

majority of the population of this planet, is the needed, winning combination. Those who refuse or are simply reluctant, will perhaps have to learn the hard way: perhaps that is real democracy in action.

Objection Number Five: "The New Bretton Woods must be a new supranational authority which decides whether or not individual nations will have the right to use temporary measures such as capital and exchange controls."

No workable agreement will subvert the sovereign rights of any nation-state to sovereign measures such as protectionism in general, or capital and exchange controls in particular. Sovereign partners will, rather, agree to coordinate their sovereign decisions, and will set their sovereign policies according to a principle of informed mutual advantage. They will never alienate their sovereign rights and powers to a supranational authority.

As I have written and spoken of this on numerous public occasions during the recent twenty years, we must enter into a new era of mankind, that envisaged by then-U.S. Secretary of State John Quincy Adams, an era in which the Hobbesian bestiality of a system of "balance of power," is superseded by a community of principle. We have come into a time, presently, when the long experience with cumulative consequences of an evil diplomacy, based upon "balance of power" represents such a clear threat to all of mankind, that the wisdom of a community of principle among perfectly sovereign nation-state republics, must recommend itself, instead.

It is my estimation, that the establishment of such a relationship between the Presidents of the United States and China, might probably supply the rallying-point, and pivot, for establishing among nations representing a majority of humanity, a true community of principle as Adams envisaged it.

## Blair promotes phony 'New Bretton Woods'

by Mark Burdman

British Prime Minister Tony Blair has launched an effort to exploit the political difficulties that U.S. President Bill Clinton is in, to promote the idea that Great Britain is "stepping into the vacuum," to become the leading power dealing with the international financial crisis and other global problems. The effort is profoundly cynical, given the role of senior British operatives in having unleashed the witch-hunt against the American Presidency in the first place.

On Sept. 21, Blair made a one-day stopover in New York, for addresses at the New York Stock Exchange, the United Nations, and a conference at New York University Law School, the latter to promote his so-called "Third Way" politi-

cal approach. The next day's London *Daily Telegraph* ran a front-page article, headlined "Blair in Attempt to Take Spotlight," on how his New York expedition "attempted to fill the power vacuum" caused by President Clinton's domestic problems. The Hollinger Corp.-owned *Telegraph* has been in the forefront, for five years, of the "Get Clinton" efforts.

Most noteworthy, was Blair's speech before the Stock Exchange, which occurred one week after President Clinton's major address before the New York Council on Foreign Relations, in which Clinton had acknowledged that "this is the biggest financial challenge facing the world in a half century," and called for convening a "major meeting" of finance ministers and central bank heads "within the next 30 days, to recommend ways to adapt the international financial architecture to the 21st century."

Blair declared, "We need to commit ourselves today to a new Bretton Woods for the next millennium." In using this specific terminology, Blair and his advisers were undoubtedly aware of the intensive worldwide organizing by the LaRouche movement for a "New Bretton Woods" system. But, what Blair enunciated, was, in every respect, the opposite of a "New Bretton Woods" as defined by LaRouche.

What Blair laid out was a policy to buy some more time for the bankrupt and rapidly disintegrating international financial system. His recommendations are a repudiation of all the better features of the original Bretton Woods arrangement negotiated in 1944.

To wit, Blair stressed the industrialized world's "special responsibility to reject protectionist measures." He repeatedly stressed the need for free-market "reform" by Russia and the emerging nations, asserting that it is not that "market disciplines have failed," but only that there has been lack of such disciplines. He demanded that the International Monetary Fund (IMF) be given the resources "to ensure that where countries implement the right economic policies, they can be given sufficient financial support." He supported the time-worn "low inflation/structural reform" package that has brought disaster to Russia and every other country that has implemented it.

Blair asserted that the present Bretton Woods institutions, 54 years old, were "constructed in a world of fixed exchange rates and capital controls, where international capital flows were much smaller." But this is not the "modern" financial situation, Blair said. For "modernization," there are five priorities. These are "greater openness and transparency," including those codes developed by the IMF and OECD; "improving financial supervision and regulation"; an "imaginative" look at funding for short-term liquidity crises; better "risk assessment" by "global investors"; and, "greater openness . . . by the international financial institutions themselves."

He said that his "New Bretton Woods" proposal should be discussed "as a matter of urgency" in Washington, at the IMF and World Bank annual gatherings. The deadline for relevant discussions should be one year, Blair said, with full

proposals for a heads of government summit next year, and for a wider forum by next September. "If this process is to be successful, it will need to involve the heads of government. Without the impetus they can provide, we will not overcome the obstacles to reform. And given the gravity of the crisis we face, it is incumbent on all of us to provide the leadership the world so desperately needs. . . . We must design a new international financial system for a new international financial age."

### The Commonwealth role

That there is a broader strategy in such Blair ramblings, was stated by London *Times* economic writer Janet Bush on Sept. 23. She proclaimed that Britain is now in an "ideal position" to lead the process of global economic reform, at a time when President Clinton is "pinned down by his political enemies." She praised the "valiant job" done by Blair and his Chancellor of the Exchequer, Gordon Brown, the two having tried "to give at least the impression that the West is responding to the increasingly dangerous economic crisis, and is beginning to grope towards some ideas of how to reform the management of the world economy, that is so clearly discredited. It is, in itself, a remarkable fact that, as we mark the milestone of 100 days to the launch of the European single currency, it is Britain, not Germany, nor France, that has attempted to fill the political vacuum" left by what Kenneth Starr and friends are doing in the United States.

Bush said, "As a leading member of the Commonwealth, Britain would be in an ideal position to develop a more inclusive forum for discussing these important issues."

That idea was promoted in a Sept. 8 letter to the London *Times* by Richard Bourne, visiting fellow of the Institute of Commonwealth Studies, who stated that the Sept. 29 meeting of Commonwealth Finance Ministers in Ottawa, which was scheduled just before the annual IMF and World Bank gatherings in Washington, "most surely" should be "one of the avenues" for reform of the world financial system. Praising global speculator George Soros for his recent statements in Washington about the "urgent need to reform the world financial system," Bourne invoked Britain's "special responsibility," as chairman of the Group of Seven countries, "to help devise both short- and long-term response" to the global economic crisis. "There is a real opportunity to use this forum of over 50 countries," he said. "In the famous words of former Commonwealth Secretary General Sir Shridath ('Sonny') Ramphal, 'The Commonwealth cannot negotiate for the world, but it can help the world to negotiate.' Now is the time to prove it."

### The 'Third Way'

Later on Sept. 21, Blair was a featured speaker at New York University Law School (others included Bill and Hillary Clinton, Italian Prime Minister Romano Prodi, U.S. "New Democrat" leader Al From, and AFL-CIO President John

Sweeney), in a conference on "Strengthening Democracy in the Context of a Globalized Economy." Swedish Prime Minister Göran Persson cancelled his appearance at the last minute, because his "Third Way"-oriented Social Democrats were suffering a massive rejection from voters, angered by his austerity policies, in the country's Sept. 20 elections.

The meeting in New York was sponsored by the World Policy Institute, whose *World Policy Journal* promotes an "Anglo-American partnership" for the next millennium. Over the years, the *Journal* has promoted delphic proposals for a "New Bretton Woods." Back in 1984, for example, it promoted an early-1980s study done by the Commonwealth, calling for a "new Bretton Woods." In spring of this year, *Journal* editor James Chace, formerly editor of the New York Council on Foreign Relations' *Foreign Affairs* magazine, wrote an editorial, "Bretton Woods II?" backing a strengthened supranational supervisory regime proposed by Harvard "shock therapy" punk Jeffrey Sachs and Soros.

At the event, among the exceptions to the blather about the "Third Way," a strategy which revolves around the desertion of traditional popular constituencies—trade unions, minorities, etc.—in favor of cultivating the forces most benefiting from "globalization," came when Blair attacked the policies of Franklin D. Roosevelt, clearly eliciting angry disapproval from Clinton. Another exception, was the speech by the AFL-CIO's Sweeney, in which he, for the first time for him, warned of a "severe global crisis" in the economy, and called for the creation of "new institutions" that could oversee the limiting of speculation, the writing off of bad debts, and the stimulation of real investment.

On the occasion of the New York Law School event, back in Britain, Blair released a manifesto, published, appropriately, by the Fabian Society think-tank, entitled "The Third Way—New Politics for the New Century," in which he boasted, "In New Labour's first year of government, we have started to put the Third Way into practice." He singled out for praise the policies of his Tory predecessor, Margaret Thatcher, saying that what she had done amounted to "necessary acts of modernization," by exposing the state industrial sector to "competition." Truly, the "Third Way" is Thatcherism with a Fabian, "human" face.

At the same time, Blair's guru, London School of Economics head Anthony Giddens, published a book entitled *The Third Way*, which was characterized by the London *Economist* as "disturbingly vacuous."

A number of articles critical of the Third Way have been published in the British press. In the *Independent* under the headline "The Third Way Is a Scam, Utterly Without Substance," Labour Party MP Alan Simpson described it as "the Emperor's new clothes of modern politics," and said that it is just an attempt to bolster the presently bankrupt ruling institutions of globalization. A nasty piece in the *Guardian* on Sept. 23, by Francis Wheen, was suggestively entitled, "Tony's Third Way to Cloud-Cuckoo-Land."