from its inception included a provision that:

*“Members shall fulfill conscientiously the requirements of the House in respect of the registration of interests in the Register of Members' Interests and shall always draw attention to any relevant interest in any proceeding of the House or its Committees, or in any communications with Ministers, Government Departments or Executive Agencies.”*

8. The requirements of the House concerning the registration of interests are set out in “The Guide to the Rules relating to the Conduct of Members.” Categories 4, 5 and 10 of the Rules are potentially relevant to the present case.

9. Under Category 4 (b), a Member of Parliament is required to register:

*“. . .any . . . form of financial or material support as a Member of Parliament, amounting to more than £1,000 from a single source, whether as a single donation or as multiple donations of more than £200 during the course of a calendar year.”*

This category is intended to cover any financial or material benefit (apart from donations to his or her constituency association, which are covered by Category 4 (a)) in support of a Member's role as a Member of Parliament.

10. Under Category 5, a Member must register:

*“Any gift to the Member or the Member's spouse or partner, or any material benefit, of a value greater than 1 percent of the current parliamentary salary from any company, organisation or person within the UK which in any way relates to membership of the House.”*

The threshold for registration under this provision is one percent of a Members' salary (currently £590; in 2003, £550) or any gifts of a lesser value from the same source which cumulatively total more than one percent in the course of a calendar year. There is a similar obligation to register gifts of this amount from overseas sources under Category 7.

11. In addition, it is appropriate to note category 10. This is the Miscellaneous category of the Register, intended to pick up any matters which do not fall obviously within one of the other categories but the registration of which would be appropriate given the Register's

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<sup>1</sup> See the Committee's First Report, Session 2003-04 (HC 73), and Sixth Report, Session 2004-05 (HC 509).

purpose as a record of interests which might reasonably be thought to influence a Member in the conduct of their Parliamentary duties. Category 10 covers:

*“Any relevant interest, not falling within one of the above categories, which nevertheless falls within the definition of the main purpose of the Register which is “to provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches, or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament,” or which the Member considers might be thought by others to influence his or her actions in a similar manner, even though the Member receives no financial benefit.”*

## My inquiries

### Chronology of events

12. I immediately informed Mr Galloway of the receipt of Mr Crossey’s complaint. Mr Galloway responded swiftly with an e-mail, the full text of which is at WE 3. In this, he confirmed that he had made a public appeal when he had begun his legal actions against “The Christian Science Monitor” and “The Daily Telegraph”. According to Mr Galloway, all cheques were made payable to “George Galloway Legal Fund” and sent to Davenport Lyons.

*“The firm has administered the fund throughout and I have had absolutely no access to it.”*

The appeal, he said, had raised some £50,000. No donation had exceeded £1,000 and Mr Galloway thought there had been fewer than five donations of that size. When establishing the Fund, Mr Galloway had told potential donors that all contributions would be carefully recorded. Donors would be reimbursed to the extent that their contributions were not needed to meet costs of the actions.

13. Mr Galloway argued:

*“I have not ‘failed’ to include this in my registration in the Members’ Register. There has been no pecuniary benefit to me from these donations. If anyone has benefited it is my lawyers. People responded to my appeal because they thought the interests of justice were served by enabling me to take legal action against those who defamed me. I would have hoped that you would be able to answer this politically motivated press stunt accordingly. . . There are no mystery donors and to my knowledge no foreign donors. The donors are ordinary members of the British public who believe that this apparently endless persecution of me and trashing of my integrity is unfair. I hope, on this complaint at least, you will side with them.”*

14. In this context, it is relevant to interpolate that, prior to my receipt of Mr Crossey’s complaint, I had been approached by a journalist raising similar issues to those raised by Mr Crossey, but not making a formal complaint against Mr Galloway. The journalist indicated that, at one point, a member of Mr Galloway’s staff had told him that I or my

office had advised Mr Galloway that he did not need to register the Fund. Mr Galloway has since said that no member of his staff ever made such a remark to the journalist concerned. There is certainly no record or knowledge in my office of any request for advice about the Fund being made by Mr Galloway or by anyone acting on his behalf.

15. On 4 October 2005, after some further correspondence with Mr Crossey which did not add materially to the grounds of his complaint, I wrote to Mr Galloway formally seeking his response to the complaint. A copy of my letter is at WE4. In it I requested information about the precise total raised by Mr Galloway in response to his appeal for support; about who had made donations and of how much; and about the uses to which the funds raised had so far been put. My concern was primarily to establish the extent, if any, to which the respective thresholds applicable to the registration of interests under categories 4 and 5 of the Rules had been crossed, and in what ways Mr Galloway had benefited materially from the existence of the Legal Fund. In view of the involvement of Davenport Lyons in its administration, I copied this letter to Mr Kevin Bays of Davenport Lyons, Mr Galloway's legal adviser.

16. After several reminders (by telephone and in writing), I received on 13 December a reply from Mr Bays on Mr Galloway's behalf. Mr Bays' reply read:

*“The money donated to Mr Galloway's legal campaign was not donated in support of Mr Galloway's role as a Member of Parliament but to assist him to bring a claim for libel in his personal capacity in relation to serious allegations damaging to his reputation. The vast majority of the donations were for small amounts well under any threshold. The existence of the fund was of no significance in our taking of this case. Mr Galloway is personally liable for our fees. If he recovers his costs from the publishers of the Telegraph, he intends to reimburse the donors.”*

17. As neither Mr Galloway nor Mr Bays had responded to my request for precise information about the total size of the Fund or the size of individual donations, I wrote again to Mr Galloway on 20 December, with a copy to Mr Bays, seeking this information. Mr Galloway replied on 3 January. The text of his reply is at WE5. He largely repeated the information he had given me before and questioned why I wanted to know the names and amounts given by individual donors. However, he concluded by saying that, if I felt it appropriate, I might request the list of donors from Mr Bays with his agreement.

18. On the following day I wrote to Mr Bays enclosing a copy of Mr Galloway's letter and again requesting a list of all donors to the Fund and of the amounts they had given. I also enquired whether any part of the capital or interest of the Fund had been used to meet any part of the costs so far accumulated in relation to the case, or in any other way so as to assist Mr Galloway, requesting a reply by 20 January.

19. I rang Mr Bays on 26 January, following a conversation he had had earlier in the week with my PA. Mr Bays confirmed that he did have the information I had requested but questioned why I needed to know the names of those who had contributed. I explained that I needed the information to assess whether the donations to the Fund (including any multiple donations) were registrable. As I had earlier assured Mr Galloway, the names of the individual donors would remain confidential to me unless they were directly pertinent to any report I might make to the Committee on Standards and Privileges on the

complaint before me. After discussion, Mr Bays agreed to send me details of the donors and the amounts they had contributed, and this information reached me on 8 February.

### ***The size of the Legal Fund and Donations to it***

20. Analysis of the material supplied by Mr Bays reveals that the total of donations made to the Legal Fund between 12 May and 13 November 2003 (the date of the last recorded donation) was slightly over £41,000. Some 918 people donated. At least 6 of the donors lived abroad. 16 donors gave more than once. Many of the donations made were of relatively small amounts. A few donations to the Legal Fund were made in currencies other than sterling.

21. Overall, no individual donation exceeded the threshold for registration under Category 4, but four individual donations exceeded the threshold for registration under Category 5. The four donations in question were of sums of £1,000, £1,000, £800 and £822.50 respectively. Of those who contributed more than once, none made total donations exceeding the threshold for the registration of donations under either Category 4 or 5 of the Rules.

22. While the Legal Fund was administered by Davenport Lyons, Mr Galloway was, I understand, made aware by them both of the names of donors and of their contributions.

### ***The Use made of the Fund***

23. Following further prompting, Mr Bays replied on 20 February to my earlier requests for information about whether the Legal Fund had been used to meet any part of the costs incurred by Mr Galloway in connection with the libel actions. Mr Bays wrote:

*“The Fund has been used to pay some of the costs incurred in connection with the libel action which was the purpose of the donations. Now that the Telegraph has decided not to pursue an appeal and Mr Galloway has been successful in his legal action, to the extent that it is possible the donations will be returned to the donors.”*

24. On 23 February, I enquired of Mr Galloway and Mr Bays what Mr Galloway intended to do with any money it proved impossible to return to those who donated it. Mr Bays replied on 21 March saying:

*“Subject to any restrictions on doing so, Mr Galloway would intend that any money which cannot be returned to donors would be donated to an appropriate good cause.”*

In a letter dated 29 March responding to my invitation to comment on the initial draft factual sections of this report, Mr Galloway added:

*“The answer to your question about what would happen to any funds donated which were unable to be returned (though I do not anticipate such a problem) is that they will be donated to St Vincent de Paul charitable society in my constituency.”*

### **Mr Galloway's Response**

25. In that same letter (the text of which is at WE6), Mr Galloway continued strongly to dispute that the Legal Fund or any individual donations to it were registrable. To the arguments in support of this which he had already adduced, Mr Galloway added the following:

*“The Register is supposed to put into the public domain details of Members’ interests which might otherwise be unknown to the public. This fund was publicly advertised. . .”*

I consider this and the other arguments advanced by Mr Galloway in the concluding section of my report.

### **Findings of Fact**

26. In May 2003, Mr Galloway set up the Legal Fund to help meet the costs of his libel actions against “The Daily Telegraph” and “The Christian Science Monitor”. The Fund was administered by Mr Galloway’s solicitors, Davenport Lyons, but Mr Galloway was kept aware by them of the identity of the donors, and of their contributions. When establishing the Fund, Mr Galloway told potential donors that contributions would be returned to the extent that they were not needed to meet legal costs.

27. Between May and November 2003, 918 people donated a total of just over £41,000 to the Legal Fund. Four of the individual donations made were greater than the threshold for registration of gifts under category 5 of the Rules on registering interests. None was above the threshold for registering donations or sponsorship under category 4.

28. Mr Galloway’s legal representative has confirmed both that the Legal Fund has been used to pay some of the costs incurred in connection with Mr Galloway’s libel action against “The Daily Telegraph” and that, following the award of costs in Mr Galloway’s favour in that action, it remains his intention, to the extent that it is possible, to return donations made to the Fund to those who made them. Subject to any restrictions on doing so, any funds donated which cannot be returned will be given to a charitable society in Mr Galloway’s constituency.

29. Mr Galloway strongly denies that he is under any obligation to register donations to the Fund. He argues that he has not had personal access to it and, especially given his intention to return the moneys donated following the success of his libel action, has had no pecuniary benefit from it. Had he lost the case, he would have registered the Fund. He contends that the money donated to the Fund was not given to him in support of his parliamentary role but to assist him in bringing a claim for libel in his personal capacity. He further contends that the Register of Members’ Interests is intended to put in the public domain details of interests which might otherwise be unknown to the public. There was nothing secret about the Fund, which was publicly advertised.

## Conclusion

### Introduction

30. The issue posed by Mr Crossey's complaint is whether Mr Galloway should have included in the Register of Members' Interests an entry relating to his Legal Fund and to the more sizable donations to it.

31. In addressing that question I start from the basic purpose of the Register as set out by the Select Committee on Members' Interests in 1992 (and approved by the House in June 1993), and reproduced in paragraph 9 of the Guide to the Rules relating to the Conduct of Members. This defines the Register's main purpose as being:

*“To provide information of any pecuniary interest or other material benefit which a Member receives which might reasonably be thought by others to influence his or her actions, speeches or votes in Parliament, or actions taken in his or her capacity as a Member of Parliament.”*

32. I deduce from this that there are two main tests to apply when deciding whether the Legal Fund as a whole should have been registered:

- a) Did Mr Galloway receive any pecuniary interest or other material benefit from the existence of the Legal Fund?
- b) Was the benefit such as a reasonable person might think could influence Mr Galloway in his actions, speeches or votes in Parliament, or actions taken in his capacity as a Member?

33. If the answer to both of these questions is in the affirmative, then in my view the Fund should have been registered. There is also a separate question, irrespective of this, of whether any individual donations should have been registered (notwithstanding any undertakings on Mr Galloway's part to keep confidential the names of the donors).

### Mr Galloway's Arguments

34. Mr Galloway answers both the questions posed in paragraph 31 above in the negative, and concludes that he had no obligation to register the Fund. To the first, he says that the Fund was administered by his legal adviser and the money never came near him. He also argues that since, having been successful in his libel action and awarded costs he now intends to repay those who donated (and to give any residue remaining to a charity), any benefit he may have secured from the existence of the Fund is immaterial.

35. Mr Galloway also adduces a further argument which it may be convenient to address before I turn to the two questions posed above: that the Register of Members' Interests is intended to put in the public domain details of interests which might otherwise be unknown to the public. His fund had been publicly advertised: indeed its eventual size depended on such public advertisement. Hence, is the implication, it was not necessary for him to mention it in the Register.

36. The Register is certainly about making interests transparent: but the fact that they are public knowledge in other contexts has never been taken by the House to obviate the need to include them in the Register. An interest may not be secret, but may still be known only to a few, or to those in a particular sector of society. A central purpose of the Register is to draw together information about all the relevant interests of Members, previously avowed or unavowed, in one particular place where it is readily accessible to all Members and to the public. I cannot therefore accept Mr Galloway's argument that there was no need to register the Fund on the grounds that its existence was public knowledge.

### ***Did Mr Galloway have a pecuniary interest or material benefit?***

37. Turning to the first question, I accept that Mr Galloway has not had personal access to the Fund. However, he had a clear pecuniary interest in it. His legal adviser, Mr Bays, has confirmed that it has been used to pay some of the costs incurred in connection with the libel action (see paragraph 22 above). Had the Fund not existed, Mr Galloway would have been personally liable for these costs. The existence of the Fund has, as was its intention, thus facilitated the conduct of the libel action.

38. Mr Galloway has in my view also gained other material benefits from the existence of the Fund. The libel action went on for some 2 ½ years. During that time the moneys in the Fund have been available to his legal adviser, and have in effect provided Mr Galloway with a financial buffer similar to that provided by a legal insurance policy. It is in my view reasonable to assume that the Fund's existence may have had some influence in the conduct of the libel action.

39. I therefore conclude that the answer to the first of the two questions set out above is in the affirmative. Mr Galloway has in my view received both pecuniary and other material benefit from the existence of the Legal Fund.

### ***Might the fund have influenced Mr Galloway's actions?***

40. Turning to the second question, was the Fund itself, and were any individual donations to it over any relevant registration threshold, benefits which a reasonable person might think could influence Mr Galloway in performing his actions, speeches or votes in Parliament or actions taken in his capacity as a Member? In my submission, yes. As Mr Galloway's letter of 29 March makes clear, the stakes involved in the libel action were high, particularly by the time the action went to trial: not only in relation to his public reputation but, if he had ultimately lost in the Court of Appeal, a bill for legal costs of almost £2 million, which in his view would have led to personal bankruptcy and consequent vacation of his Parliamentary seat. While by that stage the resources of the Fund may have had little impact on the eventual outcome, the knowledge of those who had donated to it, particularly those who had donated larger sums, might well have been a potential source of influence.

41. There is also the question of whether the Fund might reasonably have influenced actions taken by Mr Galloway in his capacity as a Member. Central to this is the question of the capacity in which Mr Galloway pursued his legal actions: was this purely a personal

matter, or was the defence of his reputation as a Member of Parliament a material factor and, if so, could he be said to have taken the action, at least in part, in his public capacity?

42. Mr Galloway's legal adviser, Mr Bays, argues on his behalf that he brought his claim for libel purely in his personal capacity :<sup>2</sup>

*"The money donated to Mr Galloway's legal campaign was not donated in support of Mr Galloway's role as a Member of Parliament but to assist him to bring a claim for libel in his personal capacity in relation to serious allegations damaging to his reputation."*

43. Mr Galloway himself, on the other hand, emphasises, in the circular letter at WE2, the political motivation which, he asserts, underlay the media's "vicious attacks" on him. The letter ends:

*"I sincerely hope I can count on your support in what will be an important political as well as legal struggle."*

44. Also, Mr Galloway's personal written submission to the hearing in the High Court of his action against Telegraph Group Limited said of The Daily Telegraph's allegations:<sup>3</sup>

*"I cannot imagine nor can I remember more serious allegations being made against a politician."*

In oral evidence during cross-examination in the High Court, Mr Galloway said of the suggestion that he had sought money under the Oil for Food programme:

*Q (Mr Price) – "Yes, there could hardly be a more serious allegation about a British Member of Parliament, could there?"*

*A (Mr Galloway) – "That is why I am here."<sup>4</sup>*

Later on during the same cross-examination, Mr Galloway described the allegations published by "The Daily Telegraph" as "a dagger, a sword right through my political heart."<sup>5</sup>

45. As Mr Bays indicates, at the heart of the libel action was Mr Galloway's reputation. I have no doubt that a key element in the prominence given by the media to the allegations made against Mr Galloway, was his public persona. Mr Galloway's position as a Member of Parliament is, in my submission, a vital element in his public persona, and therefore in his public reputation as a whole. His own comments set out above suggest that Mr Galloway shares this view.

46. It is, I believe, clear that Mr Galloway's position and reputation as a Member were inextricably bound up with the libel action, and therefore were at stake in its outcome.

<sup>2</sup> See paragraph 16 above.

<sup>3</sup> Witness statement of George Galloway dated 22 July 2004, paragraph 89

<sup>4</sup> Transcript of High Court hearing, Day 1, pages 23, lines 29-30.

<sup>5</sup> Transcript, Day 1, page 24, lines 12-13.

From this I conclude that he was pursuing the libel action in large measure in his public, not simply in his private, capacity. The existence of the Legal Fund, as I have already demonstrated, clearly contributed to the conduct of that action.

47. In my view, it would be reasonable to conclude that Mr Galloway might well have been susceptible to influence from donors to the Legal Fund in his capacity as a Member of Parliament. I therefore answer the second of the questions in paragraph 31 above in the affirmative.

**48. I conclude that, examining the matter from first principles, both the existence of the Legal Fund and any individual donations to it over the relevant registration threshold should have been included in the Register.**

### ***How should the Fund and individual donations have been registered?***

49. As I have pointed out above<sup>6</sup>, Categories 4, 5 and 10 are potentially relevant to this case. In the following paragraphs, I examine each in turn to establish where the Fund, and the individual donations, might most appropriately be registered in the light of my conclusion in the preceding paragraph.

50. It is clear on the facts that, if the donations were to be seen as sponsorship, and thus in principle registrable under Category 4, Mr Galloway did not need to register them as none of the individual donations to the Fund reached the threshold of more than £1,000 which could have rendered them registrable in this category. Even if they had passed this threshold, this would not in my view have been the appropriate category as its primary purpose is to ensure the registration of donations made to Members either as candidates or in support of their parliamentary role. As paragraph 27 of the Guide to the Rules notes:

*“Any contribution for the personal benefit of a Member should be entered under Category 5 (Gifts, benefits and hospitality (UK)).”*

51. Category 5 differs from Category 4 as to its purpose and in a number of other respects, two of which are particularly relevant to this case. First the threshold for registration is lower, being any gift of a value greater than 1% of the current parliamentary salary: in 2003, this was £550; currently it is £590. Secondly, the obligation to register relates to: “any gift, or material benefit, of a value greater than 1 percent of the current parliamentary salary...*which in any way relates to membership of the House*” (emphasis added).

52. The scope of a gift for the purpose of registration under Category 5 is widely drawn. As paragraph 28 of the Rules makes clear, it covers both tangible gifts and other benefits, including “relief from indebtedness”, as previously noted, and “loan concessions”.

53. On the information provided by Mr Galloway and his legal advisers, four individual donations made to his Legal Fund significantly exceeded the threshold which would have rendered them registrable under category 5, if they met the requirements for registration in

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<sup>6</sup> Paragraph 8.

all other respects. I have set out above why I believe that they did meet those requirements. They were certainly gifts (in that they were given without any firm expectation that they would be returned); they were of material benefit to Mr Galloway; and because Mr Galloway's public reputation (which embraced his reputation as a Member) was at the heart of the libel case, they were gifts or benefits which related to his membership of the House.

54. Paragraph 34 of the Guide to the Rules gives valuable guidance on how to apply the test as to whether a gift or material benefit relates to membership of the House. It states:

*“Gifts and material benefits in this Category (and other Categories) are exempt from registration if they do not relate in any way to membership of the House. The extent to which this exemption applies in any particular case is necessarily a matter of judgement. 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.”*

55. Adopting this approach, I am in no doubt that the four individual donations to Mr Galloway's Legal Fund which exceeded the then threshold of £550 should have been registered under Category 5.

56. Where should the existence of the Fund itself have been registered? The Committee on Standards and Privileges has not previously considered the general question whether funds of this size and kind should be registered under Category 5. It has, however, considered the question of registration of general funds under Category 4 and has resolved that, where individual donations exceed the relevant threshold for registration, both those individual donations and the fund itself should be registered.

57. The Committee may wish to consider, in the context of its planned review of the Guide to the Rules relating to the Conduct of Members (due to be undertaken later this year), whether it would be appropriate to adopt a similar approach in relation to Category 5 as to Category 4. Any such decision could not, of course, apply to Mr Galloway retrospectively. I conclude that the complaint against Mr Galloway in respect of the registration of the Fund as a whole cannot be upheld on the basis that he should have registered its existence under Category 5.

58. I have already indicated, however, that I believe that, approaching the matter from first principles, the Fund itself met the tests for registration (as set out in paragraph 31 above). If not in Category 5, where should the Fund itself have been registered?

59. The answer, I submit, is in Category 10. This is the category specifically provided to catch any relevant interest not falling within any other category which nevertheless falls within the definition of the main purpose of the Register. I have set out above why I believe the Legal Fund was an interest falling within the definition of the main purpose of the Register. As such, if it was not registrable in any other, more specific, category, the Legal Fund was in my view registrable under Category 10.

60. This case sets an important precedent. It is perfectly possible to conceive of other circumstances in which a Member involved in a criminal or civil action linked to their political activities would be assisted in meeting his or her legal costs by a 'defence fund' set up by supporters. There are also other circumstances in which a Member might establish a fund for a particular purpose from which they derived a material benefit. It would be odd if the mere fact that no individual donation to the fund exceeded the threshold for registration as a gift meant that the fund itself—which, taken as a whole, could constitute a substantial material benefit—did not need to be registered.

61. Bearing in mind the overall purpose of the Register, I believe that such funds (whether or not any individual donation exceeds the threshold for registration under Category 5) should be registered under Category 10 if they meet the definitional requirement, unless the Committee were, at some future point, to decide to extend the scope of Category 5 to include them.

**62. For the reasons I have set out, I conclude that Mr Galloway should have registered in 2003:**

- a) In Category 5, the names of the four donors whose gifts to his Legal Fund exceeded the then threshold for registration under this category; and**
- b) In Category 10, the existence of the Legal Fund itself.**

**63. On these grounds, I recommend that Mr Crossey's complaint should be upheld.**

*20 April 2006*

*Sir Philip Mawer*

# Written evidence received by the Parliamentary Commissioner for Standards

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## 1. Letter to the Commissioner from Mr Duncan Crossey, 18 August 2005

As Parliamentary Commissioner for Standards, I understand that you oversee the registration and declaration by Members of Parliament of their financial interests/support and benefits as well as deal with breaches of their Code of Conduct

In this capacity, I would like raise a formal complaint against George Galloway MP, who represents (since the recent 5 May 2005 General Election) the constituency of Bethnal Green and Bow and prior to this Glasgow Kelvin and Glasgow Hillhead, for your enquiry and investigation.

The background of this complaint is that Mr Galloway in mid 2003 launched a legal fund to finance his libel actions against The Daily Telegraph and the Christian Science Monitor following articles they had published in April 2003. Please refer to the attached correspondence (which appears to have been signed by Mr Galloway as a Member of Parliament and sent from his parliamentary e-mail address). Although I don't know the exact amount of this fund - reports which I have received place it in the region of £50,000.

This legal fund which has and continues to financially benefit Mr Galloway does not seem to have been declared and registered in the usual way. Mr Galloway therefore appears to be in breach of the Code of Conduct for Members of Parliament.

The financial benefit to Mr Galloway is that, as he claims in the enclosed correspondence, he could not have brought the above mentioned libel actions without this financial assistance. Additionally, if the costs (his own and/or his opponents) of these legal actions are/had been awarded for Mr Galloway to pay, this money will be used to meet (whether wholly or partially) those costs. I am unsure of the current position of the two legal actions, however recall that the matter involving the Christian Science Monitor settled while the matter involving The Daily Telegraph is still on appeal following a verdict in favour of Mr Galloway at the initial stage.

I should be grateful if you would immediately commence a preliminary enquiry into this matter taking all appropriate action.

Please do not hesitate to contact me at the above details to discuss this matter or if I can be of any further assistance.

I look forward to hearing from you.

*18 August 2005*

## 2. 'Open' Letter from George Galloway, 23 June 2003

Dear Friend,

In view of your kind support for my work in the past I am writing to ask for your help.

I have launched the GEORGE GALLOWAY LEGAL FUND which will be handled by my lawyers DAVENPORT LYONS, 1 OLD BURLINGTON STREET, LONDON W1X 2NL. This is to help finance my legal costs in the libel actions I will fight against the Daily Telegraph and the Christian Science Monitor after their vicious attacks upon me in April of this year.

As you will have seen the Christian Science Monitor have now accepted that the documents on which they based a front page story, published all over the world, alleging that I had taken more than six million pounds

from the former Iraqi regime, were forgeries. You will know that another newspaper the Mail on Sunday consulting different experts quickly came to the same conclusion. But an apology is not enough, I want this matter fully dealt with through the law and above all I want to get to the bottom of this conspiracy. That is why I need your help.

These utterly false claims were, as I'm sure you will have concluded, entirely politically motivated. They were intended to punish me for my role on the Palestinian and Iraq issues, to intimidate me and others from continuing to make a stand and if possible to drive me out of British politics altogether.

With the support of my friends I intend to fight this. I hope I can count you as one of those friends.

The Telegraph group is controlled by Lord and Lady Black (Barbara Amiel), two of Sharon's and Israel's most vociferous supporters. On Black's board of directors sit Richard Perle and Henry Kissinger, as did once Margaret Thatcher. I mention this so you'll know what we're up against and the bitter and expensive fight on which I have embarked.

I can't do it without your help and I hope you will donate what you can. All contributions will be carefully recorded and will be returned on the successful awarding of costs in the case, or a proportion will be returned if costs are only partly awarded.

Cheques etc should be made payable to the GEORGE GALLOWAY LEGAL FUND and sent to DAVENPORT LYONS SOLICITORS, 1 OLD BURLINGTON STREET, LONDON W1X 2NL, together with a contact address so contributions can be returned. Confidentiality will be respected.

I sincerely hope I can count on your support in what will be an important political as well as legal struggle.

In any case with all good wishes.

*23 June 2003*

### **3. E-mail to the Commissioner from Mr George Galloway, 22 August 2005**

Thank you for writing informing me of the latest press inspired complaint against me. I don't know if such things try your patience as much as they do mine.

You say you are not asking for my response but as it is short I would like to give it to you anyway.

I made a public appeal when I began my action against the Christian Science Monitor and the Daily Telegraph. Around £50,000 was raised. All cheques were made payable to George Galloway Legal Fund and sent to Davenport Lyons to whom I am copying this correspondence. The firm has administered the fund throughout and I have had absolutely no access to it. As you know these actions have incurred legal costs hugely in excess of this amount. As you also know the Christian Science Monitor settled out of court paying damages and costs, funds which have been retained by Davenport Lyons pending the outcome of the Daily Telegraph's appeal. If the Telegraph wins their appeal I will owe some £1.6 million in costs and will be bankrupt. If they lose all the donors to the legal fund have been promised re-imburement.

I have not "failed" to include this in my registration in the members' register. There has been no pecuniary benefit to me from these donations. If anyone has benefited it is my lawyers.

People responded to my appeal because they thought the interests of justice were served by enabling me to take legal action against those who defamed me. I would have hoped that you would be able to answer this politically motivated press stunt accordingly. For the record there were no donations of more than £1,000 and, I think, fewer than 5 of those. There are no mystery donors and to my knowledge no foreign donors. The donors are ordinary members of the British public who believe that this apparently endless persecution of me and trashing of my integrity is unfair. I hope, on this complaint at least, you will side with them.

22 August 2005

#### 4. Letter to Mr George Galloway from the Commissioner, 4 October 2005

Further to my e-mails of 22 August and after some further correspondence with Mr Crossey, I am now able to send you a copy of Mr Crossey's letter of complaint, dated 18 August. At Mr Crossey's request, I have blanked off his address from the letter.

You will see that the burden of Mr Crossey's complaint is that you have not included in your entry in the Register of Members' Interests the benefit you have received and are continuing to receive from the fund launched to finance your libel actions against the "Christian Science Monitor" and the "Daily Telegraph".

The relevant provisions of the Rules on the registration and declaration of interests appear to be Category 4 (Sponsorships) and Category 5 (Gifts, benefits and hospitality (UK)). You can find these in paragraphs 25-34 of the Guide to the Rules on the Conduct of Members.

Under Category 4 (b), a Member of Parliament is required to register:

“. . .any . . .form of financial or material support as a Member of Parliament, amounting to more than £1,000 from a single source, whether as a single donation or as multiple donations of more than £200 during the course of a calendar year.”

This category is intended to cover any financial or material benefit (apart from donations to his or her constituency association, which are covered by Category 4 (a)) in support of a Member's role as a Member of Parliament.

Under Category 5, a Member must register:

“Any gift to the Member or the Member's spouse or partner, or any material benefit, of a value greater than 1 percent of the current parliamentary salary from any company, organisation or person within the UK which in any way relates to membership of the House.”

The threshold for registration under this provision is one percent of a Member's salary (currently £590) or any gifts of a lesser value from the same source which cumulatively total more than £590 in the course of a calendar year. Category 5 (paragraph 28 of the Rules) specifically mentions benefits received for "relief from indebtedness".

In your e-mail of 22 August responding to mine alerting you to receipt of this complaint, you confirmed that you had made a public appeal for funds to assist your libel actions against the Daily Telegraph and Christian Science Monitor. All cheques were made payable to George Galloway Legal Fund. Your solicitors, Davenport Lyons, have administered the fund since its inception, retaining the money pending the outcome of the cases. The appeal has so far raised about £50,000. No donation has been for more than £1,000: there have been fewer than 5 donations of about this size.

You also say that you have received "no pecuniary benefit" from the fund, and that if anyone has benefited it is your lawyers.

I write now to ask for your formal response to the complaint. I have, of course, your e-mail of 22 August and will be happy to regard that as your response if you so wish. However, I should be grateful if you would at least supplement that response with your answers to the following:

Precisely how much money has your Appeal raised?

Who, specifically, has made donations and in each case, of how much?

You say that you have not benefited from the Appeal. Has any part of the Appeal been used to fund any part of the costs you have incurred so far in connection with the court cases, or in any other way so as to facilitate the actions you have brought? Presumably, if the Daily Telegraph wins its appeal, the Appeal

Fund will be used to contribute towards meeting the legal costs you will have incurred?

I have been contacted by a [Mr X], a journalist, in connection with the complaint. [Mr X] tells me that your spokesman, [Mr Y], claimed in the course of a telephone conversation that you or your office sought my advice (or that of my office) on whether the Appeal Fund should be registered. I am afraid that my colleagues and I have been unable to trace any record of such an approach, and the [Registrar of Members' Interests] tells me that [a member of staff] in your office has suggested that [Mr X] may have "got hold of the wrong end of the stick", as no-one from your office has been in touch with us. I should be grateful if you will clarify the position.

I am copying this letter to Mr Bays so that he can add anything he wishes on this or other pertinent points. It would be helpful if, when he responds, he could say whether the existence of the Fund has in any way materially assisted the conduct of your libel case so far. Was it, for example, of any significance in your solicitor's decision to take on your case? He will realise that I ask this and the questions at 3 above in order to be able to establish whether you have yet received any pecuniary or material benefit from the existence of the fund.

I enclose, by way of reminder, a note about procedures which I routinely send Members who are the subject of a complaint.

*4 October 2005*

## **5. Letter to the Commissioner from Mr George Galloway, 3 January 2006**

I am, briefly, in the office and have sight of your correspondence on The Legal Fund.

As I think I have informed you before, the legal fund raised some £50,000. A very large number of individuals donated small amounts. A small number – five I think – donated £1,000. All were UK nationals. None were oil traders. All will be reimbursed if the case settles satisfactorily.

Do I understand you wish the names of all the donors? If so, why? Who will be given access to their names if you do see them?

If I have the wrong end of the stick on this, forgive me, I reviewed the correspondence in a rush.

If you really want to review the names of pensioners from Preston and printers union branches from Penzance you have my permission to do so. It is no secret. Just a waste of your valuable time. You may request the list from Mr Bays with my agreement.

*3 January 2006*

## **6. Letter to the Commissioner from Mr George Galloway, 29 March 2006**

I was astonished by your finding that I should have registered the existence of my Legal Fund, established to assist me mounting libel actions against newspapers which had defamed me. Many will be surprised that in the sea of sleaze enveloping the mainstream political parties you have chosen to make this finding.

The Register is a Register of Interests. I had no interest in this fund. It would only have become a benefit to me if I had lost the libel cases, at which point it would have mitigated the almost £2 million pound legal bill I would have been facing. At that point I would have registered it, just before being forced to resign from the House due to impending bankruptcy.

The Register is supposed to put into the public domain details of members interests which might otherwise be unknown to the public. This fund was publicly advertised – indeed that was its point. I note that the fund was smaller than I had indicated to you but that I was right in saying no donation was for more than £1000, and that there were fewer "substantial" donations than I had thought.

The answer to your question about what would happen to any funds donated which were unable to be returned (though I do not anticipate such a problem) is that they will be donated to St Vincent de Paul charitable society in my constituency.

It is clear that this was a politically motivated, vexatious complaint. I never received a penny from this appeal or ever administered any of it. Its purpose was to help me obtain justice – which, in the courts, I did. I anticipate none, however, from your committee, which as I have frequently pointed out to you is made up in its entirety by people who are, by definition, my political adversaries and whose parties are amongst those sinking beneath the aforementioned sea.

A system which cleared Tessa Jowell in 60 minutes but which has spent months investigating this ridiculous complaint – and found against me - is a system which will command little public confidence or respect.

*29 March 2006*

## Appendix 2: Memorandum from Mr George Galloway MP

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I strongly dispute the argumentation, conclusion and public interest justification of the report of the Parliamentary Commissioner of Standards into the legal fund I publicly established in 2003 to fight a series of libel actions to clear my name.

If this report were to be accepted by the Committee, the result, far from enhancing the reputation of Parliament, would further undermine both it and confidence in the arrangements for ensuring Members' standards and transparency: it would be seen to be unjust and lacking any sense of proportion or plausibility.

- 1) The report concedes that the existence of the fund was in the public domain, but dismisses my argument that this made its inclusion on the Register of Members' Interests otiose. The report, however, does not address my point even as it attempts to refute it.

The report says, "An interest may not be secret, but may still be known only to a few, or to those in a particular section of society." (par. 36) The fund was neither "secret", nor "known only to a few or to those in a particular section of society". It was in the public domain and its existence widely reported in the national media.

- 2) In par. 11 the report says that the purpose of Category 10 of the Register is "a record of interests which might reasonably be thought to influence a Member in the conduct of their Parliamentary duties". It further quotes from that Category spelling out those duties. The same wording is cited in par. 31 in the conclusion.

However, in applying this test (and concluding that it has been met) in par. 40 of the report the wording and the threshold are significantly changed to "knowledge of those who had donated to it [the fund], particularly those who had donated larger sums, *might well have been a potential source of influence*" (my emphasis). This is clearly a more speculative test than "reasonably be thought to influence".

- 3) Any fair-minded application of the actual test, rather than the loosened version which does not appear in the regulations, could not possibly conclude that donations to the fund could "reasonably be thought to influence me".

There were 981 donations to the fund. The report accepts that they were from individuals who self evidently already backed my effort to secure justice - "the text... is, in effect, a circular letter to *supporters*" (par. 5, my emphasis) - and that almost all the donations were small amounts. Yet the report maintains that knowledge of "those who had donated" even very small amounts might have influenced me (under the sui generis test that appears in par. 40).

I find incredible - as will any reasonable observer who takes an interest - the conclusion that the existence of a donation of £10 from a pensioner peace activist to a legally administered fund, which was to be repaid or the balance transferred to charity, "might

well” have made me “susceptible to influence” (par. 47) in the exercise of my Parliamentary duties.

As for the four donations that “significantly exceeded” the then £550 threshold:

- i) The sums are £1,000, £1,000, £800 and £822.50. How can a sum of £272.50 above the threshold in a repayable fund over which I had no control possibly be described as significant or be *reasonably* thought to influence me in the exercise of my Parliamentary duties? No reasonable person could find that credible or plausible: the donations were from people who already supported my pre-existing political stances and were clearly not aiming to influence my future conduct, which has not changed.
  - ii) With reference to the Code of Conduct (cited in par.7 of the report), it is likewise incredible and implausible to maintain that such a sum donated to such a fund could be seen as a “relevant interest in any proceeding of the House, of its Committees, or in any communications with Ministers, Government Departments or Executive Agencies”.
- 4) The report concludes that “because Mr Galloway’s public reputation (which embraced his reputation as a Member) was at the heart of the libel case, they were gifts or benefits which related to his membership of the House” (par. 53). This assertion comprises two claims – one moot, the other casuistic:
- i) My reputation is my reputation. It was that which was at issue in the libel action. The fact that the false and defamatory allegations against me were, in my view, politically motivated should not alter my rights as a private individual to fight a libel action. In drawing a conclusion detrimental to my rights as an individual from the fact that I am a public figure, the report is contrary to natural justice.
  - ii) The report’s claim that there is material significance in its assertion that my public reputation “embraced” my “reputation as a Member” is tortuous in the extreme. Mr Justice Eady, in finding for me and against the Daily Telegraph, identified the public aspect of my reputation that was most germane to the legal proceedings as my position in the leadership of the anti-war movement. That was also the central motivation for those who supported my libel action. To subsume this under my “membership of the House” is tenuous at best and tendentious at worst.

## Conclusion

If the above points are densely argued, it is only because the report, in seeking to justify its conclusion, is itself so opaque and self contradictory. It cavalierly alters the standard for registration of interests in establishing what it says will be an “important precedent”.

So we have new standards invoked in this report and an explicit admission that a precedent is being set—ie a rule that was not existent when the transparently repayable legal fund was established—and both these novelties are being applied retrospectively and erroneously.

The report asks the Committee to “[bear] in mind the overall purpose of the Register”. Any reasonable understanding of its overall purpose must conclude that this publicly declared,

legally administered and repayable fund based on small public donations did not fall under the Register. It is certainly not what the public is concerned about with regard to the unfolding scandals surrounding the funding of three largest political parties in Parliament and their associated undeclared interests, which have now drawn the attention of the Metropolitan Police.

I hope the Committee shares that view. If not, you ought to bear in mind the wider context. I find the timing of this report, in the regulated period before the local government elections in England, invidious, inappropriate and likely to leave the Committee open to charges of being politically manipulated. This report has been eight months in the writing and has been delivered the week before polling day on 4 May. Not only do I believe many members of the public will find the coincidence less than accidental, I also believe they will share my question: how is it possible for a system of Parliamentary and Ministerial scrutiny to clear Tessa Jowell in 60 minutes yet spend more than half a year investigating whether pensioners donating £10 to a repayable fund have exerted some influence on me? This is not remotely *reasonable*; it is preposterous and indefensible.

Procedures which are seen to be so partially applied will deepen the contempt so many members of the public already have for our political system. What conflict of interest could I possibly have been subject to; what honours or favours could I have been in a position to dispense? None.

The three largest Parliamentary parties are mired in allegations of undeclared loans totalling reportedly over £35 million. There is a police investigation into whether the 1925 Act covering abuse of honours has been broken by members of this government and those acting on its behalf. The chief donor to the Liberal Democrats' war chest for last year's general election has been arrested in Spain on charges of fraud.

If this report were to be accepted by the Committee, that would be widely viewed not only as wrong and unjust but as a politically motivated decision aimed at deflecting attention from allegations of very serious misconduct by parties which are represented on this Committee.

24 April 2006

George Galloway MP

# Formal minutes

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**25 April 2006**

Members present:

Sir George Young, in the Chair

Mr Kevin Barron

Mr Andrew Dismore

Mr Brian Jenkins

Mr Chris Mullin

The Hon Nicholas Soames

The Committee deliberated.

Draft Report [Conduct of Mr George Galloway], proposed by the Chairman, brought up and read.

*Ordered*, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 8 read and agreed to.

Paragraph 9 read, amended and agreed to.

Paragraphs 10 to 13 read and agreed to.

Paragraph 14 read, amended and agreed to.

Paragraphs 15 to 18 read and agreed to.

Paragraph 19 read, amended and agreed to.

Paragraph 20 read, amended and agreed to.

Paragraphs 21 to 27 read and agreed to.

Paragraph 28 read, amended and agreed to.

Paragraph 29 read and agreed to.

Paragraph 30 read, amended and agreed to.

*Resolved*, That the Report, as amended, be the Seventh Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

Several Papers were ordered to be appended to the Report.

*Ordered*, That the Appendices to the Report be reported to the House.—(*The Chairman.*)

[Adjourned till Tuesday 9 May at 10.30 am.]

## Reports from the Committee on Standards and Privileges in the current Parliament

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### Session 2005–06

First Report	Conduct of Mr Jonathan Sayeed	HC 419
Second Report	Conduct of Mr John Horam	HC 420
Third Report	Conduct of Mr Tony Baldry	HC 421
Fourth Report	Pay for Standing Committee Chairmen	HC 568
Fifth Report	Electoral Administration Bill: Simplification of Reporting Requirements	HC 807
Sixth Report	Mr Stephen Byers (Matter referred on 19 October 2005)	HC 854
Seventh Report	Conduct of Mr George Galloway	HC 1067