

## Faction fight breaks out in Britain's Labour government

# The crisis facing Blair's Third Way

The Editorial Board  
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The bitter and unprincipled factional infighting within Britain's government over the past months is the outcome of a growing political crisis for the New Labour project of Prime Minister Tony Blair.

There can be few occasions in political history when a government with a seemingly unassailable majority has been beset by an internal crisis the likes of that facing the Labour Party. The crisis came into public view on December 23, with the forced resignation of two ministers, Blair's right-hand man Peter Mandelson, the Trade and Industry Secretary, and Paymaster General Geoffrey Robinson. Mandelson had failed to declare a £375,000 loan from Robinson, who was placed under investigation for financial impropriety earlier last year. This was followed by the resignation of Chancellor Gordon Brown's adviser, Charlie Wheelan, who was accused of leaking the information about Mandelson.

Earlier Labour had been rocked by the resignation of Welsh Secretary Ron Davies, amidst allegations of his seeking gay sex on Clapham Common, and the "outing" on TV of first Mandelson and then Agriculture Minister Nick Brown as gay. The position of Foreign Office Minister Robin Cook is now being brought into question following his ex-wife's allegations of serial adultery and drunkenness.

What unites these disparate events is their source in the internal feud between the Blair loyalists in Labour's leadership and those supportive of Chancellor Brown, from which camps all the leaks have emanated. Following the death of John Smith in 1994, Brown and Blair were the obvious contenders for the position of Labour leader. The media favoured Blair as the more high profile advocate of Labour's "modernisation", with the greater appeal amongst former Tory voters in Middle England, and the party bowed to its wishes. Brown was deserted at that time by Mandelson, who went on to lead Blair's campaign.

Recent press coverage has illustrated just how bitter relations became. Blair's camp is accused of utilising Brown's widely suspected homosexuality as a weapon against him, which is significant in light of subsequent developments regarding the blackguarding of Ron Davies, Nick Brown and even Mandelson himself. Brown considered Mandelson a "traitor". Ever since, the appointment of any party position has been an

arena of Machiavellian struggle between Brown and Blair.

What has led these simmering antagonisms to explode, with such devastating effect, is the changed fortunes of the government. The financial crisis that first developed in South East Asia and swept through the world's markets last year has plunged Britain into a recession, with thousands of jobs being lost each month. The situation is worsened by non-participation in the newly established European currency, the euro, which leaves the economy extremely exposed and creates a barrier to Britain's largest overseas market. Disaffection with and criticism of the Blair government has been mounting on all sides as a result.

The old divisions between Blair and Brown have become a focus for growing dissent within Labour's own ranks. There is no record of significant political differences between these two architects of Labour's abandonment of its old reformist programme and adoption of right-wing, pro-business policies. Indeed the largely personal character of the conflict is epitomised in their chosen method of struggle, character assassination. It has nevertheless provided an outlet for the criticisms of those who are advocating a more interventionist, neo-Keynesian approach to policy. This chimes with the views of those who are critical of the government's lack of a clear line on Europe, those like the *Guardian* newspaper who are voicing concerns at the extreme social polarisation within Britain.

Blair's refashioned Labour Party--as an open advocate of free-market Thatcherite policies--seemed to be a glowing success during its first year in office, at least from the standpoint of Britain's ruling class. Though Labour's rightward lurch did alienate its traditional base in the working class, its success in winning former Tory voters and an almost universally supportive media and business establishment enabled Blair to maintain stringent Tory spending targets, further deregulate the public sector and proceed with attacks on welfare provision.

The worsening economic situation for British capitalism has turned this situation around. The government finds itself increasingly isolated and unpopular. Even the endorsement it won from amongst the better-off is beginning to evaporate, as the impact of its social policies is felt. Labour's much hailed spin-doctoring cannot conceal the impact of cuts in health and education, redundancies and wage cuts, and mortgage rates

running twice that in the rest of Europe. Anxiety over Labour's declining support within the party leadership is such that its strategists have warned of between 1,000 and 2,000 lost seats in upcoming council elections as a result of abstentions by Labour's traditional supporters. They added that the next general election could be forfeited unless the rift between Brown and Blair is healed.

Hitherto the prime minister has been able to run his government like a personal fiefdom. He has reduced the role of the party--and the trade union bureaucracy whose block vote was once decisive--to a shadow of its former self. Consultation on policy making is non-existent. Even the role of cabinet has been downgraded in favour of think tanks appointed by Blair. It is not only supporters of the chancellor, such as Ron Davies and Nick Brown, who have been reduced in rank or disposed of. Former Blair stalwarts like Harriet Harman and Frank Field have been sidelined. Labour's local government machinery has fared no better. Corruption investigations have been organised against several authorities in Scotland and England and parliamentary candidates imposed by the National Executive Committee in favour of local nominees.

Most controversial has been Blair's decision to bring Paddy Ashdown's Liberal Democrats into government, by granting them positions on Cabinet committees and his plan for the introduction of proportional representation (PR) for voting in elections. This attempt to form a semi-permanent alliance with the Liberals directly threatens the seats of 100 Labour MP's.

The weakening of Blair's position has given a voice to layers of the Labour and trade union apparatus that feel their own position is under threat. Whilst Blair was holidaying in the Seychelles, Deputy Prime Minister John Prescott appeared on a joint platform with Brown to speak of their close working relationship, commitment to "traditional Labour values" and support for neo-Keynesianism. Disabusing any notion that this represented a return to reformist policies, Prescott cited the government's Private Finance Initiative in transport as his prime example. This is based on collaboration between government and private capital in infrastructure projects.

The Trade Union Congress has expressed concern at the damaging impact on Britain's economy of the failure to enter the euro. Last weekend, a new union-funded campaign against coalition politics was launched by Labour First, the unofficial voice of the right wing in the TUC. Its objective is to get this year's Labour Party conference to oppose any change to the present first-past-the-post voting system. In February they plan to launch a cross-party campaign, backed by business leaders, to push for a "no" vote in the event of a referendum on PR. The engineers and electricians union leader, Ken Jackson, was in the past a firm supporter of Blair's reforms. Now he demands that, as well as Mandelson, other political advisers central to modernising project should be sacked. "These people with an agenda of PR, closer links with the Liberals and breaking links with the unions should go and do it somewhere else. They have

no place in the British Labour Party," he said.

On January 13, backbench Labour MPs held two separate sessions, including a private meeting with Blair, conveying their opposition to closer ties with the Liberal Democrats.

Fully 250 MPs turned up to the weekly meeting of the Parliamentary Labour Party to call for better discipline from Cabinet members. They made clear that they did not want Mandelson back in office prior to a general election and wanted a greater say in government. Earlier former chief whip, Derek Foster, told Commons that Parliament had become "the prime minister's poodle". He said that Blair was not a president, "He is the *primus inter pares* --first among equals. In other words I am as good as the prime minister."

Blair's response to these criticisms is a series of high-profile public policy announcements designed to emphasise the government's right-wing agenda and rejection of any shift in policy. Brown himself was called up to bat in order to stress that New Labour was about a "major shift in policy rather than new branding". He was followed by Home Secretary Jack Straw, who announced a "three strikes and out" policy for imposing a mandatory prison sentence of three years on a third offence for housebreaking. Compulsory workfare for the unemployed and the privatisation of "failing" local education authorities was also outlined.

Labour's crisis will continue to deepen, irrespective of any truce engineered between Brown and Blair. Fundamentally, Labour is incapable of advancing a single genuinely popular policy. Indeed no government in British history, including that of Thatcher, has so divorced itself from the wishes of its own electorate. The so-called Third Way--the attempt to reconcile pro-market policies with a social conscience--is a dead-end. Stripped of the packaging and rhetoric, it has proved to be a means of deepening the systematic impoverishment of working people in the interests of the major corporations. The disarray within the Labour Party is only the initial, distorted manifestation of the broad discontent this has aroused. But the repercussions of this political shift will not remain confined within the ranks of the Labour bureaucracy for long.



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