

LABOUR CONFERENCE



It says a lot about the state of British politics that just when you get a Labour conference hungry for policy change, the press become obsessed with leadership change.

This is the politics of Pop Idol – adore the winner, abuse the rest; treat the public (or the Labour Party) as a fanzine, interested only in adulation; create an artificial mood of euphoria and excitement; and ignore the fact that all the songs are pretty much the same.

Refusing to join in a celebrity dash from Tony's tribe to Gordon's gang is not a fit of pique by those left out of recent media polls about the leadership of the Party. It is the demand for a wider debate about the politics of the Party itself.

Tony Blair may be the only one who continues to believe it was right to tear up international law and manufacture a spurious case for war on Iraq. He was not, however, the only one who knew that our intelligence services were warning that Iraq did not pose a threat to the West, and that a war on Iraq was more likely to increase the threat of international terrorism than to reduce it.

Seven Cabinet ministers saw these Intelligence Reports. And seven Cabinet ministers chose to remain silent. That is why singling out the Prime Minister for attack is so flawed. It is the culture of New Labour, rather than its personification, that has had such a corrosive effect on the Labour Party.

No less dangerous is the presumption that the Chancellor is any less responsible for the policies that the public harangue us about on the doorstep. Gordon Brown has taken Labour knee-deep into Enron accounting. As a society we pay dearly for this experiment.

The obsession with keeping everything 'off balance sheet' has driven public investment into the hands of PFI/PPP schemes. Anything was to be sacrificed if it embarrassed Gordon's books. In a bizarre re-write of Animal Farm labour was asked to sign up to the mantra – 'public borrowing, bad; private borrowing, good.'

The trade unions are bursting with anger about the failure of PFI schemes – their bureaucracy; the cost over-runs; the 16% (or more) interest rates they charge on public assets rented back to us; the steady erosion of pay and employment rights. Yet not one of the unions will trace their criticisms back to number 11 Downing St rather than number 10.

It was the Treasury that handed virtually every spending minister a poison chalice. Whatever their budget and investment needs, the answer was always the same; not from the public purse, not from the public borrowing. In fact, the poison has been worse. The only enthusiasm the Treasury has shown for handing out public money has been in bribes paid for the dismantling of public services.

Look at the financial inducements being offered to local authorities to sell off their council housing stock.

Tenants cannot vote for an option that allows them to access housing capital but remain as council tenants. New Labour has rigged the rules to take assets out of public ownership. The same was done with transport services, waste disposal, air traffic control, new schools, university funding and hospitals. This is the economics of the Washington Consensus. Corporate institutions have milked the manufacturing sector dry in the northern hemisphere. Their hunger for easy profits remains. And the mechanism for feeding this hunger was the World Trade Organisation's agreement on trade in services (TRIPS). New Labour has been no less enthusiastic than the US administration in pushing this forward, knowing it would progressively transfer ownership of public services and the welfare state into private hands. The twin towers of Downing St have been indistinguishable in their enthusiasm for this process. How sad that this should happen when a different approach could have avoided the destruction of people's pensions at the same time as funding the renewal of public services. British pensioners and insurance funds saw over £350bn wiped off their asset values in the last financial year. Each year workers put an extra £50bn into these pension funds – more than enough to avoid every PFI scheme in the land. Current treasury rules simply limit the ability to use this for public investment programmes.

I co-wrote a pamphlet explaining how we could have both the public investment we want and secure pensions. Financial institutions have squandered the money from workers pensions. Of course they would be outraged if workers were given rights to use their pension savings for more secure purposes. Assets would remain in public hands and pensions would be delivered not destroyed. New Labour, however, has no desire to put public ownership before the interests of private capital.

So too with the internationalism of poverty reduction strategies and debt relief. We kid ourselves about how much New Labour has helped the most highly indebted countries. Most of this has been at a price that has left the poor poorer. The conditions attached to debt relief have required the poorest countries to hold a fire sale of their primary or productive assets; all in the name of international competitiveness. New Labour's representatives on the World Bank have never once demanded publication of the conditionalities imposed on the poor, never once pushed the case for a Tobin Tax (or some other constraint on the speculative movement of capital).

On the environment, New Labour has always sided with business interests rather than ecology. If it had the space to do so, Downing St would side with the corporate backers of GM crops rather than consumers demanding sustainable farming. From Downing St, there was a silence about the environmental impact of Royal Mail's decision to transfer mail from rail to road. And no environmental constraints are to stand in the way of the free trade agenda.

This was the gospel according to Margaret Thatcher. Its tenets were embraced by New Labour more than they were rejected. Of course there were differences. We would never have had a minimum wage under the Tories. They would never have put in any of the direct public investment that we have done. But nor would we have swallowed the con that PFI under Labour was any less of a rip-off than it was under the Tories.

The political path that has taken Britain into a personal welfare state that is increasingly means-tested, and a corporate welfare state based on universal freedoms and handouts, was determined by the whole of Downing St not just a part of it. This is why the criticism of where we are now has to focus on the shortcomings of the Project, not on a choice between the personalities behind it.

Blair and Brown may or may not like each other, but there is no doubt that they are in this together. Each provides cover for the other. As a distraction the public and the Party are treated to a 'soap' television drama about 'the Deal' struck (or not) between Blair and Brown about who should lead the Labour Party. Those with a serious interest in Labour's future should discount this as little more than the politics of image and ego; a game of celebrities rather than substance.

The real world is very different. No matter how much is silenced or fudged during Labour's conference week a new reality is dawning on people. The Project is dead. The Party is back. And a whole new policy agenda is needed to survive the challenges of the 21st century. Forget the singers. We need to change the song.

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