

## THE EMPORERS NO CLOTHES



Behind the scenes, something of enormous importance is happening. 'The Project' is dying. The Third Way is falling apart. And in its death throws of credibility, Downing Street is lurching towards ever more reckless commitments to corporate greed.

The closest the press have got to this has been the flurry of criticism surrounding Clare Short's resignation from the Cabinet. Their fascination is with who is falling out with whom rather than the politics behind the squabbling.

Certainly MPs from unexpected quarters took Clare Short's resignation as a green light for hand bagging the Downing Street cabal that masquerades as a Labour government. But the whole event was more cabaret than cameo. It failed to draw the most important lessons from what is happening.

Clare Short will be remembered as the minister who didn't quite make a stand against the war on Iraq, who didn't quite stand up for the Third World against corporate greed and exploitation, and who couldn't quite resist the invitation to do a reprehensively dishonest hatchet job on Liz Davies at Party Conference.

Clare's lasting gift may be her call for Tony Blair to plan for his departure and for 'a dignified succession'. But it begs the question 'for what?' The future of the Labour Party hinges on whether we (and that specifically means the major trade unions) can avoid the whole question of succession degenerating into a political version of Big Brother. First and foremost, the issues Labour has to address are not about the personality conflicts between the occupants of Nos. 10 and 11 Downing Street. Two dysfunctional egos do not make a political debate or define the limits of political choice. They are more symptomatic of the over-controlling and narrowly destructive obsessions that are driving the country towards a crisis.

We aren't short of flash points. University top up fees have been spiked by Tory plans to abolish them (at the expense of wider access to university education). It is a sop (but an effective one) to the middle classes. The debate waiting to happen is between education (for some) for free and the more principled position of free education for all. The Tories are comfortable about using general taxation to pay for middle class entitlements, but no one in Downing Street will make the case for general taxation to pay for education for all. Both the Chancellor and the Prime Minister are set against it.

They may have differences about the Euro, but not because it prevents them intervening in the economy to strengthen public ownership of public services. The European Court's latest ruling that it is illegal for Britain to use a 'golden share' to protect the public interest in privatised industries, has not received a peep of criticism (or defiance) from Downing Street. Air traffic control, the National Grid and the Post Office will all be thrown to private contractors unless the government gives itself another form of public stakeholding to control the service. New Labour is not rushing to do so.

Exactly the same will apply to the National Health Service and other public services. Much furore is

directed at Foundation hospitals, but hardly a word has been uttered over Blair's breakfast with private health care companies, about the slicing up of contracts from new fast-track operation factories. The private sector will walk off with the bulk of contracts for 300,000 operations a year. The NHS will pay and the private sector will 'top slice' to guarantee their own profits. All the complicated work will remain with the NHS, but all the lucrative incentives will go to the private sector. It is the Prime Minister's lifeline to private healthcare providers, many of whom had been teetering on the point of bankruptcy.

This is the direction in which all of Downing Street's consultations and policy initiatives have been going. Many are in preparation for the 're-branding' conference that New Labour and its gurus are holding in London this July. The themes of the conference are a veneer. Global governance, public service reform, a future for the welfare state, rights and responsibilities etc., are really about the transfer of power to corporations and the imposition of duties on citizens. It isn't a sophisticated intellectual agenda. In the past we just called it feudalism. The only difference is that today's feudal landlords are not necessarily the owners of land or factories. They are the corporate owners of global capital; just as happy to live off the acquisition of public services as they were (historically) off the acquisition of public lands. They are, in essence, the cronies Tony breakfasts with.

The Campaign Group's 'Save the Labour Party' conference at the TUC in July wasn't planned to collide directly with the re-branding of New Labour. But the contrasts (and choices) could not be clearer. Trade Union leaders have been queuing to speak at our conference, and to set a new 'Labour' agenda for reconstruction after the war on public services and public ownership. New models and structures may be needed, but not new principles or wrapping.

What we have to insist, though, is that the trade unions make the same stand within the Party as their leaders do from the conference platform. Systematically, it has been trade union representatives on Labour's national executive committee who have rolled over to support every aspect of New Labour's programme.

The follies of PFI/PPP, the brutality of housing stock transfers, the abandonment of universal entitlements in favour of means-testing, the unrestricted right to strike given to capital but not to labour, the travesty of party democracy that would suspend George Galloway for a political challenge but not Peter Mandelson for a financial fiddle – have all depended on the complicity of trade union silence or support.

We are at a watershed. New Labour's bid idea is that it has none. The Emperor's clothes have been promised to multi-nationals in exchange for a future dressed only in their promises. If we want a different future for Labour, the starting point for the party (and the movement) is to shed its illusions, not its principles.