Britain: Blair lurches right, dismissing calls for resignation

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Immediately following the May 5 re-election of the Labour government, Prime Minister Tony Blair adopted a posture of humility, claiming, "I have listened and I have learned." But Blair is clearly deaf in one ear.

All those political analysts who predicted that Labour's haemorrhaging of support would force Blair to make concessions to popular anger over the Iraq war, or even to announce an early retirement and give way to Chancellor Gordon Brown, were deluding themselves.

When Blair declared, "I think I have a very clear idea of what the British people now expect from this government for a third term," the people he was thinking about were the representatives of big business, press barons such as Rupert Murdoch, and a narrow layer of the upper-middle class that switched back to voting Conservative in the southeast.

The election saw an unprecedented decline in support for Labour and near universal hostility towards Blair himself. Labour was re-elected with a much-reduced majority of 67 seats, with only 36 percent of the ballot, and the support of just 22 percent of the electorate. Abstentions remained at 38 percent, despite postal votes trebling to 6 million.

Though the results were troubling for Blair, he will not countenance the re-adoption of "Old Labour" style social reforms. Rather, he will press ahead more determinedly with his right-wing, pro-business agenda.

A Labour victory was endorsed by Murdoch's publishing empire, the *Financial Times* and the *Economist*, which speak for the financial oligarchy that is Blair's primary constituency. Their continued support for Labour is the essential reason that Blair must face down any demands for retreat from his New Labour agenda. Moreover, the right-wing media was extremely critical of Labour. It accepted that Blair was the best thing on offer, but complained that he had not made sufficient cuts in public spending, had not gone far enough in privatising social services and had failed to cut taxes on business and wealth.

The Liberal Democrats' success in winning support in former Labour heartlands dominated the thinking of Blair's critics within the party. They insisted that the central lesson of the election was to recognise that Iraq had lost the party support, and that Blair was no longer trusted and had become an electoral liability.

For Blair, however, the major concern was the swing back to the Tories in marginal seats such as Putney and Enfield. Labour's election in 1997 was due to winning over prosperous middle class areas, rather than an increase in support amongst the working class. Blair calculates that Labour's standing in working class areas cannot fall much further than it has. What would prevent the party from securing a fourth term in office is a failure to win back the vote of "Middle England."

That is why Blair regards the Liberal Democrats' ability to make gain almost exclusively at Labour's expense, while they fared badly against the Tories, as a vindication of his line. In a May 11 meeting of the parliamentary Labour Party, Blair mocked the Liberal Democrats for choosing the "extremist" option of claiming to be "left of Labour." He dismissed them as "the party of Gladstone, Lloyd George and Sedgemore"—a reference to the retired Labour left MP Brian Sedgemore, who defected to the Liberal Democrats on the eve of the general election.

To win back disgruntled Conservatives, Blair has adopted all the central themes of the election campaign waged by Tory leader Michael Howard. He has pledged to tackle immigration, law and order and discipline in schools—all the so-called "dog whistle" issues with which Howard called the Tory faithful back to the fold.

On the central questions of education, health care, welfare reform, and taxation, Blair has set out an agenda that he has compared to the highpoint of Conservative radicalism under Margaret Thatcher.

The Queen's Speech to be delivered May 17 will announce that all hospitals are to have the opportunity to become foundation hospitals by 2008. This gives them the right to specialize, and frees them from central government control.

According to a report in the *Guardian*: "the idea is being worked up in conditions of strict commercial secrecy by the senior executives of leading NHS foundation trusts, in the first wave of hospitals to break free from Whitehall control ... an acute general hospital would convert itself into a collection of branded medical boutiques, each operating under a concession from the top institutions with the best reputation for a particular specialty. Under this model, local hospitals would become customer service units organising the patient pathway through the boutiques."

Patients are to be offered a voucher to be spent anywhere up to the cost of NHS treatment. This would greatly increase the ability of the private sector to parasite off public health care, by offering cut-rate treatment for relatively inexpensive operations while leaving chronic health care to the NHS. It has already been agreed that the private sector provision of NHS services like diagnosis and minor operations will double to 15 percent of the total.

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A similar privatisation agenda is being drawn up for education, where the government is proposing to give education contracts to any private firm able to run schools for less than the cost to the public sector.

The government has already announced its intention to target the 2.67 million people on incapacity benefit, along with reforming the pension and possibly raising the retirement age to 70. More will follow. The government's own estimates on public spending presume an economic growth rate of 3-3.5 percent and a rise in tax receipts of £20 billion over the next two years. However, growth is presently only 2.5 percent and the global economy is extremely fragile.

Further indication of Labour's readiness to heed the demands of big business is its intention to launch a huge building programme of 10 nuclear power stations in the face of massive public hostility.

Blair faced off all calls for an early resignation made by backbench MPs, who are supporters of Brown or nominally on the party's left wing. He has made clear that he intends to remain in office for another three to three-and-a-half years before probably handing over to the chancellor. This is vital for Blair's own ego, as much as anything else, as it would make him a longer serving prime minister than Thatcher.

Immediately after the general election, various newspapers ran calls from MPs for Blair to step down within 6 to 18 months. Most of those making such demands linked them to Brown becoming prime minister. John McDonnell MP predicted that Blair would go "sooner rather than later. Brown looks as if he's a shoo-in." Desmond Turner MP declared, "There is only one choice for leader. I don't think anyone else need apply for the job."

But there is every indication that Brown himself has accepted Blair's timetable, in return for the elevation of some of his key supporters in a cabinet reshuffle.

Even so, Blair is still surrounded with loyalists, ensuring that he has the whip hand within the party leadership. Former Home Secretary David Blunkett was brought back as the new work and pensions secretary after less than five months out of cabinet. Blair adviser David Miliband has taken charge of council tax reform, and John Hutton was made chancellor of the duchy of Lancaster.

Shaun Woodward, the former Conservative MP who defected to Labour in 2001, was made a junior Northern Ireland minister. Lord Drayson, the industrialist and Labour sponsor, was made a junior defence minister. Following his peerage last year, he gave £500,000 to Labour. His company, Powderject, had won a £32 million contract with the Department of Health to supply a smallpox vaccine.

Even within this illustrious company, Blair's most controversial appointment was Andrew Adonis as an education minister. Adonis, a former member of the right-wing breakaway from Labour in the 1980s, the Social Democratic Party, is the mastermind behind university top-up fees and city academy schools. Unelected, his position in cabinet was secured by bringing him into the House of Lords.

No concessions were made to the 40 or so Labour lefts organised in the Campaign Group, despite their threats to use Blair's reduced majority to thwart measures such as the attack on incapacity benefits.

Blair dismissed such threats, as well as the possibility that they would stand a stalking horse candidate for party leader, as inconsequential. Thus far, only one MP has put himself forward, the little known backbencher John Austin. This is itself a measure of the spinelessness and lack of seriousness of the lefts' opposition to Blair, which can only fuel the prime minister's arrogance.

A leadership contest is unlikely anyway. It would require the support of 20 percent of Labour MPs and would then have to be supported by a majority at the Labour Party conference in which the trade unions still wield the block vote.

At the May 11 meeting of the PLP, Blair acted like a man who had the true measure of his opponents. He insisted, "Our fourth victory will be under different leadership, but we have to remain united until then." The leadership transition must be "stable and orderly" if Labour was to dominate the new century.

The meeting made clear that Blair still enjoyed the support of the majority of the PLP, for whom electoral success counts far more than political principle. Blair received a standing ovation, and the handful of speakers who called for his resignation met an angry response. Frank Dobson's call for Blair to go was all but drowned out by cries of "We won!"

There was no possibility that the Brownites could ally themselves openly with the demands of the Campaign Group. Brown shares Blair's agenda on every fundamental question, particularly with regards to taxation and welfare reform. And just as importantly, his backers are all implicated in support for the Iraq war. Their stance was epitomised by Foreign Secretary Jack Straw, who described Blair as a "genius" who had been the Labour Party's salvation.

The Labour lefts proved that they are incapable of mounting any serious challenge to Blair. Their loyalty is first and foremost to the party apparatus and their own careers, making it impossible for them to issue an appeal for working people to mobilise against the Labour leadership. They have thus been reduced to vainly hoping that Brown will take the leadership of the party so that they can appear to have put on a clean political shirt.

The relative ease with which Blair has whipped his opponents into line within days of a damaging election performance demonstrates that the Labour Party's transformation into a right-wing vehicle of big business is complete and irreversible. No force will emerge within the party to change this course. No individual or grouping in any way articulates the independent interests of the working class. The disenfranchisement of millions of working people that was evidenced on May 5 can only be overcome through a political break with Labourism and the building of a new socialist party.

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