

# Tony Blair and the business of making money

Julie Hyland  
17 January 2008

Former prime minister Tony Blair made a rare public appearance at the weekend, speaking at a rally of French President Nicholas Sarkozy's right-wing Union pour un Mouvement Populaire (UMP).

The British press generally agreed that his address to the Paris meeting was Blair's "most important speech since leaving Downing Street." This is despite the fact that for the last period Blair has been international envoy for the Middle East quartet—the US, Russia, the United Nations and the European Union—on whose behalf he is supposedly working towards establishing a "historic" peace settlement between Israel and the Palestinians.

But many commentators believe Blair is planning to move on to even greater things, and that his Paris appearance marked the launch of his bid to become the first-ever EU president. France will oversee the appointment process for the post, which is due to be created by the 27-member countries later this year.

Bruce Crumley in *Time* magazine explained that "the speech was designed to stake Blair out as a man capable of taking the EU to the same place his supporters say he brought Britain: the fabled "third way" between costly welfare states, and unfettered, even savage market forces."

As such, Blair's remarks to the 2,500 or so UMP members consisted of the same vacuous sound bites that he had served up for 10 years as British prime minister.

The old political divisions between left and right were outdated, he told his audience, as globalisation had eradicated traditional class and party distinctions.

"Europe is not a question of left or right, but a question of the future or the past, of strength or weakness," he said. "It's about today versus yesterday. Less about politics and more about a state of mind; open as opposed to closed."

Just to reinforce his point, he quipped, "In the United States I'd be a Democrat, and in the United Kingdom I'm a Labourite. And in France, I'd be...in the government!" Blair went on to say that he was "kidding." "I would be in the Socialist Party, side by side with those who have its transformation at heart."

His remarks won Sarkozy's enthusiastic support. Joining hands with Blair he declared, "Socialists like this are completely welcome in government."

Indeed they are. Sarkozy has incorporated substantial parts of the Socialist Party into his government. Blair is to address a conference of this breakaway group—"Les Progressistes"—at the Sorbonne University later this month.

The president gave his unequivocal backing to Blair's candidacy for the EU post, saying, "He is intelligent, he is brave and he is a friend. We need him in Europe. How can we govern a continent of

450 million people if the president changes every six months and has to run his own country at the same time?"

The former prime minister was also endorsed by UMP vice-president Jean-Pierre Raffarin, who wrote in *Le Monde* that Blair was well positioned for the post.

None of this makes Blair's candidacy, let alone his successful appointment, a certainty. The post of EU president has yet to be established and is dependent upon each of the 27 member states' individually ratifying the EU Treaty—a rehash of the European constitution that failed due to popular hostility.

Outside of the UMP, Blair is considered a long shot for the position, with many regarding his close alliance with Washington as incompatible with the project of forming a strong European political, military and trade bloc.

Nonetheless Blair, who is to attend the World Economic Forum in Davos, Switzerland, later this month, has the wind in his sails.

Since the end of his premiership, he has been very busy. In addition to international envoy, and his potential bid for EU presidency, he has even found time to implement his long-trailed conversion to Roman Catholicism. According to the Archbishop of Westminster, Cardinal Cormac Murphy-O'Connor, who conducted the service, it was a "very moving occasion."

His main preoccupation, however, has been amassing a small personal fortune.

Last week, it was announced that Blair had taken a part-time post with the US investment bank JP Morgan "in a senior advisory capacity."

Original reports indicated that he would receive approximately US\$1 million per annum for his efforts. Subsequently, it has transpired that the actual remuneration will be US\$5 million. For this, Blair will be required to draw "on his immense international experience to provide the firm with strategic advice and insight on global political issues and emerging trends."

The British media speculated on just what advice Blair could give. Patrick Hosking for the *Times* said he had initially been skeptical as to the former prime minister's worth, but now believed that international business had changed in such a way "that exactly suits Mr. Blair's talents."

"The balance of economic power is shifting away from Western democracies to Asian and Middle Eastern dictatorships and oligarchies.... The winning companies will be those that can, say, secure introductions at the highest level of the Chinese politburo and those that can win instant credibility with the people who control the strings at sovereign wealth funds of the Gulf States.

"Over the next few years, Western private sector capital is going to be scarce. Western domestic markets are going to be depressed.

The laurels are going to those with the contacts and diplomacy to tap state funds and enter foreign markets where the gatekeepers are not shareholders but politicians and regulators. Face and vanity can matter as much as dollars.”

The JP Morgan contract was brokered by Blair’s Washington-based lawyer, Robert Barnett, who also negotiated a reported £5 million advance for the former prime minister’s memoirs.

JP Morgan’s chief executive, Jamie Dimon, said that he had telephoned Blair. “I went to visit him and we hit it off,” he said. It was important to both of them, he continued, “to try to make the world a better place and have a bit of fun doing it.”

In fact, Blair had high-level contacts at the bank long before Dimon’s telephone call. George Shultz, chairman of JP Morgan’s international advisory council, had held a party in his honour while Blair was still prime minister.

Blair told the *Financial Times* that he planned to take up “a small handful” of similar positions with other companies.

“I have always been interested in commerce and the impact of globalisation,” he explained.

“Nowadays, the intersection between politics and the economy in different parts of the world, including the emerging markets, is very strong.”

All in all, it is estimated that Blair could take in some £40 million. He is already reportedly making between £500,000 and £1 million a month from speaking engagements. Tickets for his address to 5,000 people for the American Jewish University in Los Angeles this month, for example, are priced as high as £1,200.

The speaking engagements are in addition to his £5.8 million deal with Random House for his memoirs, due in 2009, and his taxpayer-funded pension of £64,000 a year. His wife, Cherie, earns an estimated £250,000 a year as a barrister and has also secured her own book deal.

According to the London *Times*, Blair “is on course to become the richest former premier in recent history.”

Writing in the *Financial Times*, Alex Barker and George Parker said Blair’s position with JP Morgan was a “break with tradition.”

The private sector was an area that former Labour prime ministers have largely chosen to avoid, they claimed, with lucrative directorships usually confined to the Conservative Party. Margaret Thatcher was a consultant for Philip Morris, while John Major became European chairman of the private equity group Carlyle.

“Apart from writing, the last two Labour prime ministers before Mr. Blair—Jim Callaghan and Harold Wilson—limited their post-Downing Street business activities to, respectively, farming and hosting a short-lived and little-watched television chat show.”

Still, the Blairs reportedly have mortgages of some £4.5 million to pay off. Writing in the *Guardian*, Geoffrey Wheatcroft explained how, having been advised on his move into Downing Street that he should sell his north London home, in case renting it out led to any “kind of scandal,” Blair “watched with anguish as the Islington property market rocketed.”

“That was the background to the lurid story of Cherie’s Bristol flats—the wife of a Labour prime minister engaged in property speculation—and then the Blairs’ acquisition of a house in Connaught Square, London. It looks as though he received some

more dud advice, since the house is already worth less than the £3.65 million he paid for it.”

No doubt, such concerns will figure strongly in Blair’s calculations for the future. His current role as Middle East envoy—for 10 days each month—is expenses-only (and apparently funded in the main by £400,000 from the British government).

The post of EU president is thought to be worth some £200,000 per annum and could potentially provide Blair with European-wide clout.

But that must be tempered against suggestions that he may have to resign from JP Morgan and as Middle East envoy if he took the presidency.

How likely is that? According to Wheatcroft, “It is pretty clear that he [Blair] left parliament early so that his considerable future income from business activities and speech making would not be subject to monthly updates on the register of MPs’ interests,” he wrote in the *Guardian*. “It is hard to see how he could combine the presidency with being private counsellor to bankers and industrialists.”

The *Financial Times* is also displeased. Its January 11 editorial, “Blair’s rich project,” complained that his decision to “mix business with statecraft...marks an unwelcome blurring of the line between public and private roles.”

Many other former leaders such as Bill Clinton and John Major had cashed in on their former official roles, but none had sought to do so while still in public life.

“Mr. Blair ought to make up his mind whether he wants to remain an active political figure or to become a ‘trusted adviser’ to people with money,” it complained. “Otherwise, he will mortgage his reputation to pay off the mortgage on his house.”

Although the FT’s editorial did not mention it, the stench of shameless money-grubbing that surrounds Blair is made all the more greater by the fact that JP Morgan has been selected to run the new Trade Bank of Iraq, which will make billions by mortgaging future oil production.

Such are the spoils of war. But turning the affairs of state to servicing the narrow self-interest of a wealthy elite was precisely what Blair’s New Labour project was all about—looting the social gains of working people so as to increase the fortunes of the rich and powerful.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**