

# Gordon Brown: From reformism to neoliberalism

John Newsinger

“The distribution of income in Britain has now become so unequal that it is beginning to resemble a Third World country”, wrote Gordon Brown in his 1989 indictment of Thatcherism, *Where There Is Greed*. He complained that since 1979 “an extraordinary transfer of resources, from poor to rich, has taken place”. Indeed, so great had the level of inequality become that it was “difficult to argue that there remains even a common interest between the top 1 percent to whom Mrs Thatcher has given so much, and the rest of the nation”. And, of course, inequality was even more glaring with regard to the distribution of wealth. According to Brown, the richest 10 percent of the population owned more than 50 percent of the wealth, while the bottom 50 percent of the population owned only 7 percent. Even more outrageous, under Thatcher “the wealth of the top 1 percent, who now own 17 percent, had more than doubled”.<sup>1</sup> Remember, this was written in 1989 and the situation was to get considerably worse in the run-up to Labour’s 1997 election victory.

Now that he has been chancellor of the exchequer for ten years in a New Labour government with a large majority, what has Brown done to remedy the injustices and inequalities of the Thatcher years? Not only has he done nothing to reverse “the extraordinary transfer of resources from the poor to the rich” that so outraged him in 1989; under New Labour the situation has continued to get worse. When New Labour came to power in 1997 the proportion of the country’s wealth in the hands of the richest 1 percent had reached 20 percent. By 2004, with Brown as chancellor, it had increased to 24 percent.<sup>2</sup> According to one commentator, the 600,000 individuals who make up the richest 1 percent were, on average, £737,000 richer than they had been under the Conservatives.<sup>3</sup> More recently, according to the Institute for Fiscal Studies, 2005-6 saw both relative and absolute poverty increase. The institute reported that income inequality today is “higher than Labour inherited by a statistically significant amount”.<sup>4</sup> Brown is still trumpeted as the Labour Party’s most successful chancellor ever.

In *Where There Is Greed* Brown not only condemned increasing inequality under Thatcher, but also savaged the Conservative policy of privatisation. He was particularly critical of the dramatic increases in pay that the top executives of the privatised utilities awarded themselves. He also censured the erosion of civil liberties under the Conservatives, complaining that “information on individuals is now compiled and held on an unprecedented scale” and that “the right of assembly and the right to protest have been curtailed in ways that were not contemplated under any other post-war Conservative administration”. New Labour have, of course, far surpassed the Tories in their assault on civil liberties – with Brown’s full support. But back in 1989 he even complained of the government allowing “the Murdoch empire” to take over the *Times*.

What was Brown’s answer to all this? “Socialism has always been about more than equality,” Brown insisted, very deliberately distancing himself from the Labour right. Indeed, he warned that hard-won political and social rights were always in danger while they “existed side by side with huge concentrations of private unaccountable power”. The way forward was to forge “a strong economic democracy”. This was his vision of socialism.<sup>5</sup>

How did Gordon Brown, the champion of “a strong economic democracy”, become the champion of privatisation, of the market, of the interests of the super-rich, of globalisation, of the whole neoliberal agenda? The Brown who in 1989 warned of the danger posed by “huge concentrations of private unaccountable power” went on to embrace them, court them and govern in their interests. And this was openly celebrated: in March 2006, for example, Brown proudly announced the establishment of an International Business Advisory Council to help ensure that British economic policy remained in the best interests of global capital. Its members included Lee Scott, president and chief executive officer (CEO) of Wal-Mart; Lord Browne, chief executive of BP; Jean Pierre Garnier, CEO of GlaxoSmithKline; Bill Gates, chairman of Microsoft; Robert Rubin, chairman of Citigroup; Ratan Tata, chairman of the Tata Group; Sir John Rose, CEO of Rolls Royce; Sir Terry Leahy, CEO of Tesco; and Meg Whitman, CEO of eBay.<sup>6</sup> Needless to say, these people are not friends of the labour movement, either in Britain or abroad; they are its enemies, extreme examples of those whose huge wealth Brown had once considered made it difficult to believe that they still had any “common interest” with the rest of humanity.

Brown’s courtship of Rupert Murdoch, conducted in competition with Tony Blair, has been even more grotesque. This competition between the prime minister and chancellor led Murdoch to complain in a recent interview that whenever he visited Britain he always had to “have tea” with both men “or they are very suspicious that you are lining up with the other one”. For Murdoch, the test for Brown as prime minister will be “how much would he let the private sector get involved in health and education”.<sup>7</sup> This courtship of the reactionary, union-busting, tax-dodging Murdoch, something unprecedented in Labour Party history, tells us everything we need to know about the politics of New Labour.

This article will examine how Brown got to where he is today. It will chronicle and attempt to explain his remarkable trajectory from student radical to left Labour MP to becoming one of the principal architects of New Labour and, at last, to the enthusiastic embrace of neoliberalism.

## Student radical

Brown was born in 1951, the son of a Presbyterian minister. He was brought up in a middle class household with a strong social conscience. In 1967 he arrived, aged 16 and with this social conscience

still intact, as a student at Edinburgh University. Here Brown, along with thousands of others, found himself part of a student revolt. Although he was certainly influenced by the radical ideas of the time, Brown never embraced the politics of direct action and in 1969 he joined the Labour Party. This did not involve any commitment to Harold Wilson’s Labour government, but rather a belief that the Labour Party in Scotland could be transformed into a vehicle for radical change. Brown first came to prominence as a student politician in 1970 when the university principal, Michael Swann, categorically denied that the university had investments in any companies involved in apartheid South Africa. This was a lie of Blairite proportions. Brown received leaked documentary proof of this, and a special issue of the student newspaper was produced to expose the scandal. He went on to get a first class degree and began a PhD on the history of the Scottish Labour Party.

Brown continued to be involved in student politics and in 1972 campaigned on a “student power” platform for election as rector of the university. The rectorship was an office elected by students, usually contested by various notables and celebrities, and, once elected, the rector only ever played a nominal role. To the horror of the university authorities, Brown won an overwhelming victory, and immediately demanded that the university should support the campaign for increased grants. During his time as rector, he argued for working class representation on the university court, proposing that two vacancies be filled by the president of Edinburgh Trades Council and by the secretary of a tenants’ association. In retrospect, Brown was to regret this protracted involvement in student politics, but to his credit he was actively involved in the Chile Solidarity Campaign, set up in response to the CIA-sponsored military coup that overthrew the government of Salvadore Allende on 11 September 1973 (“the other 9/11”), and supported the miners during the 1974 strike that brought down the Heath government.<sup>8</sup>

It was in this period of military coups, American defeat in Vietnam and governments brought down by industrial action that Brown edited *The Red Paper on Scotland*, a collection of articles published in 1975. It was a new leftist celebration of radical politics, which included contributions from Tom Nairn, John McGrath, John Foster, Robin Cook and others. Brown’s own contribution condemned “the gross inequalities which disfigure Scottish life”, and argued that the times cried out for “a new commitment to socialist ideals”. He urged “a coherent strategy” of reforms designed “to cancel the logic of capitalism” and to lead “us out of one social order into another”. This would involve “a phased extension of public control under workers’ self-management and the prioritising of social needs by the communities themselves”. He called for “a planned economy” and for “workers’ power”, identifying himself with “Scotland’s socialist pioneers, Hardie, Smillie, Maxton, Maclean, Gallacher, Wheatley and others” – a pantheon



that included both revolutionary and reformist socialists. What was needed was “a positive commitment to creating a socialist society”.<sup>9</sup>

Brown’s student activism denied him a teaching post at Edinburgh University. Instead he got a post at Glasgow College of Technology in 1976, and in 1980 gave up academic life to work as a producer at Scottish Television. Brown was elected onto the executive of the Scottish Labour Party in 1976 and eventually, in 1983, was elected Labour MP for Dunfermline East in the face of Thatcher’s post-Falklands general election victory.

### Labour MP

Brown became a Labour MP as the Thatcher government’s assault on the labour movement was moving towards a climax with the Great Miners’ Strike of 1984-5. He confronted this turning point in the class struggle as a left wing Labour MP, someone who was never to embrace Bennism, but who nevertheless continued to advocate a reformism that he believed would raise up the working class, confound the capitalist enemy and accomplish a peaceful transition to socialism. In 1983, together with Robin Cook, he published a powerful collection of articles on poverty and deprivation in Scotland entitled *Scotland: The Real Divide*. In his introduction Brown argued that the “first prerequisite for eradicating poverty is the redistribution of income and wealth from rich to poor”. In what reads like an indictment of his later policies as chancellor, Brown insisted:

Taxation should rise progressively with income. Programmes that merely redistribute poverty from families to single persons, from the old to the young, from the sick to the healthy, are not a solution. What is needed is a programme of reform that ends the current situation where the top 10 percent of the population own 80 percent of the wealth and 30 percent of the income, even after tax. As Tawney remarked, “What some people call a problem of poverty, others call the problem of riches.”

Such views would later become anathema. At the time, however, he was adamant that “the goal would not simply be the minimalist one of equalising opportunities, a strategy akin to what Tawney described as ‘the impertinent courtesy of an invitation to unwelcome guests in the certainty that circumstances would prevent them from accepting it.’” So much for the cornerstone of New Labour’s claim to be “progressive” today. Moreover, a crucial point of the package of reforms that Brown was advocating was that taxation of the rich should be increased – increased, that is, from the then top rate of 60 percent.<sup>10</sup>

The 1984-5 miners’ strike was the most bitter and hard fought class struggle in Britain

since before the Second World War. It was a decisive moment when the opportunity to defeat Thatcherism was lost and the labour movement went down to a historic defeat.<sup>11</sup> In Scotland, Brown gave the miners his full support throughout the battle, appearing on picket lines, donating a significant proportion of his salary and challenging the Thatcher government’s decision to confiscate the benefits of striking miners’ families. His commitment to the miners’ cause earned him honorary membership of the Scottish Miners’ Union. In the aftermath of the strike he published his biography of the Scottish leader of the Independent Labour Party (ILP), James Maxton, a labour of love that it had taken him 20 years to write. Maxton was one of the great spokesmen for reformist socialism in the period between the two world wars. He supported workers’ struggles, savagely attacked the capitalist class and was a constant critic of the compromises and betrayals of the Labour Party leadership that were to culminate with Ramsay Macdonald’s defection to the Conservatives in 1931. The collapse of the Labour government saw Maxton lead the ILP out of the Labour Party in 1932. He condemned the Labour Party as irredeemably compromised and no longer a vehicle for socialist change. Any sympathy with Maxton would be inconceivable for the Gordon Brown of today, but the Brown of the mid-1980s was different. He produced a sympathetic and scholarly account that celebrated a tradition of militant reformism, an account that was still fuelled by anger at the defeat of the miners.

Some commentators have seen the book as marking a turning point for Brown: he celebrates Maxton’s principled intransigence, but in the end rejects it because it can only lead to political impotence. This is to read Brown’s subsequent trajectory into the book in a way that is not substantiated by the actual text. Certainly Brown acknowledges contemporary criticisms of Maxton’s “purism”, but he goes on to reject them. He insists, “Maxton’s journey through the politics of the twenties and thirties must be viewed in context.” Just at the moment when the Great Depression “cried out for a radical political response, the British Labour Party seemed immobilised, frozen by the enormity of the challenge”. The great weight of his criticism is of the Labour Party, not of Maxton. There is, I would argue, no doubt that at this time Brown’s loyalties still lay with some sort of militant reformism. The book ends with a strong endorsement of Maxton’s socialist vision.<sup>12</sup>

We have already looked at Brown’s 1989 book, *Where There Is Greed*, a book in which he continues to condemn Thatcher and all her works and argues for a left Keynesian reformism. What was to transform him into a champion of neoliberalism?

### Architect of New Labour?

One of the problems with bourgeois political science as it is practised in British universities is that it focuses on the shadows cast by the class struggle rather than on the class struggle itself. From this point of view New Labour is regarded primarily as an electoral phenomenon, as a necessary step if the Labour Party was to secure the votes of the Thatcherite middle class and have any chance of taking power. The problem with this particular view of politics is that it ignores, indeed helps conceal, the way that power is actually exercised in capitalist societies, and in particular it renders the ruling class invisible. The reality is that New Labour was the product of class struggle or, more to the point, of defeat in the class struggle. The emergence of New Labour was predicated on the defeat of the miners’ strike and of the print unions (by Rupert Murdoch) at Wapping. These defeats registered a historic shift in the balance of class forces in Britain, and New Labour was a product of that shift. Whereas previous Labour governments had served as mediators between the trade unions and the capitalist ruling class, in the aftermath of defeat this was no longer a viable role.<sup>13</sup> After Thatcher’s victories the ruling class no longer needed a party to mediate with the trade unions.

If the Labour Party was to get into government again it needed to make itself acceptable to the ruling class – it needed to embrace Thatcherism and transform itself into the party of business, the party of globalisation. This was to become Brown’s objective in the 1990s.

Defeat in the 1992 general election is often seen as decisive in transforming Brown from a reformist socialist into a neoliberal. In reality, it only consolidated developments that were already under way. The task of making Labour acceptable to big business began under Neil Kinnock, continued under John Smith and was merely carried forward to completion by Brown and Blair. Whereas, for Blair, the embrace of neoliberalism involved no great personal struggle because he had no previous beliefs to dispose of, for Brown it involved a deliberate decision to change sides. The effort, one suspects, damaged his personality. Nevertheless, for Brown, the class struggle was over and the capitalist class had won, both domestically and globally. Once he had come to terms with this, he embraced the neoliberal agenda with all the fervour of the recently converted. While there is no evidence to show that Brown was ever an admirer of the Soviet Union, at the very least, the victory of the United States in the Cold War would have reinforced this conclusion. And it was to the United States that he turned for the model of the New Jerusalem that beckoned humanity. It began with an enthusiasm for Bill Clinton, but has since generalised into a belief that the United States is the global future.<sup>14</sup>

What seems clear, looking back, is that it was Brown and not Blair who was the principal architect of New Labour. Blair was more the salesman. Brown was by far the most substantial of those pushing the neoliberal agenda within the Labour leadership. George Galloway has provided an interesting assessment of the calibre of the two men:

Brown was a political titan compared to Blair; as deep as Blair was shallow, as serious as Blair was slick. Brown versus Blair was like a contest between Bertrand Russell and Bob Monkhouse (whose motto, incidentally, could easily be Blair’s: “Once you learn how to fake the sincerity, the rest is easy”).<sup>15</sup>

This makes Brown’s culpability all the greater.

Nevertheless, when Labour leader John Smith died from a heart attack in May 1994, Brown found himself outmanoeuvred for the party leadership by Blair.<sup>16</sup> He regarded himself as having been betrayed by people he had trusted, something he has never forgotten or forgiven. His position was still remarkably strong, however. He extracted from Blair an agreement (the Granita agreement) that gave him control of economic and social policy in a future Labour government, together with the promise that Blair would hand the prime ministership over to him in the not too distant future. This unprecedented agreement was testimony to the extent to which Brown was the driving force behind New Labour.

As shadow chancellor, Brown played the decisive role in remaking the Labour Party as New Labour, “the party of business”. In speech after speech to business leaders, he insisted that Labour had accepted the results of Thatcherism, embraced market forces, adapted itself to the supposed realities of globalisation, and cherished the entrepreneur above all others. He even tried to invent a business background for himself. In November 1996 Brown told the Confederation of British Industry conference that “business is in my blood”. His mother had been a company director and “I was brought up in an atmosphere where I knew exactly what was happening as far as business was concerned”. He was, indeed he had always been, one of them. The only problem is that it was not true. As his mother subsequently admitted, she would never have called herself “a business woman”: she had only ever done some “light administrative duties” for “a small family firm” and had given up the job when she married, three years before young Gordon was even born.<sup>17</sup> While there have been Labour politicians who have tried to invent working class backgrounds for themselves before, Brown is the first to try and invent a capitalist background.

## “Britain is made for globalisation”

Since becoming chancellor of the exchequer Brown has regularly boasted to business audiences, both at home and abroad, of how New Labour has made Britain “the most business friendly environment in Europe”, although on this particular occasion he did go on to acknowledge that there was still a lot to learn “from the entrepreneurial and flexible labour markets of the American economy”. Some of these speeches have been collected in his recently published *Speeches 1997-2006*. They provide a wealth of evidence of the way in which he has transformed himself from a reformist socialist into a full-blown neoliberal. In a speech to the Social Market Foundation in February 2002, Brown admitted that making Britain a paradise for business and the rich had involved “a break from a hundred years of Labour history”. Indeed, he went on to warn that “we need to affirm a yet more radical break with Labour’s past”. Whereas, in the past, the left had seen markets as “leading to inequality, insecurity and injustice”, now he could “assert with confidence that promoting the market economy helps us to achieve our goals of a stronger economy and a fairer society”. He actually went on in the same speech to accuse the Conservatives of not being pro-market enough. It had been necessary to make “fundamental changes” to Labour Party policy, but he was now confident that Britain would “be a beacon for the world, where enterprise and fairness march forward together”.

Brown was even prepared to pay tribute to the contribution made by Margaret Thatcher, no longer “the betrayer of Britain’s future”, but the country’s saviour. In a speech made in July 2004, he was fulsome in his praise: “She recognised the need for Britain to reinvent itself and rediscover a new and vital self-confidence”. She, he went on, “understood that we could gain strength from the glories of our past which could point the way to a glorious future”. While Thatcher had made mistakes, nevertheless there had been many “advances, achievements and important changes”. In this same speech, he recited some of “the real achievements” of Britain’s glorious past, which included the country’s “imperial mission” and the fact that Britain was once “centre to the world’s largest empire – the global economy of the day”.

What was needed, according to Brown, was not just the transformation of the Labour Party into “the party of business”, but the transformation of British culture. In July 2001 he urged that “a truly entrepreneurial culture” should be created in Britain. He went on:

We want every young person to hear about business and enterprise in schools; every college student to be made aware of the opportunities in business and to start a business; every teacher to be able to communicate the virtues and potential of business and enterprise.

Socialism, for Brown (and he still used the word to trade union and Labour Party audiences), had become “the creation of a deeper and wider entrepreneurial culture where enterprise is truly open to all”. One can imagine the outcry if any previous Labour government had ever suggested that schools should inculcate socialist values or trade union solidarity!

Brown returned to this theme later the following year (December 2002) in a speech to the Growing Business Awards. New Labour, he boasted, had “done a lot to make businessmen and women role models for young people” and to “make successful business leaders role models in every community”. They were creating “a wider and deeper enterprise culture”. In effect, British culture had to be “Americanised”.

On 2 December 2005, addressing business leaders at the Advancing Enterprise Conference in London, Brown welcomed the event as “a concrete expression of our partnership”. They had “a shared agenda” and New Labour could be relied on to “take it forward”. He was, he told his audience, particularly looking forward to the session on “our educational priorities” that was being led by that great educationalist Terry Leahy, the chief executive officer of Tesco. Brown promised them

that “if we work together then I believe we shall prove that Britain is made for globalisation and globalisation is made for Britain”.<sup>18</sup>

## The politics of spin

One point worth considering is how it is that Brown has still managed to appear to some people (admittedly a declining number) as being to the left of Blair. To a considerable extent this has been the result of “spin”, reinforcing wishful thinking, although it also derives from a very deliberate effort, in which Brown has played an important part, to locate New Labour within the Labour Party tradition, arguing that it is a development of “Croslandism”. Let us consider the question of “spin” first.

In 1998, in what one commentator described as a “frenzy of privatisation” that “bordered on the messianic”, Brown proposed the privatisation of the Post Office.<sup>19</sup> This was opposed by the then secretary of state for trade and industry, Peter Mandelson, who instead proposed that it be retained in the public sector, but be given commercial “freedom”. In this particular battle Mandelson carried the day. Charlie Whelan, Brown’s press officer, gave two alternative briefings, “one to right-leaning papers claiming that Mandelson had farked a desirable privatisation of the Post Office, and another to left-leaning papers and the trade unions, that Brown had ‘saved’ the Post Office from privatisation”.<sup>20</sup>

Much the same story can be told with regard to the minimum wage. This is inevitably championed as one of the great achievements of New Labour by its supporters. Brown, however, only agreed to it because experience in the United States, where there has been a minimum wage since 1938, showed that it was not a serious inconvenience to business. Indeed in the United States the minimum wage has proven to be perfectly compatible with the sustained attack on working class living standards and workplace conditions that has been under way since the 1980s. All that had to be ensured was that the minimum wage was set low enough. In Britain, as Simon Jenkins observed, it was set so low “as to be almost invisible”.<sup>21</sup> The man responsible for this was Gordon Brown.

When it was proposed that the minimum wage should be set at £3.70 an hour, Brown insisted that the most business could afford was £3.50. In the face of his intransigence, TUC general secretary John Monks, certainly no militant, intervened. Monks, according to Tom Bower, was “puzzled that Brown, posing as the champion of the working class and diligently attending the birthday parties of the movement’s leaders, could suggest that the economy was unable to afford the increase”. Monks warned Brown that if he did not drop his opposition he would make it public and thereby “put an end to Brown’s bid to become the Labour Party’s next leader”. Brown retreated, but once again Charlie Whelan spun the story to his advantage. Stephen Byers, who had replaced Mandelson as secretary of state for trade and industry, had publicly advocated a rate of £3.60 an hour. Brown threw his weight behind this. Whelan now briefed journalists that Brown had always favoured £3.70, but had been forced “to compromise with Byers...and accept a £3.60 minimum wage”. Brown did still insist, however, that the full rate should be payable, not from age 21 as the Low Pay Unit (LPU) urged, but from age 22. When George Bain of the LPU told him that only 8,000 young people were affected, Brown remained adamant, telling Bain, “I won’t allow 21 year olds to be classed as adults”.<sup>22</sup>

## “Croslandism” and New Labour

While “spin” is the main factor in accounting for whatever remnants of a left reputation Brown still has, he has also been centrally involved in the effort to identify New Labour as a species of “Croslandism”. This fascination with the intellectual standard-bearer of the right wing of the Labour Party in the 1950s and 1960s is rather sudden. In the “anthology of Socialism”, *Values, Visions and Voices*, that Brown co-edited with Tony

Wright in 1995, there are only four contributions from Crosland’s writings out of nearly 200 selected extracts. Even that intellectual giant Neil Kinnock has five contributions!<sup>23</sup> By early 1997, however, Brown had decided to lay claim to “Crosland’s rich and lasting legacy to Labour”. He was aware of the need to at least maintain the pretence that New Labour still had some connection with “Old Labour”, even if it was with the Labour right. He fastened on “Croslandism” as the way to achieve this. In a speech that was later published in an edited volume, *Crosland and New Labour*, Brown emphasised the way that Crosland had placed “equality” at the centre of the Socialist project. This was what New Labour was all about, Brown argued: “everyone should have the chance to bridge the gap between what they are and what they have it in themselves to become”. Brown tried to update Crosland’s understanding of equality



with a more modern New Labour definition: “employment opportunity for all”, “continuing and lifelong educational opportunity”, “genuine access to culture” and “a redistribution of power that offers people real control over the decisions that affect their lives”.

The great advantage of this updating of the definition of equality is that it is perfectly compatible with “inequality”. And, moreover, one of the ways that power is to be redistributed is through the market! What Brown is about is substituting “equality of opportunity” for equality of wealth and income – that everyone should have an equal opportunity to become rich. This, of course, has a particular attraction for today’s Parliamentary Labour Party. To be fair though, Brown does concede that “even in a global marketplace”, it might still prove necessary to “address wealth and income inequalities”. “I believe”, he wrote, “that these inequalities can be justified only if they are in the interests of the least fortunate.” This truly original contribution to socialist thought looks remarkably like the good old “trickle-down” effect championed by the Thatcherites. At the very least, it leaves him with considerable leeway. Indeed, judging from his performance as chancellor, he has yet to find any of the increasing levels of inequality in New Labour Britain that are not in the interests of “the least fortunate”.<sup>24</sup>

More recently, in 2006, Brown contributed an introduction to a new edition of Anthony Crosland’s *The Future of Socialism*. First published in 1956, this book was the intellectual mainstay of Labour’s right wing, the bible of Gaitskellite revisionism. Now, 50 years later, Brown celebrated its publication as “a decisive moment in post-war Labour history” and praised its “freshness” and “relevance”. What Crosland showed was that Socialism “was about the dignity of human beings and the equal right of each individual to realise their potential in a supportive community”. Socialism was “opportunity for all”. All of Brown’s earlier campaigning for “the redistribution of income and wealth from rich to poor” was effectively repudiated.<sup>25</sup>

This supposed commitment to equality has become central to New Labour’s claim to be a

party of “the centre-left”. They are absolutely passionate about it, so much so that, when it was proposed to include an explicit unambiguous commitment to equality in the Labour Party’s new Clause IV in 1995, Peter Mandelson had it removed.<sup>26</sup> Nevertheless “equality” continues to be a tricky concept, encouraging all sorts of unhelpful ideas and attitudes. It has to be continually redefined so as to pose no threat to the rich and the super-rich. The most promising redefinition so far has been that provided by the Equalities Review, set up by Blair in 2005. A panel consisting of Trevor Phillips; Sir Robert Kerslake, the chief executive of Sheffield Council; and Dame Judith Mayhew Jonas, a top lawyer who was made a dame for her services to the City, deliberated at great expense. They came up with something so spurious as to take the breath away:

An equal society protects and promotes equal, real freedom and substantive opportunity to live in the ways people value and would choose so that everyone can flourish. An equal society recognises people’s different needs, situations and goals and removes the barriers that limit what people can do and can be.<sup>27</sup>

This is New Labour at its most intellectually rigorous.

### “Old Labour”

What would Anthony Crosland himself have made of all this? Crosland, after a brief flirtation with Stalinism at university, positioned himself on the right of the Labour Party in the early years of the Second World War. As early as 1941, while serving in the army, he had stated his intention to be “the modern Bernstein” who would defeat Marxist influence within the labour movement.<sup>28</sup> *The Future of Socialism* was his attempt at realising this ambition. What is crucial for our purposes



is that Crosland’s arguments were premised on a belief that capitalism had been defeated, tamed, fundamentally changed, and that all that remained for the left was the implementation of a programme of democratic reforms, including “democratic equality”. New Labour is founded on the very opposite premise, on the belief that capitalism has triumphed and that the left has been defeated once and for all. There is nothing in Crosland’s writings to suggest that he would have responded to this defeat in the way that Brown and New Labour have. From this point of view Roy Hattersley, a vocal opponent of New Labour, can be best seen as Crosland’s heir. One obvious consequence of the difference in context is worth pointing out: New Labour is far to the right of anything that Crosland and the Labour right would ever have contemplated in the 1950s, 1960s and 1970s. Indeed, New Labour is to the right of the Conservatives in this period.

Interestingly, Crosland had a much more robust attitude to equality, or “democratic equality” as he called it, than anything evidenced by New Labour. While Brown has tried to redefine equality as a watered down equality of opportunity, Crosland explicitly ruled that out. Indeed, he described equality of opportunity as “the doctrine of Tory radicalism”. What Crosland, a Labour right

winger, called for were “measures...to equalise the distribution of rewards and privileges so as to diminish the degree of class stratification, the injustice of large inequalities and the collective discontent”.<sup>29</sup> This certainly did not amount to socialism, but nevertheless, it has nothing in common with New Labour.

In 1962 Crosland published another book, *The Conservative Enemy*. Here he was even more forthright than in the earlier volume. According to Crosland, inequality in Britain was “still greater than should be tolerated in a democracy” (it was less than today) and he complained of the rich receiving rewards “far higher than any civilised person should want or need” (they received considerably less than today). He urged that a future Labour government “must grapple with the maldistribution of property”. He was particularly critical of the concentration of newspaper ownership which was a threat to “a healthy democracy” and was contemptuous of “the more depraved and poisonous of the capitalist press”. This was, of course, long before the advent of Rupert Murdoch. In short, Crosland would not have recognised New Labour as Labour at all.<sup>30</sup>

Crosland talked more radically than he was ever prepared to act. Most famously, while secretary of state for education he had remarked: “If it’s the last thing I do, I’m going to destroy every fucking grammar school in England”.<sup>31</sup> In practice, he rejected the compulsory introduction of comprehensive schemes in favour of “persuasion”, which is why there are still grammar schools today. Similarly, while he argued that the state should take over the public schools and democratise them, he never actually did anything about it when in office. He certainly never suggested that the public schools should be invited to take over state schools as New Labour does today. Nevertheless, during the International Monetary Fund (IMF) crisis that crippled James Callaghan’s Labour government in 1976, Crosland was one of those arguing for rejection of the IMF’s demand for cuts in government spending. What is the point of the government surviving, he complained, “if Labour measures can’t be implemented”. Callaghan’s government, he went on, “is the most right wing Labour government we’ve had for years”.<sup>32</sup> He had not, as they say, seen anything yet.

### New Labour in power

Brown’s wholehearted commitment to markets, globalisation and today’s rampant capitalism was made absolutely clear to the whole world by the decision to make the Bank of England independent. He was showing the capitalist class, both at home and abroad, that he was their man and that New Labour was their government. As one sympathetic historian observed, “At a stroke much of the political economy of the Labour Party since 1945 was abandoned”.<sup>33</sup> It is worth remembering that at least one of the reasons Clement Attlee’s government had nationalised the bank had been because of its role in the 1931 financial crisis, which had brought down Ramsay MacDonald’s government and seen him defect to the Conservatives. The bank had represented the interests of international finance, rather than the interests of the Labour government. This was never to be allowed to happen again, although the reality was that the bank always retained considerable independence. What Brown’s action signalled was that New Labour would never find itself in conflict with international finance. Brown had out-Thatchered the Thatcherites. His “great political coup” successfully positioned New Labour to the right of the Conservatives.<sup>34</sup> Brown was committed to what can usefully be described as “globalisation in one country”.<sup>35</sup> What followed was Brown’s rush to privatise as he came out as “Thatcherism’s most coveted St Paul”. As Simon Jenkins observes:

Brown tore up all he had said in opposition and hurled himself into a frenzy of privatisation, scouring the cupboard for things to sell. He faced down union opposition by seeking to dispose of air traffic control, the Royal Mint, the Commonwealth Development Corporation, and Tote on-course betting. The privatisation of the Post Office...was halted in 1998

only because its departmental sponsor was Brown’s sworn enemy, Mandelson... Privatisation spread even to Whitehall. The Inland Revenue sold its entire estate to a property developer, John Ritblat, who transferred it, quite legally, to an off-shore tax haven... The Treasury even sold and then leased back its own headquarters in Parliament Square.

Brown’s frenzy of privatisation has yet to run its course. His supposed opposition to privatisation in education and the NHS is largely a matter of spin and of the factionalism within the New Labour government. Brown has carried big business into areas of the public sector that the Thatcherites never dreamed of.

Jenkins goes on to write of Brown’s privatisation of “public borrowing” through Private Finance Initiatives (PFI) and Public-Private Partnerships. As he points out:

By July 2003 Brown was boasting of the completion of 450 PFI projects, including 34 hospitals, 239 schools, 34 fire and police stations, 12 prisons and 12 waste projects. The NHS had by 2005 borrowed some £6 billion for PFI schemes, with a further £11 billion in the pipeline. By the mid-2000s virtually all health investment was being financed by the private sector.<sup>36</sup>

What Brown had done was to find a way to make government spending attractive to and profitable for big business. The inevitable end result will be a public sector, if that is still the right term, that will be effectively in the hands of capital. The first charge on revenue will inevitably be payment of the debts incurred by PFI. In the NHS this makes the introduction of charges a certainty, and one can predict with considerable confidence an attempt by a Brown government to introduce such a scheme, limited to begin with, but preparing the way for later expansion.<sup>37</sup>

One other thing that Jenkins points out is New Labour’s effective privatisation of civil service functions. Instead of turning to the civil service for advice, New Labour turns to private consultants. This is not a small matter. Whereas in 1995 £300 million was spent on consultants by the Conservative government, by 2003 the cost was £1.7 billion and by 2004 £2.5 billion. Indeed, from 1997 to 2006 New Labour’s spending on consultants has been estimated at £70 billion.<sup>38</sup>

Why has the Labour Party allowed all this? Well, first of all, many party members, including lifelong members, have voted with their feet and resigned in disgust and despair. Those who remain inhabit a party that is radically different from the Labour Party in 1990, let alone 1964 or 1945. As Stephen Ingle has pointed out, the new intake of Labour MPs in 1997 “contained as many millionaires as it did manual workers”. Indeed, he goes on to put New Labour into some sort of historical perspective: “The New Labour government is less representative of organised Labour than was the Liberal Party of Campbell Bannerman and Asquith”.<sup>39</sup> The Labour left has never been weaker, and it has been completely unable to seriously hinder, let alone stop, the drive to the right.

What of relations between Brown and Blair? Throughout Blair’s period of office one of the most important features of his government has been the power exercised by the chancellor of the exchequer. To a considerable extent, Blair was effectively excluded from social and economic policy making, with Brown famously refusing to even discuss the budget with him. This unprecedented situation reflected the strength of Brown’s position within New Labour, but, for all that, Brown has never felt strong enough to bring Blair down and at the same time ensure his own succession. Over the introduction of student “top-up fees”, for example, Brown covertly encouraged backbench opposition, but in the end backed down. On Blair’s part, there seems little doubt that if the Iraq War had been the triumph he expected it to be, then the overthrow of Saddam Hussein would have been swiftly followed by the overthrow of Gordon Brown. Far from strengthening Blair so as to enable him to remove Brown from the Treasury, the war mortally damaged him. It is the Iraq War that in the end has made it possible for Brown to take over from Blair.

It is important to recognise, however, that this bitter struggle within the government has not been

over any fundamental policy differences, between a left and a right within New Labour. Brown and Blair's mutual hatred has been personal rather than political. The differences between them are more differences of style than of substance. Brown, for example, does not share Blair's relaxed attitude towards political corruption, something he evidenced as far back as the Ecclestone affair.<sup>40</sup>

But those who believe, against all the evidence, that Brown was not fully behind the invasion of Afghanistan and Iraq are deluding themselves. One recent New Labourite discussion of a Brown government's likely foreign policy argues that we should "expect small but symbolic statements" distancing themselves "from aspects of Bush's foreign policy – Guantanamo, the practice of extraordinary rendition and US hostility towards the UN". Maybe. It goes on to argue that as far as a US attack on Iran is concerned, "it is almost inconceivable that a Brown government would support such action".<sup>41</sup> This is so much wishful thinking. It shows the extent to which people still have illusions in Brown. Indeed, it is inconceivable that a Brown government will not support the attack on Iran when it comes. New Labour and the Conservative opposition are both married to the United States, for better and increasingly for worse, and will support US actions, either overtly or, if it is too politically damaging, covertly. There is no comfort whatsoever to be taken from developments inside the Labour Party at the present time. Hope lies outside.



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#### Notes

- Brown, 1989, pp119, 121.
- Self and Zealey, 2007, pp70-71.
- Carvel, 2004.
- Institute for Fiscal Studies, 2007.
- Brown, 1989, pp10, 176-178.
- HM Treasury, 2006.
- Cassidy, 2006. Murdoch's ambassador to Britain, Irwin Stelzer, has gone on record to recommend that Brown appoint Ed Balls as chancellor, and that Balls's wife, Yvette Cooper, should also be given a cabinet post. The support of someone like Stelzer would once have destroyed the prospects of a Labour politician, but today it does not even raise eyebrows (see Stelzer, 2007).
- For Brown's career as a student radical see his semi-official biography: Routledge, Paul, 1998, pp 41-63.
- Brown, 1975, pp7, 9, 18, 19. The book was actually printed by the Institute for Workers' Control and among the influences that Brown acknowledges were Institute publications, the *Socialist Register*, Antonio Gramsci and Edward Thompson. He even footnotes the publications of the International Marxist Group and of the International Socialists (the forerunner of the Socialist Workers Party). The front cover of the book is illustrated with a photograph of Upper Clyde Shipbuilders workers voting to occupy the shipyards, and the back with a photograph of Leith dockers on strike in 1913.
- Brown, 1983, pp20, 22.
- Callinicos and Simons, 1985.
- Brown, 1986, p298. Brown's *Maxton* compares favourably, for example, with William Knox's academic study, *James Maxton* (Knox, 1987). In his biography of Brown, Tom Bower argues that "in his head" Brown "understood how Maxton had undermined his ambitions for a better society by refusing to compromise to obtain power" (Bower, 2004, p51). On the contrary, in his book, Brown recognises that compromise led to MacDonald joining the Conservatives to help save capitalism at the expense of the working class.
- The best study of the Labour Party remains *The Labour Party: A Marxist History* (Cliff and Gluckstein, 1988). A new edition would be extremely useful.
- As one recent sympathetic account has argued, Brown's "allegiance and enthusiasm for the American way is as great as Blair's" (Hassan, 2004, p211).
- Galloway, 2003, p 141.
- Brown coedited a volume of tributes to John Smith (Brown and Naughtie, 1994). Brown's own contribution includes extensive quotations from Smith's speeches, attacking John Major's Tory government for sleaze, every word of which could apply to New Labour today. He even quotes Smith's condemnation of "the too-close relationship that has developed between this government and the private sector" (p96). He understandably does not mention the fact that he was criticising Smith for not moving far enough to the right when he died.
- Peston, 2005, pp23-24.
- For this and the other quoted speeches, see Stevenson, 2006, pp26, 34, 35, 37, 59, 63, 64, 124, 125, 127, 133, 146-147, 342, 370.
- Jenkins, 2006, pp258-259.
- Macintyre, 2000, pp474-475.
- Jenkins, 2006, p257.
- Bower, 2004, pp 276, 294-295.
- Brown and Wright, 1995. *Values, Visions and Voices* is an appalling book, where any hint of class struggle has been altogether exorcised. In its pages Sheila Rowbotham rubs shoulders with Ramsay MacDonald, George Orwell with Neil Kinnock, and William Morris with Hugh Gaitskell. There is, of course, nothing from Karl Marx or Frederick Engels, both of whom had quite a lot to say about Britain. Indeed the Marxist tradition is effectively suppressed. Still, despite every effort to make the collection as inoffensive as possible, some moments of embarrassment still creep in. There is an extract from an interview with Dennis Potter where he lambasts the *Sun* newspaper: "Just pick up a copy of the *Sun*. Is this Britain? Is this what we've done to ourselves? How can the people who work on that paper go home and face their families without a sense of shame" (pp149-150). This was, of course, before Blair and Brown had had to abase themselves before Rupert Murdoch, had both written for the *Sun* and had made it New Labour's favourite newspaper. Indeed, on 1 May 2007, May Day no less, Brown actually had an article in the *Sun* on "Blair's decade of achievement". Here he identified Blair's most memorable success as being "how we stood shoulder to shoulder with America" after 9/11. This was not written to reassure *Sun* readers of his continuing support for the United States, but to reassure Rupert Murdoch. Dennis Potter, of course, named the cancer that was to eventually kill him "Rupert Murdoch".
- Brown, 1999, pp36, 41, 43, 44.
- Crosland, Anthony, 2006, pp vii, viii. Tony Blair had no interest whatsoever in any of this laying claim to a Labour heritage, indeed in 2004 he contributed a chapter to a collection entitled *Neo-Conservatism* (Stelzer, 2004). Other contributors included Margaret Thatcher, Condoleezza Rice and various luminaries of the US Republican right.
- Macintyre, 2000, pp316-317.
- Equalities Review, 2007, p7.
- Jeffreys, 1999, p16.
- Crosland, Anthony, 2006, pp173, 191.
- Crosland, Anthony, 1962, pp7, 28, 37, 211, 212.
- Crosland, Susan, 1982, p148.
- Meredith, 2006, p245.
- Brivati, 1999, p 245.
- Keegan, 2004. Keegan emphasises the American influence on the decision, quoting Brown thanking Alan Greenspan, then chair of the US federal reserve, for the discussions on "how central bank independence would work for Britain" (p156).
- The term is not original, but comes from Hirst and Thompson, 2000.
- Jenkins, 2006, pp259-260, 272. His chapter on Brown is simply entitled "Gordon Brown, Thatcherite".
- New Labour's foremost academic apologist, Anthony Giddens, calls precisely for "user-charging" in his advice to a Brown government: Giddens, 2007, pp83-84. He comforts fellow Blairites with the assurance that while "Brown's political philosophy is often said to be to the left of that of Tony Blair – meaning that he leans more towards the Old Left...his speeches and writings over the past few years reveal nothing of the kind" (p35).
- Jenkins, 2006, p266.
- Ingle, 2000, p157.
- Blair rode into office on a white charger, without anyone realising it had been given to him in return for a favour. The character of the man was demonstrated immediately by the Ecclestone scandal. In return for a £1 million donation to party funds and the promise of more, the government exempted Formula One motor racing from the ban on tobacco advertising. Darts and snooker were not exempted. This was one of the most blatant acts of political corruption in modern times, carried out by a man and a government elected on an anti-sleaze ticket. Blair defended himself by famously arguing that he was "a pretty straight sort of guy". Brown, to his horror, was caught out on Radio 4's *Today* programme, having to lie to cover up for Blair. See Rawnsley, 2001, pp97-98.
- Mepham, 2006.

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