

Comment

How Gordon fixed Tony

Until he wrests control of the decision from the Treasury, Tony Blair can only dream about realising his ambition to join the euro

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TONY BLAIR HAS been groaning to his intimates about the voluminous media attention devoted to his fiftieth birthday. There has been a lot of candle-blowing about, but I don't think the Prime Minister really has much cause for complaint. Almost universally, he has been crooned with compliments on his half-century, often to the accompaniment of black-and-white pictures depicting the heroic statesman Blair, boldly striding forward to embrace destiny. Admirers and critics, from whichever point on the spectrum they hail, are in agreement that not since Mrs Thatcher was at her zenith has a Prime Minister so dominated the scene.

This makes what is about to happen all the more remarkable and, for Mr Blair, all the more piercing. The destiny man will shortly be announced to be too weak to make his history. Worse, the announcer of this frailty will be his old friend and enemy, Gordon Brown. Mr Blair will again fail the big test of his leadership, a failure that is the more acute because he has defined the test for himself. When he is confounded once more by the great question of the euro, it will be the most severe personal set back of his premiership to date.

Some time very soon, the rendezvous with what Mr Blair regards as his future will be formally postponed again when Gordon Brown announces that the time is not yet ripe for the euro. If the Chancellor is allowed to have his way, as he has always contrived to get it before, the time will remain unripened until after another election has gone by and several more Blair birthdays are dust.

The Prime Minister's pro-European allies within the Government understand that it will be a blow to Mr Blair's ambitions and prestige. 'Tony knows it will look like a defeat,' says one of his friends. It won't just look that way – it will be a defeat.

Mr Blair regards joining the single currency as crucial to fulfilling his vision of Britain and his sense of his own purpose. More than once, and with a passion strong enough to burst through the calculated words of everyday politics, he has railed against Britain's chronicle of missing its opportunities in Europe. As he put it in a speech last November: 'For each British Prime Minister, there is this dilemma: if we are anxious about Europe's development, is it best to hang back until the direction is clear, or is it best to participate fully in the hope of making the direction more our own?' He answered his own question by concluding that it would be disastrous 'to remain a straggler'.

Yet a straggler is what Britain will



remain when the Chancellor produces his negative. The Blair who laments Britain's squandered chances in Europe is the same Blair who is about to find himself writing another chapter of the history of delay and dither that he deplores.

This is not what he told his counterparts in Europe and pro-Europeans at home was going to happen. He salvaged their disappointment that he did not go for the euro in his first term with repeated private assurances and many public suggestions that he would make the leap in the second. During the last election, much to the intense annoyance of Gordon Brown, he gave the clearest indication to me and other interviewers that he would call a referendum that he described as 'winnable'. Shortly after the election, he commissioned detailed wargaming of a referendum campaign to see how that objective might be achieved.

READING THE RUNES, I and others began to come to the conclusion that the forces arrayed against Mr Blair were too powerful for him to overcome. I suggested at the end of last year that the pro-Europeans were heading for another let-down at the hands of the Prime Minister. One leading euro campaigner complained to me that this column had lost him more than a million pounds in business donations. Pro-Europeans who visited Number 10 were told to ignore these predictions by Mr Blair.

At one such meeting, Colin Marshall, chairman of Britain in Europe, raised with the Prime Minister the roadblock of Gordon Brown. Mr Blair told him that the problem with the Chancellor was 'really political'. His reassuring words to Lord Marshall were: 'I can fix Gordon.'

This was one of Mr Blair's largest miscalculations. He has not fixed the Chancellor – the Chancellor has fixed him. The fix was effectively put in place in the autumn of 1997 when the Prime Minister agreed to make the euro choice dependent on pseudo-scientific economic tests over which Mr Brown would preside as both judge and jury. Only belatedly did the Prime Minister grasp the error of surrendering the power of decision to the Treasury. Its institutional euro-scepticism compounded Gordon Brown's native caution about gambling, as he sees it, the best chancellorship of any Labour government to satisfy the Prime Minister's call to destiny.

The euro statement will be accompanied by an avalanche of paper detailing how the Chancellor has arrived at his conclusion. For all their weight, the 2,000-plus pages cannot bury the fundamental truth about this exercise. Mr Brown had already decided on the macro answer before the Treasury started asking the micro questions. For every economist who seeks risk in joining the euro, another warns of the perils of staying out. A Chancellor with a different agenda could have produced a positive to the single currency, had he wanted to engineer that result.

With ruthless skill, Gordon Brown has out-manoeuvred the Prime Minister and marginalised the Cabinet. I may have sounded a bit astonished when Patricia Hewitt, the Trade and Industry Secretary, told me on Radio 4's *Westminster Hour* that she has yet to have been granted a glimpse of the Treasury's assessment. And it is pretty remarkable that the Cabinet Minister responsible for the vigour of our trade and the health of our industry

It could many years, if at all, before we pay for our cafe latte, or Rosie Lee, with Britannia's euros.
Photograph from Reuters

has not been permitted a peek at something so vital to their long-term prosperity. But I suppose, knowing the methods of Mr Brown, that we should not be at all amazed at the thoroughness with which he has excluded the Cabinet.

If they are lucky, Ministers may be allowed a brief debate after Mr Brown has thumped his *fait accompli* in front of them. One euro-enthusiast in the Cabinet says they are demanding at least a say about how the decision is presented. If there is not a Cabinet discussion, says this Minister, 'there will be a riot'. Even if they do get a little debate, it will be too late to alter the central thrust of Mr Brown's declaration.

That most of the country tell pollsters that they agree with him further strengthens the Chancellor's hand. Public scepticism has been intensified by the war in Iraq and the economic dol-drum of much of the euro-zone. The people are, if anything, more hostile to the project than when Labour first came to office.

Perhaps this could have been overcome had the Prime Minister followed the advice of those who urged upon him a full-throated campaign unambiguously preaching the merits of Europe to the sceptical British. Here again, he was the prisoner of Gordon Brown. The Prime Minister was trapped in a triple bind, a Catch-22. He could not campaign for the euro until the famous five tests had been met. It made no political sense to declare the tests passed until he was reasonably confident of winning a referendum. He could not put himself in a position to win a vote until he had started to move public opinion. He could not campaign until the tests had been passed.

Time has not dissolved this vicious circle. The passing of the years has only thrown more obstacles in Mr Blair's way. Something interesting, but little remarked upon, is happening to the respective positions of the Tory and Labour parties in relation to the euro. The Conservatives, racked for so long by civil war over Europe, are becoming relatively united on the subject.

The Tory antis are now the overwhelming majority of their party. The older, pro-euro Tories, the Heseltines and the Hurds, are fading forces. Of that cadre, only Ken Clarke maintains a resonant presence on the public stage. Among younger generations of Tory politicians, the euro-enthusiasts are few in number.

It is Labour which is now much more manifestly riven by the single currency. Backbench agitation groups – for and against – have formed. The Cabinet is split. The divisions between Prime Minister and Chancellor are now so obvious that their acolytes do not even waste their breath trying to deny it.

THE OUTSTANDING struggle between the two is whether the euro is ruled out for the remainder of this parliament – which Mr Brown wants – or whether the option is kept alive – which Mr Blair needs. The argument between them is as unresolved as it is ferocious.

Every line of the Chancellor's statement is fiercely contested. Mr Blair may even have to brandish the nuclear threat to seize the statement from the Chancellor and deliver it himself. It will not be enough for Mr Blair to try to wrap up the negative with soft positives about being in favour of the euro in principle. Everyone has heard that before, many times over. More misty waffle will pave the way for yet another victory for the Chancellor.

Late in the game, the pro-Europeans are telling Tony Blair what he must do if their cause is not to collapse and his credibility is not to be comprehensively shattered. He needs from Mr Brown a road map into the single currency which is precise enough to convince Europe and the British pro-Europeans that Mr Blair is not just another version of John Major saying: 'Wait and see.'

They will want to hear the Prime Minister declaring that his Cabinet will be released to go out and campaign for the euro uncensored by the deadening hand of the Treasury. That Mr Brown will be most reluctant to concede either on the detail or the control does not make it any less imperative for Mr Blair to demand it.

Nor will his face be saved by blaming the Chancellor, though the Prime Minister's allies will do that anyway. In the end, Tony Blair has thwarted himself. He has confused aspiration with action, he has not distinguished between wishing for something and doing it. Until he decides to make it happen, his euro dream will be just that: a dream.

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Mugabe: liberator and looter



Africa is shrugging off a generation of leaders who have reduced their people to penury, says **Ken Wiwa**

HOW THE WORLD turns: while African leaders try to broker a political deal, protests are planned at cricket matches in London. An embattled but defiant African government circles the wagons against public opinion and pressure from the international community. Is it really only 11 years since the end of apartheid?

It is doubly ironic in a week when Walter Sisulu died, following hard on the heels of the conviction of Winnie Mandela, that the crisis in Zimbabwe suggests that history might have turned a full revolution.

MARGARET Thatcher once famously suggested that anyone anticipating the end of white rule in South Africa was living in cloud-cuckoo-land. Yet the despatches from Zimbabwe over the past year sound like reports from a land in the clouds: while President Mugabe bends the constitution to suit his purpose, the bottom is falling out of the Zimbabwean economy.

Inflation stands at an eye-watering 228 per cent, unemployment is nearly 70 per cent, and the nation is battling acute shortages of hard currency, food, gaso-

line, medicines and other imports. And as the situation in his own country deteriorates, President Mugabe continues to rage against Britain and categorises opponents to his government, including Morgan Tsvangirai of the Movement for Democratic Change (MDC), as imperialist stooges.

Mugabe's rhetoric is emotive and evocative, a platform that once propelled him inexorably to power on a tide of anti-colonialism. And Mugabe himself is a potent symbol of this anti-colonialism, the last of a generation of leaders to emerge from Africa's independence struggles.

The President of Zimbabwe is a survivor, robust and fit for his 79 years, he allegedly runs five miles a day. But time has run out for Robert Mugabe. The future of Zimbabwe must be configured without the man who has ruled the country for more than 20 years.

His failure to come to terms with his political mortality and make provision for a life after office is typical of his generation of African leaders, who have almost without exception clung to power beyond their shelf life.

In Africa, elders retain an



Mugabe with President Olusegun Obasanjo of Nigeria, left, and President Thabo Mbeki of South Africa.

influence and reverence that increases with age, but the gerontocratic aspect of African politics is on trial in Zimbabwe. Last year Kenya's former president, Daniel Arap Moi, was forced to retire. Although Moi was able to earn himself a nice stipend in retirement, he couldn't deliver the presidency to his chosen successor, Uhuru Kenyatta.

And this is the sticking point for Mugabe, who is adamant that opposition leader Morgan Tsvangirai of the MDC will not succeed him. The future of Zimbabwe seems to have become personalised in the struggle between Tsvangirai and Mugabe in much the same way that Israeli-Palestinian relations are symbolised by the animosity between Yasser Arafat and Ariel Sharon.

Although it is clear that Mugabe would rather die

than see Tsvangirai in power, I would imagine that in Zimbabwe's power dynamics, Mugabe's clique in the ruling Zanu-PF party, who are desperate to cling on to the trappings and privileges of office, represent even more of an obstacle than his leader.

Efforts to broker a deal by the presidents of South Africa, Nigeria and Malawi have so far not been successful but resolving the impasse may only be a matter of hammering out the fine print of a power-sharing arrangement between the MDC and Zanu-PF. The battered economy and people of Zimbabwe need this sooner rather than later.

The ramifications of any political deal will reverberate beyond Zimbabwe. It wasn't so long ago that the Zimbabwe issue was described by the G8 as a litmus test of Nepal's (the

New Economic Partnership for African Development) commitment to good governance.

Having staked their fortunes to Nepal, President Mbeki of South Africa and to a lesser extent President Obasanjo of Nigeria are committed to proving the Nepal mantra that African solutions to African problems can resolve this crisis. And while a successful resolution of the Zimbabwe crisis will go a long way to easing investor fears, and perhaps force the G8 to come up with real cash for Nepal, the crisis in Zimbabwe should remind us that many African countries have yet to come to terms with the legacy of colonialism.

It is instructive that the land issue was the trigger for the crisis in Zimbabwe. Mugabe was able to exploit the simmering and centuries, old resentments over

land, resentments that characterise the political landscape in many African countries.

SOUTH AFRICA has an impending land issue of its own but in Nigeria the crisis is already at hand: the infamous land use decree of 1978 which vests all land and resources in the hands of the federal government is at the crux of Nigeria's political dysfunctions. The land issue speaks to the enduring colonial legacy that drew seemingly arbitrary lines across Africa to satisfy the economic agendas of the colonial powers. Africa is still configured along those economic agendas, agendas that cut across the cultural, historical, social, economic and intellectual interests of the continent.

The crisis in Zimbabwe illustrates how a continent rich in natural resources, in ecological, social and intellectual capital is being systematically pillaged by leaders, looters and lenders. For me the most depressing statistic in the Zimbabwe affair is the estimate suggesting that as many as 60 per cent of the country's trained professional class – engineers, accountants, lawyers and doctors – have left.

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