

## Political Notebook by George Pascoe-Watson

David Miliband will confirm in a few hours' time he's quitting frontline politics by refusing to stand for the shadow Cabinet.

The ex Foreign Secretary made up his mind long ago that failure to win the Labour leadership would mean exile to the backbenches.

And who can blame him?

He recently gave up the chance to be EU foreign minister - one of the most prestigious roles on the world stage - to run for Labour leader.

Now he has been left with nothing, although his dignity in the face of such personal humiliation and frustration has been nothing short of miraculous.

Animosity at the heart of what was New Labour is vicious.

Party conference in Manchester was bristling with rivalry and loathing between modernisers and the Ed Miliband camp.

This is not coded animosity. There is real and genuine grief at the passing of New Labour to Ed's "New Generation".

The stalwarts of the New Labour regime are very clear what the problem is: Ed lacks the skill needed to lead his party and is surrounded by a weak and inexperienced team.

They have already written off Ed Miliband's chances of successfully challenging David Cameron.

Listing Ed's policy pledges so far is a clear demonstration of his determination to keep left, regardless of what some commentators seem to think.

Do not be fooled by his attempts to stand up to the trades unions and warn them against irresponsible striking.

This man was elected leader thanks to the unions and they will see him as their placeman.

I spent some of my evenings in the bars of Manchester surrounded by gloating union figures - their leaders and their fixers - and I assure you, they think they have won and won well.

A number of leftist figures who fell away during the New Labour heyday have now reappeared.

They were given the top rooms in the Labour Party's main hotel in Manchester - a far cry from the days when they were out of favour and made do in B&Bs.

I know them well and can testify to their genuine commitment to socialism.

This is the first serious left-wing "win" since 1981 when Michael Foot became leader. And look what that did for Labour's chances.

Labour now risk being out of power for the next decade.

Ed Miliband's strategy appears to be to split the coalition by reaching out to disaffected LibDems who hate being in power with the Tories.

This can be his only hope.

The big talented brains of the "new generation" will not rush to join Ed's team. Instead they will be queuing up to join David Cameron's Tories.

Business, too, will flood away from Labour because nothing succeeds quite like success in politics.

So now we turn to the Conservative Party conference in Birmingham, starting this weekend.

The world will be watching the Ryder Cup being played out at Celtic Manor but the PM will be focused on one thing: reminding the nation the pain hasn't begun yet.

The lag between economic growth and the cuts affecting voters means people think they've already endured the pain.

But we haven't had the medicine yet.

Liam Fox's leaked letter to the Daily Telegraph warning of political meltdown thanks to defence cuts is just the opening of the spending war.

The defence secretary didn't look remotely unhappy this morning when he appeared on the steps of the MoD "clarifying" his leaked letters.

I suspect that's because they were carefully dished out to the FT and Telegraph to show Liam's real concern for the Armed Forces - so that when the cuts come, he can say he's been fighting hard behind the scenes.

There is no hope that the defence industry will escape unscathed from the MoD's budget cuts. They are £38billion over budget and the money must come from somewhere.

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