

Blair gets bushwhacked at Democratic Leadership Council

by Dean Andromidas

It was a bad week for Her Britannic Majesty's Prime Minister, Tony Blair. Having been rebuked by President Clinton and most of the other NATO heads of state at every turn, before and during the summit, Blair had hoped to salvage at least some of his stature by delivering a "Third Way" keynote address at a well-publicized conference of the Democratic Leadership Council, the "New Democrat" outfit that has been responsible for most of the daffy ideas peddled by Democratic Party elected officials in recent years (ideas that Massachusetts Sen. Edward Kennedy had denounced in January 1995, for turning the Democrats into "a second Republican Party").

The DLC event of April 25, scheduled to take place at the National Press Club in Washington moments after the close of the NATO summit, had initially been billed as a Tony Blair extravaganza. But in the 12 hours before the event, the entire affair was hijacked by President Clinton, in what turned out to be one of the cruellest slaps at Blair, of the whole cruel weekend.

At the last moment, President Clinton informed the DLC (he is a former chairman of the group) that he personally would be attending the Blair forum. But, over the course of Sunday morning and afternoon, the President invited Chancellor Gerhard Schröder of Germany, Prime Minister Wim Kok of the Netherlands, and Prime Minister Massimo D'Alema of Italy, all to join him as speakers at the forum. Suddenly, Tony Blair's solo appearance was turned into a Clinton-led roundtable. And, as the event went on, Blair became more and more the odd man out, as the American President and the continental European leaders engaged in dialogue on substantive policy issues, including the global financial and economic crisis, and Blair was left to blather on about "communitarianism" and "social stability."

'Third Way'? No way!

The DLC event showed up the same fault lines that had appeared at the NATO summit. As will be seen from the quotes below, the discussion saw President Clinton, along with his colleagues from Germany, Italy, and the Netherlands, speak directly to the questions of "social justice," debt relief,

and the crimes of international speculators; Blair, on the other hand, was left standing alone, braying out his Hobbesian notion of "social stability." In fact, Clinton's handling of the event brought about a useful discussion of necessary economic ideas that would be brought up at the International Monetary Fund conference the very next day, and will be aired again at the G-8 meeting in Cologne, Germany, in June.

The President's opening remarks, and his remarks throughout, were noteworthy in their failure to praise Blair in any way, provoking many to question the accuracy of Blair's constant theme of the "Tony and Bill" partnership. In fact, Clinton singled out very un-Third Way political leaders, Wim Kok of the Netherlands and Schröder of Germany, as expressing ideas closest to his own.

Their antipathy to Blair's Third Way was best expressed by a comment the German Chancellor made to Blair: "Look, I haven't found the first two ways yet, so you have to tell me where the third one is."

Blair in his opening remarks spoke of creating "social stability" by lowering taxes and putting criminals behind bars, and asserted that this could best be accomplished through a Hobbesian sort of "community." This contrasted sharply with the others who spoke of "social justice" and the notion of "solidarity," which are neither new, nor "third way," but are the traditional values of both Europe's Social Democracy and the conservative Christian Democratic parties.

Speaking to this question, Dutch Prime Minister Wim Kok asserted, "We only have a community if the winners feel responsible for the losers and make—give the best possible opportunities for those who cannot afford to follow the rhythm and the speed of technological change to have a good living. And this is true for the national case. It is also true for the international case. We have again, in the international world, of course to stress what we have to do in terms of giving help and showing solidarity with the poorer countries. . . . So debt relief for the countries in the most miserable financial situation, an African country for example, is a must. If we don't do so, give them the possibility to get rid of their debt, because they pay more money on interest rates because

of their debts than they even earn, then they — then the spiral is going all the time deeper and deeper. That's also community, and that is then, in my opinion, part of the approach."

Reconstruction, not war

It is needless to say that debt relief was not mentioned by Tony Blair as being among his "community" values. Indeed, in his much-ballyhooed Chicago speech of April 22, unfurling the "Blair Doctrine," the British Prime Minister came close to advocating NATO global gunboat diplomacy to collect Third World debt, and to overthrow "authoritarian" regimes that seek to protect their economies from British free trade.

Italian Prime Minister Massimo D'Alema, who emphasized the ideas of solidarity and social justice, echoed his Dutch colleague: "We should introduce a notion of a global community as well." Then, in a reference to the NATO summit, where the non-NATO Eastern European and Central Asian nations addressed their NATO counterparts, D'Alema added, "They have told us that if we wish to guarantee peace, we should give these people a chance, an opportunity of development and growth. They told us that we cannot be content with just giving opportunities to the individuals who live within our societies. That is not enough. We have a larger responsibility there. We must give opportunities to peoples. And we should have a global view of responsibility and community."

D'Alema went further, saying the same determination to act in Kosovo should be applied to debt relief. "We should show the same determination when we decide to pardon the debt of the poorest countries, that will never be able to pay back, because they're too poor. We should show the same determination and force in taking the decisions that are needed to feed hope."

Chancellor Schröder picked up on the theme, emphasizing that any so-called "Third Way" has to get back to the post-World War II "European model." He said: "The European model is a completely different one. After the Second World War, people tried to venture upon a path that they called social market economy in Germany, where they tried to emphasize the word 'social.' And that was not based upon the wider masses of the population, the workers forgoing their just share of prosperity within their society and their just share of education, but it was based upon participation and involvement of the working masses. They were given their fair share of the prosperity within their society.

"And if you ask yourself what could be the flesh to the bones of the Third Way, then I think we have to go back to those roots."

President Clinton next steered the discussion to ways of managing the economy in order to "deal with the whole question of social justice." At this point, the interlocutors began to detonate very loud bombshells, having directly to do with international speculators.

The problem of financial speculation

Schröder picked up President Clinton's cue: "Just one aspect, if I may, because I think we have neglected that aspect of it. . . . I have just realized how difficult that is. I mean, seen against the background of very specific traditions that my party, that our society has grown used to, there is one aspect that I believe to be very important in this respect — we've been talking about alternatives — and that is the international aspect of politics, of policies. And I think I'm not saying that now with an eye to the United States of America or the countries represented here, but when I look to the countries of the Third World and to the newly industrialized countries that tend to be somewhat stronger than the poorest countries in the world, here the international development, the internationalization, globalization of economies, of financial markets, create a situation where the political achievements that you have brought about in your own society are being destroyed by these developments.

"International financial speculators can destroy an economy. We've seen that in Asia, and the consequence of what we've seen there was that the international financial institutions that have to come into play — that is to say, the stronger countries have to make their contribution, which they generally do, because it is in their very own interests — and that economies are being supported by international financial institutions who pay for the liberties of the speculators in the international market — one of the causes of the crisis, for example, that has set us back in our economic development. . . . And I think that it was last, but not least, the American President — but it was also others, who submitted proposals as to how to cope with the activities of these speculators in international financial markets that can destroy a whole economy."

President Clinton immediately responded: "Let me say very briefly, I think when we meet in Germany in the next few weeks with the G-8, I hope we will ratify a number of changes to the global financial system that I believe will be adopted by the international financial institutions and other bodies that will avoid having another financial crisis like the one we saw in Asia, that we have worked so hard to keep from spreading to Latin America and elsewhere.

"And it is really a classic Third Way problem, because what happened was, in the past 50 years after World War II, when the so-called Bretton Woods instruments were developed — the IMF, the World Bank, and others, designed to promote global investment — with the explosion of technology and the explosion of trade, more and more money had to move around the world. And then as always happens, there came an independent market in money unrelated to the trade and investment, so that now, every day, there is about \$1.5 trillion a day in trade in money, which is roughly 15 times the daily volume of trade in goods and services. And that's the basic problem."