

## THE THIRD WAY: WHERE TO, AND BETWEEN WHICH?

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Professor Antony Flew  
at the Libertarian Alliance's 2002 Conference

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There was a great deal of thinking about desirable government policies before the Conservative victory in the General Election of 1979. For shortly after her election as the Leader of the Conservative Party Margaret Thatcher, with the assistance of Sir Keith Joseph, organised the Centre for Policy Studies (CPS). This was from its beginning in 1974, as it remains today, a Conservative Party think-tank; and the thinking about policies to be put before the electorate began from the day it opened. Throughout the whole period of Conservative rule the CPS was continuously engaged: both in trying to influence Ministers directly; and in producing pamphlets for a hopefully wider readership. Certainly too both Thatcher and Joseph were already admirers of the works of F.A. Hayek, who had inspired Antony Fisher to found the strictly non-party political Institute of Economic Affairs (IEA) in London - to say nothing of several successors elsewhere.

The ideas actually promoted by these two think-tanks were and are, apparently, what on the front page of the Report of the Commission on Social Justice<sup>1</sup> are described as “the bankrupt dogmas of the free-market economy.” This Commission was established in 1992 at the instigation of the present Prime Minister’s immediate predecessor as Leader of the Labour Party. Tony Blair himself, as successor Leader of the Labour Party, commended the Report of that Commission as “essential reading for everyone who wants a new way forward for our country”, and asserted that “it would inform Labour’s policy making...”.

That policy making resulted in what was supposed to be a Third Way between putative extremes, neither of which seems ever to have been consistently and authoritatively described. In particular Anthony Giddens, who was at the time of his writing *The Third Way* (London: Polity, 1998)<sup>2</sup> both, putatively, Tony Blair’s guru and, certainly, the Director of the London School of Economics, was apparently either unable or unwilling to tell us either what, if anything, he would concede to have been right about Margaret Thatcher’s policies of privatisation or what, if anything, he would admit to have been wrong with Clause IV socialism: “the public ownership of all the means of production, distribution and exchange.”

The importance of providing answers to these two questions ought to have been obvious to anyone trying to formulate policy for a party which was hoping to win power in a subsequent General Election; and, in the event, did. Yet the Labour Party has yet to provide an official answer to that second question. Indeed there is every reason to believe that Clause IV was deleted from the Party Constitution, simply and solely because the membership became, whether rightly or wrongly, persuaded that without that

deletion it could never hope to win another General Election.

That this was indeed the main if not the only reason for that ostensible abandonment of socialism becomes clear the moment we begin to consider the case of the two remaining major, state-monopoly<sup>3</sup> nationalised industries, namely the provision of health services and of educational services. In neither case did the incoming Labour administration of 1997-2001 show the slightest indication of any realisation of the reasons for the economic collapse of the Union of Soviet Socialist Republics and of its imperial dependencies in Eastern Europe.

The reason for that collapse, as the Leaders of the Labour Party would fairly easily have learnt if only they had been prepared both to admit and to learn from their own mistakes and to recognise the understanding and the achievements of their political opponents, was that the Soviet Socialist command (as opposed to market) economic system was egregiously, incredibly, unbelievably unproductive. Whereas in the 1930s J.V. Stalin had misguidedly boasted that it is “Not abstract justice but socially necessary labour time which justifies socialism” President Reagan in the 1980s realised that the productivity of labour in the USSR could not even begin to match, much less exceed, that in the USA. So he was able to declare to a horrified group of *Washington Post* journalists: “that he intended to win the arms race with the Soviet Union, because America’s resources greatly exceeded those of the USSR, so that Soviet leaders would ultimately be forced to the bargaining table to begin reducing their threatening nuclear arsenal and scale back their international aggressions.”<sup>4</sup>

To the equal disbelief and disdain of many, he likewise said on more than one occasion that we were seeing the last days of the Soviet union, which could not take the combined strains of their own counterproductive economic system and foreign military adventures.

It has become a substantial national misfortune that New Labour appears to have learnt nothing at all from the collapse of the Soviet Socialist economic system. On the contrary; the few tiny steps forward with regard to these two remaining major nationalised industries made by their Conservative predecessors—in this misguided as they surely were by “the bankrupt dogmas of the market economy”—were, once (professedly) *New Labour* had achieved office, reversed immediately.

Take first the case of the supplying of primary and secondary educational services. Whereas a previous Conservative administration had established the institution of the Grant Maintained School—a school such as that chosen

by the Blairs for their sons—this institution was forthwith abolished by the incoming Blair administration. This was done despite if not because of the facts that becoming grant maintained had enabled schools to govern themselves independently of any local Education Authority, and that those which had become grant maintained had acquired this status as the result of a ballot of local parents, a ballot initiated by the schools and the parents of the children attending those schools themselves.

Again, when Sir Keith Joseph was Minister of Education in the second Thatcher administration he tried but unfortunately failed to persuade his colleagues in the Cabinet to introduce, if at first only in some limited area, education vouchers. These are (in this case) tax-financed certificates of entitlement (enabling their parental bearers to purchase educational services for their children from the suppliers of their choice). Since this idea appears to have been first developed in pamphlets published by the IEA, and since it was promoted by the Education Group of the CPS from its beginning<sup>5</sup>, it certainly would be dismissed by all unreconstructed socialists, if perhaps not in exactly the same words, as one of “the bankrupt dogmas of the free-market economy.”

So far from encouraging or even permitting any measures of devolution to the schools ‘New’ Labour has instead vastly increased the flow of directives from Whitehall, while substantially diminishing the powers of Heads to manage the schools for which they are held responsible. Thus in the year ending March 2002 the Ministry—it is hard to keep up with its ever changing titles—sent down to schools documents totalling 4,440 A4 pages—equivalent to seventeen A4 pages for each working day. When the National Association of Head Teachers appealed to the then Education Secretary, Estelle Morris, to stem this flood of paper she dismissed this appeal with characteristically unsympathetic incomprehension: “I say to the House of Commons and to heads that sending teachers less paper will not raise standards.” Apparently still an unreconstructed socialist she could not even begin to see anything wrong with having a state monopoly system of school education and running it by a torrent of commands from Whitehall.

But in addition to imposing a vastly increased bureaucratic burden on Head teachers, and hence of course indirectly also upon all other teachers, Labour by introducing the 1998 Education Act undermined the authority of Head teachers and Boards of Governors to set and maintain standards of discipline in their schools. For that Act mandated the establishment of panels to which pupils excluded for disruptive behaviour could appeal. And since its passage a third of all exclusion decisions have been overturned by these newly established panels.

The importance of the enormously increased burdens upon teachers of all ranks can perhaps best be demonstrated by referring to the findings of an enquiry established by the National Union of Teachers (NUT) to discover the main reasons given by the teachers for wanting

to abandon teaching in favour of some alternative occupation. Until quite recently the NUT would have hoped and expected that to any such enquiry a massive majority of its members would have given the emphatic answer ‘comparatively low pay’. And, in the event, the NUT would not have been disappointed. But in these New Labour days things are different. What the inquiry sponsored by the NUT revealed was that the answers given fell into three almost equally numerous groups. The largest group complained of pupil indiscipline, the second largest group complained about the burden of bureaucracy, while only the third largest group complained of the comparatively low pay.

Members of the SIF who at this point, very understandably, merely call to mind the most outrageous offences against school discipline which they saw or heard about in their own schooldays, have to face the fact that today the situation in all too many schools is appallingly different. For instance, my wife was informed by a fellow student in one of her evening classes that he had taken early retirement from his school-teaching job because he could no longer stand being abused throughout any working day by the foul mouths of his pupils. I myself heard recently from a young woman teacher that during her first term on the job she had been attacked by a pupil wielding a knife. Fortunately she was not injured. But the young offender was subjected to the maximum legally possible penalty - Three Days Exclusion from school. That is a penalty which would have seemed to me at his age more like a reward—but for the fact that, subjected to it, I should have had for those three days to face an angrily disapproving Father!

We come now to the second case, the supplying of medical services. The first two steps taken in this matter by New Labour after attaining office were to abolish the ‘internal market’ in the NHS and to withdraw the tax relief on health insurance premiums paid by taxpayers over sixty years of age. No supporting argument appears to have been offered for either of these measures. Presumably the very idea of competition in a market and of any measure of choice for consumers was seen as one of “the bankrupt dogmas of the free market economy”, and hence as unacceptable to a still socialist party.

The truth appears to be that before the 1997 election no one in the Labour Party believed that there was anything wrong with the NHS other than its supposed underfunding by Conservative administrators. But since the financial year 1997-1998 tax-funded spending on the NHS has increased by nearly 40 percent. But where is the promised improvement? Opinion polls tell us that roughly 80 percent of the population believe that the NHS has either stayed the same or got worse!

It is high time and overtime for everyone in the UK to stop claiming that the NHS remains, even if it once was, the envy of the world; and at last to recognise that the provision of health services is one of the things which they really do handle better in some of the other countries

of the European Union (EU). Austria, for instance, although it is one of the lowest spenders on such services, nevertheless has one of the highest levels of satisfaction among patients: less than 5 percent of patients say they are dissatisfied with the service, compared with 40 percent in the UK.

The Chancellor of the Exchequer recently announced his intention to impose formidable tax increases in the tax year 2003-4. These are intended to yield corresponding improvements in the output of the NHS and the state-maintained school system. But, in view of the demonstrated failure of that earlier 40 percent increase of funding to produce any discernible improvements at all, the only certainty is that these increases will constitute a substantial measure of 'harmonisation' of UK taxation up the much higher levels of the EU; which are, of course determined by France and Germany.

It should always be remembered, and never forgotten, that the purpose of such EU 'harmonisation' is to prevent effective, and therefore *ipso facto* 'unfair' competition with those two leading countries. Thus the reason given by (German) EU Commissioner Bangeman for imposing metrication on the UK was that it was a competitive advantage for the UK, and therefore unfair, that the UK should continue to share a system of measurement with the USA rather than with the EU. Again Commissioner Jacques Delors complained that the opt-out from the Social Chapter achieved by John Major made the UK "a paradise for foreign investment";<sup>6</sup> a very reasonable objective, surely for a British Prime Minister concerned for the prosperity of the UK rather than for that of the EU and its two leading—not to say master—countries.

Certainly the present Prime Minister would claim that he shared his predecessor's concern. Thus, in a highly publicised article in *The Sun* just before the 1997 election, he declared that "New Labour will have no truck with a European superstate. We will fight for our independence every inch of the way." The Labour manifesto promised "Retention of the national veto over key matters of national interest such as taxation, defence and security, immigration, decisions over the budget and treaty changes."

Of course, as we now know, these promises were not kept. What is not so widely known is that their maker never had the slightest intention of keeping them.<sup>7</sup> Many must have wondered how Blair became the recipient of the Charlemagne Award in 1999, almost immediately after he had been elected, and before he had time to break any of those election promises. For that award is given for services rendered to the project of establishing a single, centralised pan-European superstate.

The answer is that those responsible for choosing the recipients of this award knew their man. They knew that Blair could be relied on, absolutely, to break all these promises to the British people at the earliest convenient opportunity. They knew this because they had been able to listen to, or to read, the speech which he made at Chat-

ham House (under 'Chatham House rules') in April 1995. This was the first foreign policy speech which he made as Leader of the (New) Labour Party.

After repeated professions of patriotism<sup>8</sup> he then and there proceeded to promise the unconditional surrender of social, environmental industrial and regional policy to the foreign power of Brussels. Shortly after taking power Tony Blair used the Amsterdam Conference, designed to review the pace of integration, to argue for a *quickening* of the pace. He sought to extend majority voting and the weakening of the British veto in several areas only to encounter resistance from, of all people, former Chancellor Helmut Kohl. It has been given to few to outdo that man in his devotion to the ideal of "one country, Europe". But that distinction, a distinction without honour, goes to Tony Blair.

## NOTES

(1) *Social Justice: Strategies for National Renewal* (London: Vintage, 1994). By the way, 'social' justice ought to be, but very rarely is, very sharply and very clearly distinguished from old-fashioned, without prefix or suffix, justice.

(2) I will not refrain from sharing a little treasure of Giddens' Third Way thinking: "The democratisation of democracy first of all implies decentralisation - *but not as a one-way process*" (ibid., p.72: emphasis added).

(3) To the tiresome objection that, since they cater for something slightly less than 100 percent of their particular markets they are not, strictly speaking, monopolies, the sufficient response is to ask whether there is any anti-monopoly legislation anywhere in the world which would not be activated long before any suppliers were catering for such huge proportions of their possible markets; and that even without taking account of the fact that these two suppliers operate policies of predatory *not*-pricing?

(4) Dinesh D'Souza, *Ronald Reagan: How an Ordinary Man became an Extraordinary Leader* (New York: The Free Press, 1997).

(5) One piece of work produced in this group was my pro-voucher *Power to the Parents: Reversing Educational Decline* (London: Sherwood, 1987).

(6) This revealing treasure was borrowed from Bernard Connolly *The Rotten Heart of Europe* (London: Faber, 1997).

(7) Indeed it was only a few months after Blair became PM that his immediate predecessor felt the need to publish an article complaining about the systematic mendacity of his successor.

(8) Blair was later to become the first British Prime Minister in my lifetime, and probably ever, to feel a need to assure the public that he is a patriot.