

Which of the three wise men will save us?

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With the summer vacation from politics coming to an end, Russian tanks camped in Georgia, employment and inflation on the rise, house prices tumbling, and the social fabric rent, Britain faces some hard choices in both the domestic and foreign policy spheres.

Three men say they are up to such choices: Gordon Brown shouts his availability; David Miliband scribbles and whispers his; and David Cameron has to resist the temptation to take the advice Evita gave Juan Péron: "All you have to do is sit and wait, keeping out of everybody's way. You'll be handed power on a plate."

In foreign affairs, Britain needs a leader with the best chance of retaining the nation's historic ability to punch above its weight – to borrow Douglas Hurd's phrase. In matters that come before the international financial agencies, such as the World Bank and the International Monetary Fund, the choice has to be Gordon Brown. Despite his preference for Georgetown's used book stores over lavish IMF and World Bank cocktail parties, Brown was, and despite Britain's current economic woes, still is held in high regard by the world's finance ministers.

But respected chancellors do not automatically become respected prime ministers. Two things count against Brown. The first is his attempt to have things both ways – receive the Dalai Lama, but not in No 10; attend the Olympics, but avoid the opening

ceremony; meet the US president, but display a coolness bordering on rudeness.

The second is his low standing in Washington. Brown's refusal to allow British troops to come out of their airport sanctuary to help tame Basra is something a McCain administration will remember when deciding which allies it can count on. With the heads of government in France and Germany now decidedly pro-American, Britain no longer can be assured that its leader will get the cherished first visit to the new president.

True, Brown might do better should Barack Obama become the 44th president of the US. Both men favour high tax-and-spend domestic policies; both rely heavily on trade union support; both want universities to abandon pure merit-based admission policies. But super-cool Obama, born long after the end of the Second World War, has no particular emotional commitment to the special relationship between our countries. Unlike John McCain, he has run no ads comparing himself to Churchill, a figure Obama would regard as too manichean for his post-modern taste.

For Britain to punch above its weight it must have the sort of special relationship with America that it has become fashionable for the British Left, and some on the Right, to deride. As Tony Blair explained to me on a beautiful summer Sunday as we sipped Diet Cokes in the Downing Street garden, Britain can matter in



Brown, Miliband and Cameron all have a chance to lead Britain out of the terrible mess we're in, says
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world affairs only by nurturing the often imperfect special relationship, enabling Britain to act as a bridge between the US and the EU, and by maintaining a military strong enough to matter to American planners. That understates a bit the role that Britain acting alone can play – it is, after all, the world's fourth or fifth largest economy, with the only European military that matters other than France's. But because of the special relationship, a reluctant George Bush felt obligated to bow to Blair and make "a road map" part of his Middle East policy. No other country wielded such influence.

If David Miliband succeeds in displacing Brown and winning a general election, there is no predicting how he would be

received in Washington. He is considered "patronising" by many of the foreign policy types he met there, a description those who have met him can understand. And there is some doubt about his steadfastness in the face of adversity – "spineless" is a word bandied about by those least impressed with this David's ability to take on the Russian Goliath. The depth of the US-UK relationship would depend heavily on Miliband's willingness to side with America if the new president fashions a more vigorous response to Russian thuggery than the EU, dependent on Russian energy and influenced by contract-hungry Germany, feels comfortable supporting.

David Cameron has managed to remain a blank page in the book of America's foreign friends. But US policy-makers know that his foreign secretary-to-be, William Hague, has made it clear that he regards Britain's relationship with America as central to Britain's foreign policy. So, if you believe that one of the keys to Britain maintaining a voice that will be heard in foreign affairs is its close relationship with the US, Cameron is your best bet.

On domestic policy, don't count out Gordon Brown as the man who might be best suited to lead Britain out of its current mess. His autumn fight-back will include one last throw of the dice in an effort to revive the credit and housing markets by having the Government intervene in the housing market – and might just succeed in keeping the inflation

chickens from coming home to roost until after a general election.

In the longer term, the differences between Brown and Miliband are nowhere near as significant as the rival camps claim. Both men look first to the Government to solve economic problems; both are wooing the trade unions; both would expand the welfare state, with Miliband giving consumers a bit more say. But to expect the Blairites minus their charismatic leader to accomplish what they could not when Blair occupied No 10 is to expect too much.

David Cameron has a different view of the role of government. In lieu of what George Osborne calls "Labour's clunking tax and regulation policies", the Tories would provide "nudges" of the sort that Richard Thaler and Cass Sunstein laid out in *Nudge*.

One such is a mandatory cooling-off period that prohibits people who are issued store cards from using them for the first seven days. Libertarianism it isn't, but combined with tax incentives, it attacks some of the social behaviour that has resulted in the dissolution of families and the increase in consumer debt.

Whether nudge-ism will morph into nannyism when the Tories have real power will depend on whether Osborne's libertarian instincts trump Cameron's desire to incorporate his notions of proper behaviour into legally binding mandates.

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