

British Labour Party conference: Brown stands up for health privatisation

Julie Hyland

29 September 2006

For months, sections of the British Labour Party, the trade unions and the media have been insisting that Chancellor Gordon Brown represents a more “Old Labour” alternative to Prime Minister Tony Blair. Should Brown succeed Blair as Labour leader, the result would be a Labour Party more in tune with its former social democratic credentials, they argued.

Events at this week’s Labour Party conference put paid to this fraud.

The Unison trade union had tabled a motion to conference calling on the government to “rethink the headlong rush to a competitive system” in the state-run National Health Service (NHS). Its motion was debated as hundreds of workers took their second 24-hour strike action against the proposed sell-off of the not-for-profit health supplies service, NHS Logistics.

In one of the largest ever health privatisation schemes, the contract for supplying and equipping hospitals in England is to be sold off to DHL, a subsidiary of Deutsche Post. Some 1,650 staff currently employed by NHS Logistics and the NHS Purchasing and Supply Agency are to be transferred to the private operator on October 1.

The government claims that the 10-year contract will lead to £1 billion in savings. In reality, it is private capital that will reap a financial bonanza.

DHL, whose partners include Texas-based Novation and Exel Logistics, will take control of a £777 million business supplying goods to 600 NHS organisations. This is despite the fact that Novation was targeted as part of a US Senate investigation into alleged anti-competitive behaviour earlier this year, centring on claims that medical supply companies were using their monopoly position to overcharge the federally funded Medicare system.

The NHS Logistics sell-off is in line with similar

plans involving the Dental Practice Board, the Prescription Pricing Authority and the NHS Pensions Agency. According to the *Financial Times*, “The Dental Practice Board, based in Eastbourne, pays around £340m in fees to 19,000 NHS dentists. The pensions agency in Fleetwood, Lancashire handles contributions from 1.2m staff and pays out to more than 500,000 pensioners...while the Prescription Pricing Authority handles over 600m prescriptions a year, paying 14,000 pharmacists and dispensing doctors from Newcastle.”

In June, the *Financial Times* revealed that some of the world’s largest private health companies had been asked to “submit tenders for control of primary care trusts, which spend 80 per cent of the NHS’s budget.”

Labour’s health policies have aroused enormous hostility amongst health workers and working people in general. With a major funding crisis developing within the NHS, leading to staff being laid off and a freeze on recruitment, Health Secretary Patricia Hewitt was booed and heckled off the stage at a nurses’ conference earlier this year.

The Unison resolution was only a pale reflection of this anger, and intended to head off popular opposition by claiming Labour could be pressured into concessions. It did not oppose privatisation outright, merely requesting that the government slow down the pace of its “reforms.” It asked that the competitive system of payment by results not be extended without a “full assessment” of its consequences, and that further outsourcing of services to the private sector take place only after “full consultation” with those affected.

But the Labour leadership made clear it would not tolerate any public criticism of its policies and sought to get the Unison motion withdrawn.

According to reports, it was Brown who led the

charge during a meeting of the party's national executive, where he insisted there would be no retreat on the sell-off, and expressed anger at Unison's criticisms. He also denounced a motion by the Transport and General Workers Union (TGWU) suggesting lengthy prison sentences for company bosses convicted of corporate manslaughter as "crazy."

Brown's demand that the Labour Party National Executive Committee send a message to the country that it was "unified and serious" apparently persuaded two members to change their vote at the last moment, so that the leadership won on both motions—but only by 16 to 15.

He was not so successful on the conference floor, however, where Unison's motion was carried overwhelmingly on a show of hands.

During the debate, the platform cut the microphone to Unison General Secretary Dave Prentis on the grounds that he had overrun his allotted time. In his remarks, Prentis pleaded, "If the government doesn't change direction then we will not win a fourth term."

Only two days earlier, the union had issued a press statement praising Brown, the "listening" chancellor, for his speech to conference in which he made clear his intention of seeking to become the new leader of the Labour Party. Headed "Unison Welcomes Listening Brown," the statement described the speech as one with a "vision" that "hinted at a different approach to public services if he becomes prime minister."

Brown had, in fact, said that he hoped for the NHS to be "the best and fairest insurance policy and healthcare system in the world," but made clear that this would involve the private sector.

The defeat of the National Executive Committee proposal on the NHS will have no impact on government policy. The annual conference is a stage-managed affair, and previous defeats for the leadership in recent years—including on NHS privatisation—have all been ignored.

Health Minister Andy Burnham insisted there would be no change in course. In a sop to the unions, he promised the establishment of a "stakeholder forum" to discuss how to minimise redundancies following the DHL sell-off.

Brown's intervention has shored up his support with Rupert Murdoch's News International, the entity to which the chancellor is in reality answerable. Murdoch

has readily acknowledged Brown's role as the joint architect with Blair of New Labour's big business policies, but had expressed doubts as to whether the chancellor would be prepared to implement more far-reaching measures in the face of popular opposition.

In recent weeks, Brown has sought to assuage such concerns and was rewarded with a friendly interview in the *Sun*. Following his display on Wednesday, Murdoch's headlines made clear he was more than satisfied with Brown's performance.

The *Times*, another Murdoch newspaper, reported glowingly that the "chancellor was being praised by Blairite members of the executive last night for showing his modernising colours" at the National Executive Committee.

"Although Mr. Blair was at the meeting, he left it to Mr. Brown to lead the argument against the Unison motion and to twist arms to defeat it," the newspaper reported.

The *Sun* gloated over how Brown had "squared up to Labour's mutinous ruling executive" over the privatisation plans and had "laid into Old Labour dinosaurs, even branding his TGWU pal Jack Dromey 'crazy.'"

"True, the leadership went on to be defeated when the party conference voted on it later," the *Sun* continued, but "Brown must ignore that protest—and carry on hauling the cash-guzzling state sector into the 21st century."



To contact the WSW and the Socialist Equality Party visit:

wsws.org/contact