

I. Twice Promised Land

Tony Blair was sprawled on the sofa in his small office next door to the Cabinet Room on the ground floor of Number 10. The Prime Minister's den, the most modest working quarters of any leader of a major country, was where he took virtually all the crucial decisions. He sat there looking absolutely exhausted as he tackled a bacon, lettuce and tomato sandwich.

The Cabinet Secretary, Sir Richard Wilson, sat on the opposite side of the coffee table. Britain's most senior civil servant was a faintly Trollopian figure whose catchphrase was 'God bless'. The traditionalist Sir Richard often wrangled with Blair and his team about the way they ran government from the sofa, but it was hard to argue today when he was looking at a leader who had just won a second landslide election victory.

'Congratulations,' Sir Richard said to the charcoal-eyed Prime Minister. 'You are now at the peak of your powers.' He then added a caution: 'You may never be as strong again as you are now.'¹

Blair took a bite out of the BLT, munched and nodded in a way that suggested he agreed.

Shortly after he first won power in 1997, Blair told me that 'the most important thing' was to get re-elected.² From the day that they took office, both he and Gordon Brown were fixated with keeping it. Blair because no previous Labour Prime Minister had secured a second full term in a century of the party's existence; Brown because he expected to take over the premiership. That ambition was a spur and a burden to both men during their first four years in power. That goal was now triumphantly achieved. The second term was not only secure; it was won with a second landslide, a rare result in British politics. The enormous majority won in 1997, a feat which most thought unrepeatable, was reduced in 2001 by a mere dozen seats to 167. They seemed to have realised Harold Wilson's dream to make Labour 'the natural party of government'.

There was the occasional scare during the first term. The foot and mouth epidemic, which filled the nation's nostrils with the acrid smell of burning

cattle, was so severe that it delayed the election by a month. Even more alarming was the shorter and sharper shock of the refinery blockades when a few hundred protestors throttled the nation's fuel supplies in the autumn of 2000.³ The Government came 'very close to asking the army to come in'.⁴ A panic-struck Downing Street also tried to use M15 against the protestors. Sir Stephen Lander, the head of the service, was asked: 'Why aren't you doing the farmers for us like you did the miners for Margaret Thatcher?'⁵ For a few highly stressed days, Blair feared that he might live out his nightmare of being yet another one-term Labour Prime Minister overwhelmed by crisis. 'They could finish us off,' he shivered to his senior staff. 'If we don't get this back to normal soon, they will finish us off.'⁶

Office exposed some of the flaws in New Labour and its dominant personalities. Blair was easily seduced by poorly conceived glamour projects. The Millennium Dome was a *folie de bombast* which became symbolic of a compulsion to emphasise marketing over content, hype over substance.⁷ Self-defeating control-freakery led to humiliation in London at the hands of Ken Livingstone when New Labour's *bête rouge* was elected as an independent for the post of Mayor, which had been Blair's personal invention.⁸ The twin-headed beast of sleaze and spin ate into public trust for a Prime Minister who once piously claimed that he would be 'purer than pure'. The Ecclestone Affair was an unheeded early warning about dangerous liaisons with plutocrats. 'They'll get me for this,' Blair despaired to one intimate at the height of the furor about the £1 million donation secretly taken from the boss of Formula One. As it occurred during his honeymoon period with the voters, 'the pretty straight kind of guy' escaped from that with his premiership intact, but not all of his integrity. His halo was now stained with nicotine.⁹

New Labour often gave the impression of being government by soap opera and psychodrama because of the intensity of the emotions and the hysteria of the feuds between its leading characters. That was most true of the complex bonds between its founding triangle: Tony Blair, Gordon Brown and Peter Mandelson. Brown and Mandelson, once so close they could have been siblings, became 'poisoned with lack of trust' and 'utterly destructive' towards each other.¹⁰ It was Brown's acolytes who destroyed Mandelson's first Cabinet career by triggering the revelations about the Geoffrey Robinson home loan.¹¹ Between Blair and Brown, there was another blood brother relationship disfigured by mistrust as they wrestled for control over the Government. The bond between Blair and Mandelson was also traumatised during the first term. In the estimation of Barry Cox, a television executive who had known both men for years, Mandelson had an 'almost homoerotic

admiration' for Blair. 'It was almost embarrassing the terms in which Peter spoke to me about Tony.'¹² Yet that had not spared Mandelson when his career was crunched by scandal. Blair ruthlessly sacked his co-architect of New Labour from the Cabinet in Christmas 1998. He resurrected him in the autumn of 1999 only to dispatch this closest of allies for a second time in early 2001. On the second occasion, over the Hinduja Affair, a shroud-white Mandelson sat in Blair's den and miserably pleaded for his life. 'Are you really telling me you are going to end my political career over this?' 'Yes,' responded Blair bleakly but firmly. 'I'm afraid I am.'¹³ Speaking many years later, Mandelson agreed that Blair was 'a ruthless bastard' who had sacked him with remarkable ease.¹⁴ Mandelson's friend, the novelist Robert Harris, thought it 'the most brutal thing I have ever seen'.¹⁵ For all his undoubted charm and general decency towards colleagues, there was a splinter of ice in Blair's heart. Even one of his oldest friends was not safe from sacrifice if there was a threat to his grip on power. Mandelson's second dismissal illustrated the 'incredibly un sentimental' face of Blair.¹⁶ Most assumed that the double defenestration meant that there could never be a return to the front line of British politics for Peter Mandelson. Even Jesus Christ was only resurrected the once.

Of Blair's gifts, the most self-evident was a flair for performance. He was the most accomplished communicator of his era, a talent not to be dismissed in the age of 24/7 media where a leader is constantly on show. At times of national drama or international crisis, he displayed a high facility for capturing public sentiment and weaving it into a political narrative. When the royal family froze in self-endangering silence after the death of Diana, Blair took on the role of spokesman for national emotion, stepping into the position vacated by the mute head of state, and helping to save the royal family from itself. With his word wreath about a 'people's princess', he expressed the feelings that Britain – or at least a large part of it – wanted to hear. It was a significant episode in his early development as Prime Minister.¹⁷ His personal pollster, Stan Greenberg, reported that Blair's approval ratings surged to such stratospheric levels that they exceeded even those manufactured in totalitarian regimes. 'Even Saddam doesn't get that,' joked Greenberg.¹⁸

That episode established Blair as more than a popular Prime Minister. It projected him as a leader of the nation.

Charles Kennedy quipped that Blair was so popular for a while that he could have won a referendum compelling the slaughter of the first born.¹⁹ William Hague, Leader of the Opposition during the first term, was totally outclassed against what he acknowledged to be a 'truly formidable' opponent

who had the country 'bedazzled'. Hague could never compete with Blair's 'mastery of the trembling lip and the watery eye'.²⁰ Successive Tory leaders scorned him as an actor while they floundered trying to compete with the potency of the act. Blair's real rival for power, Gordon Brown, privately derided all that 'touchy-feely stuff' only later to try to learn to do it himself when he realised that he suffered from the comparison.

Blair was 'a natural thespian', in the estimation of Jack Straw, 'a very, very good actor, which had its downsides as well as its upsides'.²¹ That mastery of political stagecraft was combined with artful political positioning. On the map of public opinion, he would try to put himself at the median point. Asked by pollsters to place politicians on the left-right spectrum, voters put Blair in the same centrist position where most of the public located themselves. 'All policy issues were basically about political positioning,' thought Jon Cruddas, the most left-wing of Blair's advisers at Number 10 during the first term. 'Detail didn't really get in the way. Policies were a way of enabling him to get where he wanted to be in terms of his opponents and the electorate. He had a genius for that.'²² Matthew Taylor, who joined Blair's senior staff in the second term, correctly noted that having 'a centrist Prime Minister leading a left-of-centre party' was 'a very powerful mix'.²³ Paddy Ashdown, though the leader of a rival party, saw 'extraordinary talents as a politician. He has a tremendous facility with words and an innate sense of where the erogenous zones of the British people are and how to get at them'.²⁴

The Cabinet was biddable, the parliamentary party generally pliable, and his political opponents were entirely disorientated. Though the voter and media coalition that brought New Labour to power was frayed around the edges after four years in government, it was generally sustained. Memories of the Winter of Discontent and the economic calamities that swamped previous Labour governments were effaced by the image of a mainstream and basically competent, albeit flawed, administration. Bar the brief and scary blip during the fuel blockades, the Government polled comfortably ahead of the ridiculed and marginalised Tories for the entire four years.

Ideologically, Blair appeared to be of no fixed abode. One of his senior advisers, Sir Stephen Wall, thought 'he didn't have a socialist bone in his body'.²⁵ To his ally Alan Milburn, Blair once remarked: 'The job of being Labour leader is to save the Labour Party from itself.'²⁶ He rarely talked in terms of left and right. The past versus the future was his preferred dichotomy with himself as the personification of modernity. His most consistent trait was an impatience to shake up traditional British institutions, whether they be the House of Lords, the Labour Party or the NHS. He

would tell staff that his favourite conference speech of the first term was the attack on 'the forces of conservatism' of both left and right.²⁷ That lack of anchoring on the ideological spectrum meant that he struggled to give solid definition to his project. Attempts to do so were either mildly comic or faintly sinister, as when he called New Labour 'the political arm of the British people'. The 'Third Way' was debated at earnest summits abroad and giggled to death at home. Blairism often seemed more about style than content.

The core idea was quite uncomplicated. The key political insight was that Labour had to enjoy the backing of aspirational voters as well as the party's heartland to win and retain power. Both he and Gordon Brown wanted to show that economic efficiency could be combined with social justice and decent public services. New Labour was a hybrid of both right-wing and left-wing. It accepted the Thatcherite economic settlement. Markets were unrestrained, the money-changers lightly regulated, and the rich indulged. The animal spirits of the City were allowed to let rip. New Labour believed this was necessary to sustain the consumer boom that kept voters content and produced the tax revenues for investment in public services and quiet redistribution of resources to the poor.

Blair was instinctively a constitutional conservative yet he had already presided over a radical redistribution of power within the United Kingdom. More than a hundred years after William Gladstone first attempted to introduce Home Rule, New Labour delivered where all previous progressive governments failed. Scotland gained its first parliament since the reign of Queen Anne, and its first elected parliament ever. Wales had its first representative body since Owain Glyndwr, and its first elected assembly ever.²⁸ The Good Friday Agreement, brokered over intense days and sleepless nights in Easter 1998, was the most promising attempt to bring lasting peace to Northern Ireland since partition, even if there was a tortuous struggle ahead to bring it to full implementation.²⁹ The House of Lords was finally dragged into the twentieth century by expelling most of the hereditary peers, though it would not be fit for the twenty-first until reform was complete.³⁰

Blair's ambition to place Britain at the heart of Europe by joining the single currency was a goal he was dedicated to fulfilling in the second term. He did succeed in repairing Britain's relations with its continental partners after the isolation and division of the Conservative years.

He was acquiring an increasingly large appetite for the global arena, which would prove to have huge significance for what came next. Abroad he was free of the chafing shackles imposed on him at home by his power-sharing agreement with Gordon Brown. The world stage gave Blair a sensation of high drama, great adventure and clarity of moral purpose that

he didn't feel when grappling with the duller graft of grinding out domestic reform. There was a glimpse of the messianic dimension of his character during the Kosovo conflict in 1999, which he proclaimed to be 'A battle between good and evil'. When his hawkish stance left him dangerously exposed, he told one intimate: 'This could be the end of me.' That amplified his sense of vindication when his bold and risky position proved decisive in saving the Muslim Kosovars from ethnic cleansing and defeating the Serbian dictator, Slobodan Milosevic.³¹

Both he and Brown had to learn on the job. Shortly before the 1997 election, Blair confided that he had two recurring nightmares: one that he would lose the election, the second that he would win only to find that he was no good at being Prime Minister.³² A side of him was boyishly thrilled to find himself in Number 10, the youngest Prime Minister since the early nineteenth century. Shortly after the first victory, he visited Michael Levy at that wealthy friend's mansion in north London. After checking that his security detail weren't looking, Blair cried: 'I really did it! Can you believe it?' He started to jump up and down on the tennis court yelling: 'I'm the Prime Minister! I'm the Prime Minister! I'm the Prime Minister!'³³

He was almost childishly exuberant about getting power, but also intimidated by office. He was a complete novice to government, as also was Gordon Brown. Neither of them had managed anything except a political party before they became the two most powerful men in Britain.

Despite their huge parliamentary majority and dominance in the polls, in the first term they displayed nervy under-confidence. This generation of centre-left politicians was deeply scarred by Labour's four consecutive defeats and eighteen years in Opposition between 1979 and 1997. They often behaved as if they were squatters in government from whom power could be snatched at any moment.

In the early years in office, the unexpected scale of his landslide did not thrill Blair as much as it daunted him.³⁴ They all had 'a sense of vertigo'.³⁵ Blair was 'very shocked' by the size of his first victory.³⁶ The towering scale of the majority excited expectations of a revolution when the New Labour prospectus was designed to be reassuringly modest about how much would change. Blair's 'driving mission' was 'modernisation of the institutions of the country' with himself as 'the fresh, young embodiment of this ideal'.³⁷ Yet his blue sky ambitions often lacked detailed and practical definition. 'Because the communication and campaign side of New Labour was so strong, so dominant, the task of winning elections took precedence over the task of thinking through how to use power,' regretted Geoff Mulgan, director of strategy and policy at Number 10 for seven years.³⁸ On the

account of David Blunkett, they had come to office 'pretty sparse about what the policies were going to be' across large areas of government.³⁹ While Blair had 'a fairly clear idea' about what he wanted to do with schools, 'in areas like health it was far more sketchy', says one of his senior staff.⁴⁰

Labour's first term successes mainly came from incremental reforms based on simple ideas such as numeracy and literacy classes or target-driven objectives like reducing hospital waiting lists. The gap between a cautious prospectus and great public expectations was too often filled by hyperbolic rhetoric which dressed up modest reforms as breathtaking revolutions, with the inevitable disappointment when expectations were not met. Blair's speech-writer, Peter Hymn, reflects that 'grandiose rhetoric about A Young Country and An Age of Achievement now seems far too overblown'.⁴¹ Spending announcements were recycled or exaggerated – a trait for which Brown became especially notorious. 'It sounded enormous' when he announced £40 billion extra for public services in the summer of 1998, but the Cabinet knew that it was 'funny money'⁴² confectioned by an accountancy trick. The result was that the voters and the media started to discount all the claims the Government made for itself as spin.

That four-letter word became the shorthand for the techniques of manipulating public opinion and the media that Labour perfected in Opposition. The personification of spin was Alastair Campbell, who began the second term with the grandiloquent title of Director of Strategic Communications. Few in Britain had heard of a spin doctor before New Labour; hardly anyone had not by now. A style of communication that served them brilliantly in Opposition was carried into government for far too long, as Blair, Campbell and Mandelson would all eventually acknowledge. Mandelson subsequently lamented: 'There was great emphasis on managing the media at the expense of managing policy. There was a sense that if you'd got the story right, you'd achieved something and that is not how government is.'⁴³

Not a day, even an hour, was allowed to go by without the proclamation of a review, an initiative or a summit. New Labour appointed more tsars than all the Russias and launched more five-year plans than Stalin. This was a tactic designed to impress the country that its dynamic government was up and doing. It ultimately bred media cynicism and public disenchantment. The operation excelled at the daily firefight with the media. It was not so good at sustaining public trust. Geoff Mulgan says they 'often confused announcements for reality' and made the mistake of 'believing that if you were getting a success in the newspapers that meant you were getting a success on the ground'.⁴⁴

Ridicule of Blair's feverish headline-chasing came to a peak when a leaked memo revealed him to be obsessing about manufacturing 'two or three eye-catching initiatives' to present himself as tough on crime.⁴⁵

He initially rejected the critique that he was too mesmerised by opinion polling and media manipulation. By the end of the four years, though, he privately accepted the force of that analysis. He agreed that he had been too obsessive about hoarding popularity and not focused enough on using power to achieve lasting change. He wanted history to remember him as more than a skilful opportunist with a fluent tongue.

The largest frustration was the failure to make more progress towards giving the British the 'world class' public services he promised the voters in 1997. 'Education, education, education' was a slogan not a strategy; '24 hours to save the NHS' was a sound-bite not a plan.

The most important decision was to broadly stick to the painfully tight spending plans inherited from the Conservatives for the first two years. Every previous Labour government started with a spending splurge, ran out of money and then crashed into reverse gear with dire economic and political results. He and Gordon Brown opted for the opposite approach. One Cabinet minister later observed to me: 'We should have rebelled against Gordon over spending.'⁴⁶ A year into the second term, one of Blair's senior advisers was of the view: 'We are still feeling the pain of that.'⁴⁷

The Prime Minister got an earful of public discontent during the election campaign, most bruisingly when he was ambushed at a hospital by Sharon Storer, a postmistress who was angry about the cancer care given to her partner. 'I'm sorry,' Blair feebly tried to assuage her scorn. His embarrassment at her hands would have played even bigger in the media had John Prescott not on the same day dealt with a discontented voter by thumping him.⁴⁸

Most of those closest to Blair came to regard the first term as a wasted opportunity in which they had not moved fast enough on domestic reform.⁴⁹ Blair thought so himself. 'Part of the problem is we led such a charmed life in the first term,' he observed to me. 'It was unnatural, in a sense, to be just coasting along.'⁵⁰ He talked a lot about reform before he had worked out what precisely he meant by it. When he railed about the 'scars in my back' inflicted by grappling with the bureaucracy, it was as much an expression of his confusion about what to do as it was a howl of frustration with the civil service and vested interests.⁵¹

The Blair re-elected in 2001 was less naive and more experienced, tougher, older, clearer and, he liked to think, much wiser. A second thumping majority removed all excuses for failing to deliver the radical change that he relentlessly promised. He now realised he would be judged not only by the

scale of his electoral victories, but by what he did with them. He promised himself that his second term was going to be very different. 'He thought he hadn't achieved enough in the first term,' notes Sir Andrew Turnbull, who observed Blair at close quarters as Cabinet Secretary during the second term:

For the first four years, he was a Bill Clinton: power comes from popularity. Every week you must identify why you are not popular and deal with it. In 2001, Blair joins the Margaret Thatcher camp and says: I am going to lead. I don't mind being unpopular so long as you respect me enough to re-elect me.⁵²

The first Cabinet of the second term was fashioned with the intent of giving him a top team dedicated to delivering his agenda. The Home Office, transport, health and education, the four key delivery ministries, were put in the hands of David Blunkett, Stephen Byers, Alan Milburn and Estelle Morris, loyalists whom Blair assumed shared his instincts. He called them together for a dinner in Downing Street shortly after the election. 'Look,' he said. 'We've won the most phenomenal second term.' But voters were dissatisfied with the speed of delivery. That had to be accelerated. 'I really want this team to be the team in these departments for the rest of this parliament,' he told them.⁵³ As it turned out, not one of the quartet would last the course.

Jack Straw, another presumed loyalist, was made Foreign Secretary, displacing a surprised and distraught Robin Cook into the lesser role of Leader of the House. Straw went into Blair's den for his reshuffle interview that morning with no idea what was about to happen. He'd been briefing himself on the environment and transport, having been led to expect they would be his new responsibilities.⁵⁴ He emerged from Number 10 agreeably amazed to be the new master of the most gilded department in Whitehall. Blair's cavalier attitude towards Cabinet-making was typical of his hazardous and often impetuous way of taking decisions, one of his significant flaws as a Prime Minister.

'I'm going to tell you something you won't like,' the Prime Minister told Sir Richard Wilson during their brief chat in his study the day after the election. 'I've got to tell you that I want to move John Prescott to the Cabinet Office.' There had been no planning at all to create a role for the Deputy Prime Minister at the Cabinet Office. 'What's he going to do?' asked a bewildered Wilson. Blair shrugged: 'You'll think of something.'⁵⁵

The most critical decision made by Blair on the day after the election victory was not to appoint a new Chancellor. Gordon Brown had combined the force of his personality with the might of the Treasury to turn himself into an unprecedentedly powerful Chancellor and a rival seat of power to Number 10. Brown was, by any standards, one of the most successful Chancellors of

the post-war era in his first four years at Great George Street. His decision to hand control over interest rates to the Bank of England was hailed as a masterpiece which built confidence in Labour's ability to run the economy while freeing Brown to concentrate on building his dominance over Whitehall. It was also typical of him that he conducted the negotiations about the Bank's future in such a brutal and corkscrew manner that he pushed the Governor, Eddie George, to the edge of resignation. 'Jesus, what has Gordon done?' exclaimed Blair, who had to intervene to help pull George back from the brink.⁵⁶ The Governor was made incandescent by the manner in which Brown stripped the Bank of its regulatory powers and handed them to a new Financial Services Authority. The regime's inadequacies would only be exposed many years later.

Almost alone among major economies, Britain was enjoying uninterrupted prosperity. Brown presented himself as the man who had discovered the holy grail of low inflation, low interest rates, sustained growth and full employment. So rosy did the outlook seem that it became Brown's boast that he had transcended the economic cycle. 'No return to Tory boom and bust' was a brag he trumpeted every time he presented a Budget, a financial statement or a spending review. Brown also projected himself as the real achiever of the Government who was delivering Labour programmes to combat child poverty and youth unemployment while stealthily redistributing from the affluent to the less well-off. It was insinuated by his propagandists that Brown was the chief executive of New Labour plc while Blair was merely the titular chairman. The implication was that Blair was the grinning, travelling salesman of the Government while Brown was the man of true substance and action.⁵⁷

They were struggling for control of the Government from the moment New Labour arrived in office on that sunny May Day in 1997. 'From day one, it was terrible,' says Jonathan Powell, Blair's Chief of Staff.⁵⁸ The tensions within this turbulent partnership were, by and large, skilfully concealed from the media in their early period in office. The more credulous commentators swallowed the fiction that never before had a Prime Minister and Chancellor worked in such sweet harmony. The first major indication that this was untrue came in early 1998. Some weeks of especially provocative behaviour by Brown and his camp provoked intense anger in Blair and his team. That January I had a long private discussion with one of the most senior figures in Number 10. For the first five minutes of this conversation, I was spun the usual line that all was well between the neighbours of Downing Street. The Prime Minister still esteemed his Chancellor as 'a great talent' and 'a great force'. Then a little prodding produced an entirely different

account of the relationship and a litany of complaint about the way in which Brown was obstructing the Prime Minister and destroying relationships with senior colleagues. The rest of the Cabinet, I was told, 'just don't trust Gordon. There's so much venom against him.' I asked why he was so difficult and received the reply: 'You know Gordon, he feels so vulnerable and so insecure. He has these psychological flaws.'⁵⁹

That vivid phrase appeared in my *Observer* column that Sunday and was projected on to the paper's front page. There was a great media excitement at this revelation that the friction between Number 10 and the Treasury was much more inflamed than was previously appreciated. 'Psychological flaws' has echoed down the years since and been raised whenever the character of Brown or his relationship with Blair have been in debate. Brown confronted Blair that week demanding that the culprit be identified and sacked. Blair denied that anyone at Number 10 authored the phrase, a denial that the hurt and furious Brown rightly regarded as a lie.⁶⁰ Some have conjectured that it was Blair himself who first spoke of Brown's 'psychological flaws'. Though we did have many conversations about the relationship, it was not him on that occasion, though he was entirely in agreement with the assessment. Blair told a close friend that 'psychological flaws' wasn't 'the half of it'.⁶¹

'Psychological flaws' did not first come from the lips of Peter Mandelson, though he too agreed with it. He once remarked to Blair that he should put a sign up on his desk with the inscription: 'Remember: the Chancellor is mad.'⁶²

Alastair Campbell always publicly denied that it was he who called Brown 'psychologically flawed', on one occasion denying it to a committee of MPs. He had to maintain this line to remain in his job. The edited version of his diaries published in 2007 was sanitised of all the most damaging references to Brown. Campbell cut out any reference to this episode and the fierce fallout from it even though it dominated the headlines for several days and then reverberated down the years after. He has redacted the entry for Friday, 16 January 1998, the day I was told about Brown's 'psychological flaws', and all the days following until Thursday, 22 January.

Sir Richard Wilson came to believe he was the inadvertent inspiration. During a private conversation about Brown with Campbell, Wilson made a general remark about all politicians having 'psychological flaws' of one sort or another. Campbell, who once had a nervous breakdown and had since suffered severe bouts of depression, seemed excited by a phrase that could equally well describe himself.⁶³

Despite all the official denials that anyone at Number 10 was responsible for telling me that Brown had 'psychological flaws', some inside the building

privately reported that Blair was 'secretly pleased' because the episode 'put Gordon back in his box'.⁶⁴ The two warring courts became progressively more complusive in their use of briefings to the media to prosecute the rivalry. This added to the corrosive impression that New Labour was addicted to the darker arts of spin at the expense of governing.

The most violent rows were usually about spending. In the New Year of 2000, a time when the NHS was buckling under the pressure of a flu outbreak, Blair was frantic to show that he was responding to mounting public pressure and terrible headlines. He pledged a huge increase in NHS funding, doing so to bounce Brown into making a larger commitment than the Chancellor intended. 'You've stolen my fucking Budget!' raged Brown when he confronted Blair. He was most infuriated because the other man was going to rob him of the credit for an increase.⁶⁵

Many of his closest counsellors cautioned Tony Blair that he would never control his destiny until he dealt with the rival government across the road at the Treasury. So long as Brown remained there, gripping the rest of Whitehall with his power over money and jealously guarding the economic tests for membership of the euro, he wielded a veto over Blair's ambitions.

In the run-up to the 2001 election and its immediate aftermath, the option of moving Brown was debated deep within the Blair circle. Cherie, Anji Hunter, Sally Morgan and Jonathan Powell were most vehemently of the opinion that it had to be done. The Chief of Staff so often argued within Number 10 for the removal of Brown that Powell likened himself to Cato, the Roman who went to the Senate every day to cry: 'Carthage must be destroyed!'⁶⁶ Peter Mandelson, too, argued for dealing with the Chancellor, though he was warier of the consequences of Brown quitting and marauding from the backbenches.

Blair seriously contemplated trying to persuade him to go to the Foreign Office, the only alternative job with sufficient status that Brown might conceivably have accepted. 'He nearly did it,' says Sally Morgan and other close allies agree. 'In the end, he wouldn't.'⁶⁷ The Prime Minister backed off partly because of a residual sense of obligation to the other man and a continuing dependency on his talents. Even Powell acknowledged that 'it wasn't obvious who would fill his shoes.'⁶⁸ Most of all, Blair was actuated by fear of the havoc that Brown could wreak in insurrectionist exile on the backbenches.

I know that sacking Gordon Brown was discussed, but each time it was discussed they realised that it would be Armageddon in the Labour Party,' says Robert Harris, who was intermittently close to Blair as well as being a very good friend of Mandelson. 'At the last moment, he always swerved away.'⁶⁹

It was hard to cut down Brown's power precisely because he had acquired so much of it. The Chancellor's approval ratings were hugely positive. He was receiving a largely adulatory press. Blair would often excuse his hesitancy about striking by saying that it would have been 'impossible to explain' to the Labour Party why he was moving such a successful Chancellor.⁷⁰

The spring of 2001, after Labour had just been re-elected by another landslide and before Blair became overwhelmed by the consequences of 9/11, was his one clear opportunity to deal decisively with Brown. He would subsequently have many reasons to regret that he did not take it.

Yet being confirmed as Chancellor did not satisfy Gordon Brown. He too felt the first term was one of frustrating under-achievement. For all the vast power he had accumulated and all the praise he earned, Brown was nagged by a dissatisfaction even greater than that which gnawed at Blair. From the moment they won that second victory, Brown started to pound at the door of Blair's den with demands for a date for the handover of the premiership. 'Ever since then, it was continuous,' says Barry Cox.⁷¹

Both men began New Labour's second act in government determined that it would be radically different to the first. Blair thought he now knew what to do with the premiership; Brown expected to seize the crown. The second term would indeed be very different to the first. Yet it would not be for reasons that either Blair or Brown, or anyone else, had envisaged.