

ONE BROWN BOTTLE HANGING ON THE LINE



The mauling Gordon Brown received, in his first Prime Minister's Question time of the winter session, is far more significant than a single bad round in a long boxing match. His predecessor, Tony Blair, lost the public over the Iraq war; not because he was wrong, but because he lied. It was the legacy of spin and dishonesty that broke the public's trust in everything that followed.

For Brown, the legacy of the on-off general election casts a long shadow of spin and misjudgement that he will have trouble shaking off. He hasn't helped himself by pretending to have stood aloof from the debacle, leaving lesser minions to take the blame.

The group of Young Turks Brown has gathered around him were clearly semi-orgasmic about the cleverness of calling a snap election.

This should have come as no surprise because much of their previous experience was confined to the 'caucus and capture' machinations of student politics. The real questions are around the wisdom of Brown's own judgments to allow the Party to be spun into election overdrive and then retreat from the decision. In the end, he could hardly have made a bigger rod for his own back.

Some time ago, I had argued that Gordon Brown was likely to go for a snap election. The attraction of this was always to be found in the combination of public relief at the departure of Tony Blair, a honeymoon period for the new leader, and insufficient time for the Tories to have anything credible to offer in their election cupboard. Brown was always likely to be tempted by an election that took place before the public discovered that his own cupboard was also bare.

There was, however, only one real moment at which this opportunity would present itself – the leader's speech at the Labour Party conference. This would have forced a cancellation of the Tory Party conference for the following week, denied them the opportunity to present policies (and pretend that they were united), and held the spotlight permanently on himself.

As it was, all the election speculation gave David Cameron a Conservative conference he could only have dreamed of. Elements of the Tory Party that loathe each other behaved as though they were at a love in. Labour spin gave the Tories a cohesion they could never have given themselves.

Brown's surprise visit to Baghdad only made matters worse. Announcing 1,000 troop withdrawals that weren't actually taking place was not a smart move. By the time of the evening news there were film clips of 500 of these soldiers already arriving home that day, and confirmation that the other 500 were in Germany and would simply not be going to Iraq. By the following morning all of the newspapers had the news that Brown had ducked the choice of larger or complete withdrawals that had been on offer. For both the public and the party, we were back into the cynical manipulation of announcements for short-term gain. This is the trap Gordon has got himself into.

One of the great problems of our age is the extent to which reforming parties have been 'modernised' in ways that simply lose the plot. Short-term cleverness replaces long term vision. An obsession with tactics replaces the importance of strategy. A willingness to change the structural conditions in society gives way to an obsession with micro-managing the lives of individuals within it. We end up ducking all of the big issues of our time.

Nowhere was this clearer than in the Pre-Budget statement that followed the Prime Minister's election date climb-down. Events that have rocked the economies of industrial nations over the summer were dressed up simply as a temporary economic slowdown. The Chancellor chose to fight the Tories on their own ground – over small beer policies rather than big picture politics – offering parallel proposals on inheritance tax and stamp duty on house sales. The press were left to run a debate about which set of proposals most favoured the rich and which the super-rich.

Labour's Chancellor made it clear that it was public sector workers who would bear the brunt of anti-inflation policies and the economic slowdown. Understandably, public sector workers are furious at being told to accept 2% pay increases when City directors' salaries have risen by an average of 37% this year. It fell to the National Audit Office to point out that in the business friendly culture New Labour has created, over 200 of the largest companies in Britain that don't bother to pay any tax at all.

Only 50 out of the largest 700 companies were major payers of Corporation Tax (contributing around £500 million each). If the 200 big corporate tax dodgers did the same, Labour would have a massive budget surplus that allowed for the real investment and some sort of structural change that Britain urgently needs to engage with.

The trouble is that Brown's legacy, as Chancellor, is to have turned Britain into a tax haven where multinationals can offset all of their borrowing (wherever it then gets invested around the world) against their UK tax bill. So now, the UK taxpayer subsidises the international speculator. The low paid worker gets no pay rise, so that the private equity company can make no tax contribution. It is an arrangement in which the generosity of socialism embraces the rich and the brutality of capitalism goes to the rest.

Gordon Brown is besieged by criticism that he lacked the bottle to call an election. The real question is whether he has the bottle to change policies that have redistributed from the poor to the rich rather than the other way around. This, ultimately, is what the next election will be about.