



## Reviews

### Screwing a Breech Ring

**Kathleen Palmer, *Women War Artists*, Tate Publishing and Imperial War Museum, 2011, 96 pages, ISBN 9781854379894, £12 99**

A fascinating book, accompanied by an exhibition of women's war art at the Imperial War Museum (IWM), Lambeth, London, which continues until 8 January 2012. The author is Head of Art at the Museum and the research for the book and the exhibition has, for me at least, revealed enormous insights into the role of women at war. I spoke to her about it.

The book's cover presents a compelling introduction to the subject, showing the historical scope of the story (see facing page). On the front cover is the picture of Ruby Loftus 'Screwing a Breech Ring' in a munitions factory in 1943, painted by Laura Knight. The back cover shows photographs of clothes, presumably from the dead, in Kosovo. These are by Frauke Eigen in 2000 and 2001 (taken in the first year and printed in the second). The paintings in the book and exhibition go back to the First World War.

The story is that women were not permitted, certainly not commissioned, to be war artists at the front. The front line was not for women, but they were commissioned to do other war art. So, as ambulance drivers and first aid workers for the Red Cross, and a voluntary aid organisation called FANY (First Aid Nursing Yeomanry), they used their spare time, such as it was, to paint and draw the most extraordinary images.

The story is also about the changes in gender roles and sheer bravery. At the same time before and after the First World War, the Liberal Government was struggling with constitutional and social reforms, with the suffragette movement – and its various wings – fighting for democratic emancipation on the one hand, while handing out white feathers to men not in uniform on the other. The role of women was ambivalent or contradictory. Then we have the role of women war artists to take into account in this complex scenario, as the book ably depicts. They showed the tragedy of it all, in hospitals, and in the Second World War subjects such as German nurses bathing concentration camp survivors, who all look like they do not have long to live ('Human Laundry, Bergen-Belsen, 1945', by Doris Zinkeisen). The interpretation was that the nurses were camp guards doing the work, but they were nurses from a local hospital.

Zinkeisen portrays the possible contradictions and ambiguities about the role of women beautifully.

Indeed, by the time of the Second World War, women had established themselves as worthy of commissions for art work at the front. The book also includes male artists, such as Paul Nash, because, in the words of the author, she did not want to portray women artists as some marginal group but part of a specialist artistic community.

The Appendix of biographies in the book is fascinating and an education in itself. Most of the artists have died, but the Imperial War Museum has a sound archive of interviews with many of them from the Second World War. They certainly were not marginal and the book explains why.

The Museum has now commissioned women artists to cover the conflicts in the Middle East and Afghanistan. They also covered the Falklands (Malvinas) conflict. There is a parallel exhibition at IWM North in Manchester on the history of war correspondents (this is reported in *BBC History Magazine*, June 2011 edition, 'Words on War'. By Rob Attar). The Imperial War Museum has also appointed the musician P J Harvey as the first singer to be a war artist, reflecting themes in her recent album.

This is a very interesting project all round and the book is essential reading for those interested in how war is recorded.

*Richard Minns, Buenos Aires and London*

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## Housing Matters

**Hal Pawson and David Mullins, *After council housing: Britain's new social landlords*, Palgrave Macmillan, 346 pages, hardback ISBN 9781403935144, £65, paperback ISBN 9781403935151, £24.99**

If you care about the future of council housing, you need to read this book. It presents an analysis of how the combined policies of successive Conservative and New Labour governments have nearly succeeded in privatising this public service. David Mullins and Hal Pawson are two academics. They have developed their careers, partly through research on stock transfer landlords, with regular commissions from government and more independent research funders since the early 1990s. This book presents their sustained analysis, largely though the perspectives of these new landlords, albeit this housing history has been set within a specific interpretation of housing policy and management theory.

It is generally recognised that stock transfer started about 1988 when Margaret Thatcher's Housing Act of that year gave official endorsement. In 1988, local authorities owned 4.5 million council houses. Housing associations owned less than one tenth of this figure, though they were the Conservative Government's favoured recipient for both stock transfers and capital finance for new house building for rent. This continued under New Labour. By 2009, local authorities' stock had dwindled to just 1.9 million while associations had grown to 2.2 million, largely because of stock transfers during the previous 20 years. This largely invisible privatisation has resulted in over 167 local authorities in England (47% of the total) having no council housing at all. 'Social housing' (as it now tends to be called) in England is owned and managed mainly by housing associations (including stock transfer associations). Local authorities manage what remains either directly or through 'arms length management organisations' (ALMOs). Scotland and Wales are similar though change has been less dramatic.

How did we get here? Mullins and Pawson argue that the main reason was financial: a 'pragmatic' rather than 'ideological' approach. Local authorities wanted to be able to undertake repairs and modernisation work that was denied them as direct managers. The only way to obtain funding on the scale required was through stock transfer (or more recently, since 2002, via an ALMO). A large scale voluntary stock transfer (LSVT) or ALMO could raise private finance whilst a local authority could not (without this counting as public expenditure). But even academics who support the process do not agree with the somewhat mundane 'pragmatic' viewpoint. For example, Peter Malpass has argued instead that the whole point of stock transfer was to change landlords: preventing the continuance of 'municipal landlordism', as the authors call it. This certainly fits with Tony Blair's ideological view of local authorities, but is less convincing in relation to Gordon Brown's whilst Prime Minister.

What of council tenants? Some supported transfer to get much needed investment in their homes: new kitchens, upgraded heating, new roofs. Others have argued that there must be a way of retaining the local authority as landlord whilst enjoying these benefits, too. But most recently, New Labour would have none of this. Both local authority and housing association landlords were expected to attain the so-called Decent Homes Standard by 2010, and investment was steered towards this with the government offering cash-strapped councils three options: stock transfer, the Private Finance Initiative, or the ALMO. Local authorities were never given the choice of extra funds to invest in their own housing. Linked to the issue of choice (or lack of it for authorities and families who wanted to remain

council tenants) has been the growth of determined opposition to this policy.

Initially, anti-transfer campaigns in the era of Conservative administrations up to 1997 were run by local campaign groups. Many proposed transfers could be clearly portrayed as privatisation: the process was dominated by consultants, there was little tenant involvement or love of housing associations, but ballots were regarded as successful even if only a minority had voted 'yes'. With New Labour in power, more sophisticated mechanisms were introduced to involve (incorporate?) tenant activists (including tenant Board members on the new LSVTs). Campaigning became more determined from 1998, thanks largely to Defend Council Housing (DCH) and the small parliamentary group of MPs who tried to change government policy on this issue.

The authors had stated that one of the overarching intentions of the book was to examine how democracy had been affected by LSVTs. One criticism of stock transfer is that it brings about a 'democratic deficit' compared to the former position of council housing as a public service overseen by elected councillors and managed by paid staff. This issue emerges in different places in this book, none of them very satisfactorily.

It is not addressed properly in relation to the role of councillors and tenants in these new LSVT organisations, either as Board members or in other roles (for example, in consultation exercises or involvement in service reviews). Have they simply been incorporated (becoming ineffectual), as critics believe, or do they have a genuine role? More generally, how democratic are association Boards that are not elected, but selected in various ways? Interestingly, there are comments about how new LSVTs claim to be 'non-political', and how central government believes that associations are 'more effective' managers 'perhaps because they are not distracted by party political concerns'. Where does democratic involvement fit into this picture?

By comparison, local authorities are presented as organisations where councillor 'clientism' in housing departments was commonplace. No evidence of this is provided, but the authors continue in the same vein by remarking that there have been 'local conflicts' after transfer (citing 'lettings' and 'members' enquiries'). But, they point out, the role of councillors 'has been diminished following stock transfer'. One is left wondering what the legitimate role of an elected local authority councillor is. Can no elected representative ask a question and pursue an answer about what these organisations are doing?

Chapter 4, 'The politics of stock transfer', attempts to describe and analyse some of the opposition's arguments to transfer, but is a disappointment. This is mainly because detailed discussion is limited to a

handful of pages and it seems clear that this is an area where neither author has any experience (or particular sympathy). For example, information about Defend Council Housing and the House of Commons Council Housing Group is drawn largely from websites and obituaries of Alan Walters, one of the founding members of DCH, who died in 2009. Yet, as Mullins and Pawson point out, tenants have voted 'no' in over 80 ballots up to 2007. This is a remarkable quarter of all ballots.

Finally, the second overarching aim of this book was to look at how LSVTs have responded to new policy and changing environments. Were 'top down' influences (such as regulation) or 'bottom up' influences (such as Board members) more potent in steering these new transfer associations? Mullins and Pawson call the fragmented world of housing associations (of which LSVTs are now part) 'the third sector'. It may be a sign that this book was finished in 2009, but their enthusiasm for housing associations now seems misplaced. They claim that 'given their non-profit distributing status and long-term commitment to the provision of affordable homes, associations occupy a distinctive position between the state and the market'. It is a pity that no one told the Coalition Government that. Associations are now expected to charge near-market rents; finance new house building from increased rental income combined with reserves, private loans and bond issues; operate with greatly reduced regulation and, to all intents and purposes, act in similar fashion to private landlords. Ironically, in terms of democratic challenge, for housing at least, Defend Council Housing and local authorities are now leading the growing constellation of opposition.

*Cathy Davis*

## Bright Flame

**Louise Raw, with a foreword by Sheila Rowbotham, *Striking a Light: The Bryant and May matchwomen and their place in history*, Continuum, 300 pages, paperback ISBN 9781441114266, £16.99**

This is an extraordinary book. It challenges the hitherto almost unanimous view among historians of the trade union movement that the famous 'match-girls' strike of 1888 at the Bryant and May factory in the East End of London was largely inspired by, organised by and led by Anne Besant, a well-known publicist and middle-class member of the Fabian Society.

The conclusion reached by the author, as a result of the most detailed research extending over many years, was that the strike was not confined to

hapless young girls, but that many of the strikers were women of more mature years, that the inspiration and leadership for the struggle came from among the women themselves, and that their example helped to inspire the wave of ‘new unionism’, including the famous London dock strike of 1889, and the gas workers’ strike at Beckton, also in the East End of London.

None of this is intended to belittle the role of Anne Besant in publicising in her magazine, *The Link*, the ‘white slavery’ conditions of women workers in the match factories. But subsequent history books, written by authors sympathetic to trade unionism, have tended to accept her own estimation of the role she played in the dispute.

The research for this book prompted the author not only to examine the various trade union histories which tell the story of the Bryant and May strike, but also to examine the local newspapers and other local records of the time, and to interview descendents of those who participated. She also examined the housing records to trace the living quarters of the women strikers. She found that many of them lived in a very close community. Many of the men in their family circle – husbands, brothers and uncles – worked on the docks. Equally significant was that many were of Irish extraction and were immigrants to the East End. Many of the immigrants had been influenced by the traditions of the movement for independence in Ireland.

Unlike many later writers of the history of trade unionism, the prominent leaders of the movement for ‘new unionism’ at the end of the 1880s and the early 1890s, Ben Tillett and Tom Mann, both of whom played an outstanding role in the industrial struggles of the period, were generous in their recognition of the role of the Bryant and May women factory workers and the leaders to be found in their own ranks. They made it clear that the Bryant and May strike was not the result of outside intervention, but was organised and led by women from among their own number.

The working conditions of the women and girls employed on match-making were appalling. One of the most horrible of industrial diseases, ‘phosphorous jaw’, was a hazard of their employment. It had a long history. Charles Dickens referred to it in an article written in 1852.

White phosphorous, an ingredient of match manufacture, could cause nausea and vomiting. This could be followed by swelling of the face, pain in the jaws, and the eventual development of putrid abscesses in the gums and cheeks. Sometimes this resulted in painful death with inflammation of the brain and convulsions.

Anne Besant was a very unusual personality and, through her reputation, benefited from self-publicity. She deserves to be respected for her very firm stand in favour of the exploited match women and match

girls. In her early life she was a devout Christian. She married a clergyman but it was not a success. She later became a secularist and, at one period, claimed to be an atheist. She was an early supporter of birth control.

In 1885, she joined the Fabian Society and became close to George Bernard Shaw. Later, she became a Theosophist and advocate of Indian independence. She made a significant contribution to social progress by the publicity and support she gave to the match women and girls in the struggle for better conditions at Bryant and May. For this she deserves to be remembered.

But it was the workers themselves and their so-called 'ring-leaders' who were the real heroines of the historic initiating struggle for 'new unionism'.

There are two references in this book to the Manningham Mills textile strike in Bradford at the beginning of the 1890s. It lasted for more than four months. Of the 5,000 who participated the majority were women.

I was born and brought up in the Manningham district of Bradford. I have in my possession a photographic print of the Manningham Mills dispute committee. It consisted of a majority of women. On the print the names of most of the men on the dispute committee are recorded, but not those of the majority of women. Among the men were Ben Turner, who later became prominent in the TUC, and Willie Drew, who was generally regarded as a leading member of the strike and who played a significant part in the founding national conference of the Independent Labour Party, held in Bradford in 1893.

More needs to be written, however, of the part played by women in the development of trade unionism. They were the heroines of our movement. Let us encourage more books to reveal the history of the contribution of women to trade unionism.

*J. E. Mortimer*

## Offshore

**Nicholas Shaxson, *Treasure Islands: Tax havens and the men who stole the world*, The Bodley Head, 2011, 336 pages paperback ISBN 9781847921109, £14.99**

The author of this timely book uses the metaphor of a spider's web to characterise the phenomenon of tax havens, and a thoroughly apt metaphor it is. Taking the analogy further, the predatory arachnid at the centre of the web is that revered and venerable institution, the City of London. The City's deft use of this secretive 'web', coupled with the relatively recent advances

in communications technology, has played a significant role in the resuscitation of the neo-liberal counter-revolution, and the destruction of the post-war Keynesian settlement. The three chapters that cover the history and growth of the modern offshore system, together with their attendant features of tax evasion, money laundering, corruption and financial secrecy, form one of the most interesting and insightful parts of the text.

The author asserts that the present economic recession, with its malaise of economic stagnation and financialisation, cannot be understood without reference to the global significance of the term ‘offshore’. One salient fact, which illustrates the centrality of offshore, is that more than half of international trade passes through, at least on paper, tax havens. Additionally, the balance sheet of ‘small island financial centres alone added up to \$18 trillion’ for 2010. The US Government reported, in 2009, that of the top 100 American corporations some 83 had subsidiary companies in tax havens. Contrary to popular conceptions, the most important and largest tax havens are not small exotic islands drenched in sunshine: they are Manhattan and the City of London. In the case of the City, the offshore rings of the web can be grouped into three concentric circles: the inner, comprising the Channel Islands and the Isle of Man; the next, the Overseas Territories, of which the most notorious are the Cayman Islands; and, finally, the outer ring, where an historical former colonial link cements the relationship, such as the Bahamas, Hong Kong and Singapore. The United States has a similar ringed arrangement and, like the United Kingdom, the closer to home are the more ‘respectable’ venues, with the outer rings devoted to the real ‘monkey business’. A number of European states have traditionally similar arrangements with their former colonies and, of course, one can always draw upon those states which provide offshore services to all comers such as Switzerland, Liechtenstein and Monaco. These services encompass straightforward tax evasion, money laundering, transfer pricing, and the depositing of illegal and corrupt earnings, all underpinned by a largely impenetrable veil of secrecy.

*Treasure Islands* gives an historical overview of the development of these offshore facilities, both in the US and in the UK, the latter with their beginnings in the rapacious needs of the Vestey family and their Argentine meat importing empire at the turn of the 19<sup>th</sup> Century. But the most interesting historical aspect is the resuscitation of offshore after the Second World War and its part in the neo-liberal offensive, and how it was used to supersede the so-called ‘Golden Age’, breaking down the compromise capitalism had reached with social democracy. Fearfully, we should look upon these machinations as unfinished business, even now. The rise of neo-

liberalism, and with it the desire of the City to free up the movement of capital, the need to diminish the power of the organised working class, and inculcating in the minds of ordinary people that the welfare state was responsible for an onerous tax burden blighting enterprise and excellence, fitted neatly with the tax-dodging propensities of the wealthy. Whilst the initiation of the present crisis, with the banking collapse, caused momentary Keynesian misgivings amongst some worthies, they have now totally vanished, and the madcap financialisation of capital continues on its merry path – that is, merry for the bankers, not for us. How we have arrived at the present dispensation is, to some extent, explained by the abandonment of capital controls, on which subject the book has quite a lot to say.

As mentioned earlier, the chapters in which the author describes Keynes' struggle against the restoration of 'free market' capitalism form one of the most interesting sections of the book. It touches on Bretton Woods and the rivalry between Keynes and his American counterpart, Harry Dexter White, the underpinnings of which rested on the very different economic situations of Great Britain and the United States. The British economy was exhausted by war, but clung to its colonial empire, whereas that of the USA was wealthy, highly productive, expansionist, and requiring colonial barriers to trade to be eliminated. The US wanted the end of colonial restrictions on trade by the European powers, and Britain in particular. Keynes certainly did not get all he wanted, but he did secure controlling regulations over the movement of capital, by no means water-tight but definitely limiting. What played an important role in undermining the system of capital controls was the Euro-dollar market, and hand-in-hand with its expansion was the development of offshore as the 'super lubricant to the flow of capital' around the globe. The Bank of England and the then Midland Bank played a crucial role in the establishment of the market in Euro-dollars, which were deposits of US dollars out of the jurisdiction of the US Federal Reserve and, therefore, unregulated and free from governmental capital controls. Together with the demise of fixed exchange rates, this made the abandonment of the vestiges of capital controls only a matter of time.

It is a source of wonderment that there is no significant public outcry regarding the abuses of the tax-dodging élite, who seem intent on preventing their immense wealth funding any part of the welfare state. The media establishment, however, are certainly adept at conflating middle and low income workers' justifiable anger at the rigours of PAYE with the likes of the Philip Greens of this world. This passivity, in another but associated context, even surprises Mervyn King, who remarked on the lack of public animosity towards bankers, stating that 'I'm surprised the real anger hasn't

been greater than it has'. The tax haven is, of course, not only a secret store of cash for immensely rich individuals, but also a device that enables multinational companies to intimidate the very national power of the state, through the threat of capital flight. Certainly, governments no longer possess the mechanisms to control capital flows, even if they have the will.

Shaxson takes us through some of the techniques used to harness the subterfuge of offshore, and describes the rise of the resulting army of specialised bankers, lawyers and accountants needed to facilitate this underworld of capitalism. This is not to forget the parallel activities of law makers and politicians providing the necessary legislative loopholes, ranging from the alderman of Jersey and the Lord Mayor of the City of London to Margaret Thatcher and Ronald Reagan. The freedoms of the Euro-dollar market spread to all international finance as capital controls were dismantled and scattered to the wind. Unfettered capital roamed the planet in the 1980s to give us the Third World debt crisis and, in the 90s, fuelled the dotcom bubble, the Asian recession, and now the present crisis, one speculative binge after another. Company governance and accountancy practices were loosened up to ensure the meteoric growth of companies such as Enron, WorldCom, BCCI, Lehman Brothers, Parmalat, and Long Term Capital Management, much of whose growth was predicated on offshore manipulation. At the same time, the impoverishment of many developing countries was connived at by ruling kleptomaniac potentates whose financial activities are largely made possible by offshore arrangements often structured in the City of London and that other centre of financial sleaze – New York. All this skulduggery is carried out with the participation and, often, at the instigation of big multinational corporations embedded in the relevant country.

Offshore involvement with drug barons and other members of the criminal fraternity is a thread running through much of the book and its association with more orthodox business activities is documented. The 'systematic looting of the former Soviet Union' was very much an offshore operation, based in London, as is the hold Berlusconi has over Italian politics which, according to the author, is in 'great part an offshore story'. The coalescing of some elements of the Soviet Union's intelligence and security services with organised crime was, the author claims, very much a London-based offshore affair. It comes as no surprise that London is the chosen domicile for so many wealthy Russian oligarchs and their hangers-on.

In general, *Treasure Islands* is a mine of information but, where anonymity is required, the cause is invariably the result of British libel law, which has been accurately described by George Monbiot as a 'sedition law for the exclusive use of millionaires'. The approach of the author is to criticise the

activities of the wealthy from both a moral point of view and also from the view that offshore detracts from the efficiencies of capitalism. With the latter view we need to contrast the assertion that, while tax havens are morally indefensible, they are also a symptom of a financialised global capitalism answerable only to the desire to accumulate ever more capital, making for a world of glaring inequalities and skewed social, economic and environmental direction. This book provides, whatever the author's political affiliations, the sort of insights that should stir a profound sense of outrage regarding what is euphemistically dismissed as 'tax avoidance and evasion'. When we are bombarded with sound bites expressing the need for economic sacrifices and welfare 'reform', we should perhaps remember that the tax loss to the UK alone annually could be as high as £120bn, according to pressure group 38 Degrees. Shaxson admirably charts offshore's intimate facilitating relationship with the neo-liberal counter-revolution and its connection to the present economic imbroglio with its attendant features of globalisation, financial deregulation and the aggrandisement of the super-rich. The author may think that offshore is an aberration of capitalism, preventing it from doing what it does best, creating 'better and cheaper goods and services' – in fact, offshore is a necessary adjunct to the development of financialised capitalism. It is a system which, according to David Harvey, by the 1970s had come up against problems of capital reproduction through its normal method of obtaining surplus value through the production of goods, and needed to move to an inherently more dangerous stage, that of systemic financial speculation. With wages stagnating and inhibiting buying power, the only way to make up the shortfall was a massive extension of credit, which, along with other adjustments, was rendered manageable by offshore. *Treasure Islands* is essential reading for anyone trying to grapple with understanding our present predicament and provides an invaluable resource in combating the spurious appeals to common economic sacrifice.

*John Daniels*

## Money and Risk

**Gordon Brown, *Beyond the crash: overcoming the first crisis of globalisation*, Simon and Schuster, 2010, 336 pages, hardback ISBN 9780857202857, £20**

Gordon Brown, until recently Britain's Prime Minister, wrote this book in 14 weeks, directly after the General Election in 2010. This is the first

detailed political account of the economic and political fall-out of the shadow banking sector's 'race for the bottom'. The first half relates to the global financial collapse following the 2007 credit crunch, derived from the enormous risks investment bankers took with the financial markets. The second focuses on Brown's analysis of how different parts of the world might contribute to a renewed, more stable and moralised global capitalist system. This is not a book for the faint hearted.

The shocking recklessness with which bankers traded 'collateralised debt obligations' with Triple A ratings (which suggested they were sound investments) is described in detail. Although originating in the United States, the sheer greed which created the 'shadow banking sector', as Brown calls it, spread to the United Kingdom unnoticed, at first, until profit warnings emerged from previously solid financial institutions in 2007. Most of the banks that failed had no idea what their own investment bankers were doing: indeed, the proverbial 'blind eye' was turned against their activities as they seemed to be generating enormous profits. Brown's commentary here is immensely useful in understanding what happened: in Northern Rock, HBOS, Bradford and Bingley and RBS. And he is withering in his account of the failure of those in positions of authority in banks who continued to maintain they really only needed 'overnight money', almost to the point at which they were semi-nationalised and recapitalised by the government with £50 billion of taxpayers' money.

In the first half of his book (parts one and two) Brown initially describes the pre-credit crunch assumptions that governments held about 'modern capitalism'. He describes a system reliant on credit and lending, in which 'leverage' (that is, the amount that capital can generate in borrowing/debt) is paramount. 'Risk' is central to this model of economic functioning, but the assumption that governments made before 2007 was that banks could regulate themselves (with formal regulators very much in the background) and that one bank failure was the worst that could happen (as 'risk' was dispersed across the financial system). With the benefit of hindsight, it is possible to see this was a far from satisfactory set of assumptions to have about a financial world which has proven to be unstable, greedy and seemingly impervious to political and public criticism. Brown himself says that this was 'the biggest and most far-reaching mistake I and others made'.

He describes how, in the years up to 2007, easy credit created 'benefits for homebuyers (because the competition and innovation had created lower mortgage rates and the wider provision of mortgages)'. At this time, the financial difficulties of poor owner-occupiers in the US were barely acknowledged in the UK, so the problem and extent of so-called 'toxic

mortgages' caught everyone by surprise. The problem turned out to be not simply one of poverty and debt in the USA. The interconnectedness of financial organisations, and the extent to which they had embraced new business models, meant that toxic American mortgages affected the core viability of financial institutions in the US, Britain and across Europe.

Many had gone down the route of 'securitisation' – that is, they no longer held mortgages to customers for 15 or 20 years, but packaged them up and sold them or used them as collateral for further funds. Fifty per cent of outstanding mortgages in the UK had been put in various 'securitisation vehicles' by 2007, Northern Rock being the most committed to this approach. By 2007, only 20 per cent of its outgoings were covered by deposits and mortgage payments. It could not withstand the stalling of the inter-bank lending arrangements for short-term cash, on which it had relied to stay afloat. Worse, its staff had been posting false figures on its mortgage arrears in an organisation that was obsessively target-driven. The resultant over-leverage and undercapitalisation were additional signs that the new banking business model epitomised by Northern Rock, but common elsewhere, was failing. But what Brown had to deal with, too, and which he refers to many times, was the lack of 'transparency' amongst banking leaders: either they did not know, or did not want to admit, what turmoil and trouble they were in.

The second part of *Beyond the Crash* (parts three and four) develops the theme that Brown hinted at earlier: that the global co-operation secured to halt the collapse of financial institutions across the world can be used to ensure that economic development benefits all. 'Markets need morals', as he put it.

By 2009, it had become clear that, unless the financial crisis was resolved by re-capitalisations across the world, then broader economic issues would hit countries and their political establishments: 'jobs, homes and pensions ... the global economy was in free fall'. Britain took the chair of the G20 group of countries in 2009. The first meeting in Pittsburgh that Gordon Brown chaired marked the beginning of a different approach. Countries across the world agreed a series of measures to deal with the banking crisis but also to move economies forward. These amounted to a 'global growth pact', which is working in different ways still. The rest of the book is a series of chapters which look in detail at the economies of particular parts of the world and the challenges they face: India, China, the European Union and Africa. There is no space here to do justice to these, but they will be of interest to anyone working to develop ideas about how a global political economy might work.

So what to make of the book of two halves? Why spend 14 weeks after a General Election writing a book of this nature? The answer is clearly revealed in the character of the man. A family man who spends his holidays in Sussex reading ‘obsessively’ about the Great Depression, to the irritation of Sarah and the boys. A father who is awoken at 5am in Number 10 (having gone to bed at 1) not, as usual, by his young son, but by an economist wanting to discuss the latest crisis news. A Prime Minister who is profoundly irritated by journalists such as Robert Peston, intent on ‘getting the story’ but missing the wider political and economic point. An intensely committed and single-minded politician who, over this period, was subjected to extraordinary pressures which would probably have destroyed lesser individuals.

Brown dealt with the potential meltdown of the UK banking system in 2007, saw off political challenges to his leadership in September 2008, and took a lead role in co-ordinating international efforts to deal with the continuing crisis in 2008 and 2009. Some New Labour values may grate, but just imagine what a wasteland Britain would now be if he (and his colleagues) had not succeeded in co-ordinating international efforts and taking decisive action in this country: with the removal of senior staff and cancellation of dividends, and investment to the tune of £50 billion recapitalisation for Northern Rock, HBOS and RBS; £250 billion in a bank credit guarantee scheme, and more than £100 billion for the Bank of England’s Special Liquidity Scheme to enable banks to start lending again. Or, as he put it,

‘the outcome of this risk laden and rocky journey the world economy is now on should not be left to the vagaries of chance or the failed ideologies of the 1930s: our journey must be shaped by our own beliefs, priorities and judgements, and by concerting our global efforts to realise the values we hold in common.’

His is a journey to ‘jobs and justice’.

*Cathy Davis*

## What Crisis?

**Leo Panitch, Greg Albo, and Vivek Chiver (editors), *The Crisis This Time: Socialist Register 2011*, Merlin Press, 296 pages, ISBN 9780850367096, £15.95**

**Fintan O’Toole, *Ship of Fools: How Stupidity and Corruption Sank the Celtic Tiger*, Faber and Faber, 2009, 256 pages, ISBN 9780571260751, £8.99**

**Fintan O’Toole, *Enough is Enough: How to Build a New Republic*, Faber and Faber, 2010, 272 pages, ISBN 9780571270088 £12.99**

**‘Cost of Crash, \$2,800,000,000,000’**  
*(Guardian front page headline, 28.10.2008)*

These books are about ‘crisis’. We throw the word around quite liberally, along with figures with a dozen zeros. The books deal with everything from the falling rate of profit to Catholic corruption and religious narrow-mindedness, Italian, South African, Japanese social structures, and the failure of banking. I counted up thirty crises since 1600 (the beginning of modern capitalism, with the help of Charles Kindleburger’s incisive work). But, what does empirical and theoretical analysis add to our understanding of obvious repetitive events?

In other words, what’s the beef about crisis? Why don’t we understand it and why do the books keep pouring out, exclaiming surprise about capitalism, or whatever we wish to call economics, and politics, these days? Some would say that capitalism IS crisis. Confusing enough?

The real story is surely about mythology. We live in a world of alleged crisis. Capitalism is nothing objective but a construction of manufactured belief. Here I call on Naomi Klein’s work, plus World Bank analysis (*Masters of Illusion* by Catherine Caulfield), Amy Chua’s *The World on Fire*, and others to support my point about crisis and myth.

Klein and others deal with crisis and the shallowness of political theory and policy, the obfuscation of the real issues, and the confusing notion of ‘crisis’ or ‘shock’. There is always a crisis, so we hear. We should turn to Arrighi and the concept of hegemony; crisis, shock, panic, financial loss. Crash, bang, wallop, and who pays in the name of the myth? The political economy of all this is to explain how ‘they’ get away with all these apparently unforeseen and continual events labelled ‘crises’.

I quote Arrighi on hegemony:

‘Hegemony is the additional power that accrues to a dominant group by virtue of its capacity to lead society in a direction that not only serves the dominant group’s interests but is also perceived by subordinate groups as serving a more general interest.’ (p. 32)

‘Crisis’ is a useful unifying concept in this context. It unites us in a common cause, a shared disaster, but it becomes random, apparently uncontrollable and meaningless. ‘Quantitative easing’ is another meaningless cover-up – this time for the solution to the agonising verbiage

and mythology of crisis, and fiscal deficit, another expression for crisis (both in *Socialist Register* and *Ship of Fools*).

Neo-mercantilism in *Socialist Register* (Bellofiore, Garibaldi & Halevi) explains a lot, but it should not be confined to finance. I would also include the weapons industry. Lockheed Martin (US) is described, by some, as *the* United States. One could also describe BAE Systems (UK) as *the* United Kingdom. Lockheed Martin gave rise to an anti-corruption law, and BAE gave rise to similar legislation in the UK, which failed when the government of the day introduced a ‘national interest’ clause. This followed a court case brought by Campaign Against the Arms Trade and Corner House, which BAE lost but then overturned on appeal.

Neo-mercantilism refers to sustaining an ‘empire’ by foreign earnings through foreign financial dealings and corruption, by peaceful exploitation or violent means. Once a country steps outside the rule of neo-mercantilism, as Ireland did (and others including Greece, Spain and Portugal), there is trouble with debt, which never arose before – the ‘crisis’. Argentina got away with it, eventually, by thumbing its nose at the International Monetary Fund and creditors, raising Venezuelan bonds, because the dominant neo-mercantilist power had its back turned and was facing troubles and wars in the Middle East. This chapter on neo-mercantilism in *Socialist Register* is a most instructive piece which pulls a lot of things together that are otherwise disparate calls on ‘crisis’. Here we have some practical structure.

The excellent chapter on Japan adds to this. Japan has historically been praised for its long-term lending, investment and competitiveness. The inference is that this was beyond the remit of ‘neo-mercantilism’. But neo-mercantilism permits such workable options within its overall remit. It went seriously wrong in Japan, however, with stock market and property speculation. Mania took over and the hegemonic power slowly lost its grip, after the euphoria of stock market and property speculation which was fuelled by foreign finance. My pension fund lost a bomb in asset value. But it seemed a good idea at the time, as it always does under the mythology of finance-led growth.

So did Ireland, the so-called ‘Celtic Tiger’ (self-congratulatory hubris before the financial nemesis). For instance, which was the largest bank in Ireland, Anglo-Irish or Bank of Ireland? Neither; it was the Dutch Ansbacher Bank, channelling US dollars into Irish property speculation, which is termed by Fintan O’Toole as ‘Cayman Ireland’. *Socialist Register* (Panich and Gindin) recognises this as asset inflation. Property loses all connection with reality. Houses in Ireland are being sold at auction at three for one. Bidders apparently cannot cram into the auction rooms. Ireland is

described by O'Toole as having had the biggest boom of all!

*Socialist Register* gives us a number of theoretical and empirical overviews of 'crisis', plus many invaluable case studies, including Wall Street (Henman), pensions (Soederberg), South Africa (Ashman, Fine, Newman), labour and the role of the dollar (Radice, and Bryan and Rafferty and Beitel), and much more. O'Toole exposes some practicalities in his classic case study of the politically, financially and religiously corrupt Ireland, where the foolish pretence and myth of endless growth was based on hot money. Greece, Spain and Portugal were different. They stepped out of line in different ways, partly caused by arms sales from the hegemonic pack using financial and weapons power. They were all caught in the continuing demise of hegemony, with Germany slowly taking over, or at least sharing, the power of consensus, through finance and weapons, with the USA. But that's another story.

After all this, think about the framework of neo-mercantilism, the structure of a financial empire, the power of debt, and not just about 'crisis' and the falling rate of profit, which is an abstract interpretation of crisis. It is not about crisis, but the collapse of a particular, long-lasting, historical hegemony. The hegemony has tried to hang on, but war and debt has undermined it, causing 'crises' or the milder apologia of 'recession' – another concept which is part of propping up a failing hegemony. Neither am I sure that the appropriate concept is 'neo-liberalism', 'globalisation', 'financialisation', all of which appear in these books and often try to explain everything. We have too many words which explain little, when what we want is a better historical context. Some of the chapters in *Socialist Register* and, certainly, O'Toole's books do this.

O'Toole completes his superb summary of Ireland by arguing how to make it become an actual *Republic* (of Ireland), and not just a sham of corruption, mercantilism, religious prejudice and corruption. This seems to sum up a lot of the arguments. It would help to break the hegemony, financially, religiously and economically, and provide us with a fitting conclusion to much of the analysis.

These are three wonderful books with much to absorb and contemplate. They make you think about some complex theoretical and historical ideas which could be brought more closely together if they were linked together as a trilogy with a unifying concept, apart from the repetitive term 'crisis'. The real story is about the history of money and debt, who controlled it, and why the particular use of money fails for political and imperial reasons. It is a story about money as power. 'Crisis', 'crash', 'recession'; these are thin disguises for the cracks in an empire based on financial hegemony which, in O'Toole's case, led to 'Ireland's Economic Suicide'. For *Socialist*

*Register*, see in particular Karl Beitel's 'The Crisis, the Deficit and the Power of the Dollar: Resisting the Public Sector's Devaluation'.

These three books lead us in the right direction, towards a perceptive, political economy-cum-historical analysis.

*Richard Minns*  
*Buenos Aires and London*

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## Collapse of Soviet Planning

**Francis Spufford, *Red Plenty*, Faber and Faber, 2010, 448 pages, hardback ISBN 9780571225231, £16.99**

I have to confess that in the late 1950s and early 1960s, I did truly believe what Khrushchev claimed that after Stalin's death the Soviet Union could overtake the United States in wealth and production. Gagarin flew round the earth in 1961 and returned safely, the first cosmonaut, flying in an entirely Soviet built *sputnik*. We all knew that we had been saved from Hitler's domination of Europe by the Soviet Red Army's tanks and guns at Stalingrad and Kiev, in 1943. It was not difficult to believe that what the Soviet system could achieve in a war with Germany, it could reproduce in peacetime competition with the United States. What we did not adequately understand was the extent of the concentration of Soviet technological and scientific resources on the military's requirements, and the growing failure of centralised planning to deliver even the annual production growth figures, let alone the real needs of the people.

This book, which tells the story of the Soviet Union between 1959 and 1968, is part fiction and part real history of the relaxation of the Stalinist terror under Khrushchev, and the re-imposition of authoritarian rule under

Brezhnev. In a series of anecdotes about his fictitious characters and their relation to real Soviet officials and real scientists and academics Francis Spufford paints a terrifying picture of corruption and nepotism. It was not what you knew, but who you knew that mattered. His book has no index, but it has fifty pages of notes giving the innumerable sources that he has drawn upon. Most are from writers in English, because Spufford confesses that he knew no Russian, but in his Acknowledgements he pays generous tribute to those who translated for him and interpreted for him in Russia. The Notes provide not just references but details of events and statements that the book is built on. They should be read carefully; they are, perhaps, the best part of the book and a rich resource for historians.

There are several fascinating chapters which depend on the author's obvious very considerable knowledge of the subject, not only the mathematics of economic planning, which occupies several of them, but the nuances of Lysenko's theory of environmentally acquired characteristics in farm crops, in contradiction of Darwin's and Mendel's insistence of the survival of chance species changes which are more successful in their environment.

The failure of Soviet central planning lies at the centre of the book, and the mathematics of 'shadow prices' based on labour values, in place of movements of demand and supply. I had forgotten, until I read this book, how convinced we were that the capacity to produce enough goods, i.e. abundance in place of scarcity, would solve all the economic problems of distribution. When I went to Moscow in the early 1970s, it was, however, already clear that Soviet economic growth was slowing down. What saved the economy and the whole Soviet system was the discovery of large reserves of oil and gas within its borders, and the giant leap in oil prices in the 1970s. Even then, the massive Soviet arms programme, to keep up with United States' arms spending, rang the death knell of the system.

What brings this book alive is the extraordinary detail which Spufford has extracted from his studies of the Soviet Union in those days of what he calls 'Red Plenty'. This appears in the lives of the fictional characters in the book – in the standard clothes they wear, in the narrow tenement boxes in which they live, in the schools where they all follow the same syllabus, in the higher education which is reduced from the universality of a university to the narrow confines of a technical college, in the undeviating Party line that they adhere to in their working within the economic structure, in their fear of falling out of favour and their reliance on 'connections', in their easy collapse into alcoholism, in their brushes with the police.

And yet, it was not all gloom and doom. There was an astonishingly

high proportion of educated citizens, and great respect for culture; to be a ‘culturni chelovjek’ or cultured fellow. There was the high status of women; most of the medical doctors were female. There was the ‘sputnik’ and atomic energy. There was considerable prowess in football and athletics. All this emerges in *Red Plenty*. The writing is vivid, and occasionally reveals a rare insight, as in the remarkable description – by a man – of the successive stages of pain in child birth. It makes a good read.

*Michael Barratt Brown*

## Nigeria

**Michael Peel, *A Swamp Full of Dollars: Pipelines and Paramilitaries at Nigeria's Oil Frontier*, I.B. Tauris, 216 pages, hardback ISBN 9781845119201, £17.99, paperback ISBN 9781848858404, £10.99**

This book is written in a readable travelogue-anecdotal style which does not detract from the serious and informative content. The writer was a journalist for the *Financial Times* based in Lagos for three years and, for the purposes of this book, visited Nigeria a further three times. He is therefore pretty well equipped to get down to the grassroots of Nigerian society with sufficient street-savvy knowledge to avoid potentially difficult situations getting out of control. The book concentrates on the oil-rich delta region, which is the main source of wealth feeding the kleptocracy, both governmental and commercial, in this diverse, colonially demarcated country.

In fact, oil has dominated Nigeria's history from the end of the 19<sup>th</sup> century onwards, firstly in the form of palm oil, which was later superseded by ‘the blood of the Earth’ – petroleum. With the end of the slave trade, the Niger delta became a source of both groundnuts and palm oil. The British, through the activities of the Royal Niger Company, came to dominate the region, and, by the 1880s, had occupied the area in customary ruthless fashion. So much so that, by 1895, they were faced with a large scale rebellion, which was put down brutally, resulting in the formal incorporation of Nigeria into the British Empire. The author gives a brief synopsis of these early days and the developing strategic interest in oil as the British Navy began, in 1913, the change from coal to oil-fired vessels. Serious extraction of oil did not, however, start till the late 1950s, and this coincided with Nigeria's independence in 1960. From that date the fortunes of Nigeria have been inextricably linked with oil exploitation, to the extent

that even the British Queen admitted in an aside to the author, during her 2003 state visit to Nigeria, to the effect that 'it doesn't always help'.

Her Majesty's comment was something of an understatement. Certainly, oil has brought hardly any benefits to the majority of Nigerians, with a yawning income gap between the government and business élite and the rest of the population. Some 70 per cent of the delta region, according to an Amnesty International report of 2006, subsists on less than a dollar a day. Nigeria has paid a heavy price for its endowment of oil and gas: in addition to grinding poverty and disease, many Nigerians must endure a crumbling civil infrastructure, endemic corruption, and an all-pervading threat of incipient violence that permeates every level of society. Ethnic and religious strife, together with the secessionist Biafran War and regular relapses into repressive direct military rule, plus the consequent insurrectionary responses, have seen thousands, if not millions, of lives lost since the 1960s.

There is a vivid description of the tumultuous street life and what goes for a transport system in Lagos, the former capital, where the author was based when a correspondent for the *Financial Times*. He obviously revels in the very different facets of Nigerian life, which he compares to the dystopian Hobbesian society of 'all against all'. The police force, and every element of the official state bureaucracy, plus the informal state of the hoodlum 'area boys', are all 'on the take' in the most blatant, menacing fashion. The book highlights the travails of a bus driver as an example of the necessary negotiation required to carry out an everyday work activity. To survive Lagos's madcap transport system requires not only the normal skills of a driver in a highly dangerous traffic environment, but also guile, fortitude, business acumen and physical bravery.

The author interviews and converses not only with gangsters, bus drivers, politicians and oil company representatives, but also with guerrilla leaders in their mangrove swamp hideouts in the polluted delta. The area has been a hotbed of insurrectionary activity from the 1960s onwards, occasioned by government corruption, poverty, political repression and, of course, the consequences of oil exploitation. Additionally, ethnic rivalry has often been inflamed by a policy of divide-and-rule through the uneven distribution of meagre amounts of compensation by the oil companies for the pollution of land, water and air through 'flaring', oil spills and 'bunkering' (illicit pipe draining). Farming and fishing were the main activities of the region prior to oil exploitation: these are now largely in abeyance (with the resulting poverty and unemployment), and Nigeria has become a food importer where once it was an exporter.

Although the Nigerian Government has a 55 per cent holding in all Nigerian oil extraction, and it supplies 75 per cent of government revenue, by no means does it hold the whip-hand with regard to policy and management within the industry. Oil executives openly brag of the hold they have over government officials, obviously through bribery. The book gives details of the particularly ostentatious lifestyle of a Diepreye SP Alamieyeseigha, former governor of Bayelsa State, whose tastes ran to a luxury flat in West London, which, when it was repossessed, was found to contain £915,000 in cash scattered around, a David Hockney print, and a four poster bed. Unfortunately, the international banking industry is also only too willing to help and advise the Nigerian élite in squirreling away the proceeds of corruption, usually into the world's tax havens. For sheer scale of skulduggery General Abacha, head of the 1993-1998 military regime (that committed the judicial murder of the Ogoni author Ken Saro-Wiwa and other leaders of the Delta's peaceful protest movement), tops \$2 billion in cash and travellers cheques alone, with the rest of his wealth still being sought to this day. The oil companies, too, are implicated in these colossal movements of hidden wealth. With so much bad publicity aimed at the company, Royal Dutch Shell felt moved to compensate the families of the victims of the Saro-Wiwa hanging, but only after lengthy legal action. Shell still denies any hand in the atrocity; compensation of \$15.5 million was just a 'humanitarian gesture'. This year a number of environmental and human rights organisations, including Friends of the Earth and Amnesty International, have managed to indict Shell before a committee of the Dutch Parliament for abusing both human rights and the environment.

Foreign loans, investment policy, the fluctuations in oil prices, and the role of the world's financial institutions in Nigeria's escalating indebtedness, as well as the deal with the Paris Club, in 2005, are all touched upon. Britain's dubious role in sparking an investment and spending boom, intensifying from 1979 onwards, which was more geared to the needs of the British economy than that of Nigeria, is mentioned.

Of course, Britain's primacy in Nigeria geo-politically has had to adjust to the imperatives of the oil-hungry appetite of the United States. As a demonstration of great power interests, our intrepid author has a cruise round the Gulf of Guinea, courtesy of the American navy, aboard the *Dallas*, a US warship. The captain is keen to learn of the substance of our writer's chit-chats with the 'militants' in Nigeria's mangrove swamps, in the context of his orders to intercept pirate cargoes of stolen oil, a primary source of funds for the insurgents. Still, the increasingly volatile Middle East makes West African oil vitally important to the US, supplying as it does some 15 per cent

of US domestic usage. The reserves of natural gas and crude are vast, and production is assumed to increase so that, by 2030, it will have grown by 72 per cent. Not that the United States is without competitors – the Russians have shown an interest, but the prime contender for influence is China. The latter is more prepared to engage in large infrastructure investment and has a history (not blemish free, however) of assisting African nations, which the United States is reluctant to emulate.

Politically the recent, much postponed, elections are not a hopeful sign, accompanied as they were by violence and killing, illustrating the deep division between the North and South. The economic, ethnic and religious divisions of the country make the future look increasingly bleak. This is a book that should provoke the reader into sufficient concern for what has been, and continues to be perpetrated on Nigeria, by the industrially advanced nations of the world. In this context, Britain bears a particular responsibility for what has befallen Nigeria for, as the novelist, Chimamanda Ngozi Adichie, author of *Half a Yellow Sun*, has said, ‘Nigeria was set up to fail’.

*John Daniels*

## Reviving Marx

**Eric Hobsbawm, *How to Change the World: Tales of Marx and Marxism*, Little, Brown, 2011, 480 pages, hardback ISBN 9781408702871, £25**

Eric Hobsbawm is such a fine historical scholar, with such a great range of historical studies that any one who has read some of his work will look to a new book from his hand with lively expectations of reward. On this occasion they may be disappointed. The vast range of his scholarship and reading in several different languages are found again in this book, but the subject matter is Marxology. That is the study of the history and meaning of Marxism, and this may not be of such interest to his readers as Hobsbawm’s earlier histories of Europe, in its Ages of Revolution, Capital, Empire and War. I confess that I found the book long winded and heavy going, in its 425 pages of text and 35 pages of notes. But it forced me to re-examine in what sense I still call myself a Marxist.

This book consists of two parts. The first part examines the ways in which the writings of Marx and Engels became available in different translations over the years, and how the many different works from different stages of their thinking were received, both as pillars of stone and

as developing processes of thought. The second part examines the influence of Marxism in many parts of the world in five very different periods: before 1880, between 1880 and 1914, between 1929 and 1945, between 1945 and 1983 and, finally, since 1983. The influence of Marxism on political and economic thought, and on the actual policies of political parties and governments which called themselves ‘Communist’, is given most consideration by Hobsbawm, but he does not exclude the Marxist influence on scientists and even on artists and musicians. He is particularly struck by the interest in Marx among the growing number of intellectuals worldwide, even in the last three decades, where he titles his chapter, ‘Marxism in Recession’. Indeed, he concludes the book by writing: ‘Once again, the time has come to take Marx seriously’.

What, then, do Marx and Engels have to say to us? An earlier book on ‘Reconstructing Marx’, edited by Eric Olin Wright for Verso in 1992, distinguished ‘three nodes of Marxist theory’: as a ‘historical trajectory’, a ‘class analysis’, and a ‘normative view’ of emancipation from class rule. Marx himself, in his Preface to ‘A Contribution to Political Economy’ in 1859, emphasised the struggle of human beings with nature and their discovery of progressively more advanced forces of production, insisting that these could only be developed within an appropriate structure of production relations, that is, of ownership and control, that would correspond to the level of technology. This, which Marx called the ‘mode of production’, required a corresponding superstructure of social, legal and political institutions. Together, this made up a total social formation. Then, Marx argued that our ideas, or social consciousness, do not create this social order, as Hegel had proposed. Marx turned Hegel on his head. It is how we get our living, Marx insisted, that determines our ideas, not the other way round. Our ideas emerge, however, not only from the present social formation, but also from the remnants of the past social formations, and from nuclei of superstructures of future social formations. This is the dialectic of possible change in Marx’s materialism.

This last paragraph is how I myself summed up Marx’s theories of Political Economy, in a Penguin Economics Text, first published in 1984. After 25 years, and with the benefit of Eric Hobsbawm’s exegesis, what should I say now, in 2011? The ‘historical trajectory’ I still accept – from primitive communism to feudalism and thence to capitalism. But I would then question some of Marx’s reasons for the emergence of capitalism from feudalism, relating to the development of craft skills as well as trade, and I would reinstate as an alternative to feudalism the ‘Asiatic mode of production’, a concept which Marx abandoned. ‘Class analysis’ is still of

great importance, but the clear division between an upper and a lower class has been everywhere modified by the emergence of an increasingly large middle class. Moreover, the widening gap in wealth between the peoples of the Developed Economies and those of the Undeveloped has generated support for a view of 'Third Worldism', which sees the exploitation of the Undeveloped as more likely to lead to change than that of an under class. The result of these historic developments has been to change fundamentally the circumstances in which Marx's 'normative view of emancipation from class rule' might be predicted.

What is without doubt is the correctness of Marx's recognition of the inevitable disaster that is created by the endless accumulation of capital. The repetition in 2008-9 of the economic crisis and slump of the 1930s, following upon a long period of growing inequality, provides proof enough to encourage Hobsbawm's conclusion about the revival of Marxism. While Hobsbawm emphasises the disastrous economic result of capital accumulation, he omits mention of the environmental result. Yet both Marx and Engels were absolutely aware of the natural resource limits of human activity. They spoke of the necessary metabolism between human beings and nature and of the feedback both on human development and on nature itself of that relationship. There is no mention in Hobsbawm's 400 pages of this metabolism. Yet it forms an essential part of the structure of any social order, and requires recognition of the way our ideas about the world are derived, according to the Marxist model I described at the beginning of this review. It is only too evident that our perception of the planet's fate comes not only from the way we now get our living but, equally, from the superstructure of past economic orders, with a regrettably small input from our perception of what kind of order might follow in the future.

It would be inappropriate to end this review without referring to Hobsbawm's tracing of the impact of Marxism on the actual performance of Communist Parties which have drawn their inspiration from Marx. Hobsbawm was a life-long member of the Communist Party, but, while he refers to Marxism 'in recession' in the years since 1983, there is no sign of a *'mea culpa'*. Be that as it may, it has to be asked why the reality of Communist rule was everywhere so far removed from the human emancipation that was promised under a Socialist order. To be fair to Marx, Hobsbawm reminds us that Marx never promised a beneficial result from the collapse of the capitalist order. General confusion and even chaos might well be the outcome. It still has to be explained, however, why Communist socialism has been so universally a failure. It is not enough to argue that the economies where socialism was introduced were at too low a level of

economic development for success. Marx himself in letters to Vera Zasulich thought that there might be a possibility of building socialism on the base of the peasant co-operation that existed in Nineteenth Century Russia.

Marx in fact never laid down the details of a socialist order and certainly did not envisage the forms of centralised state planning that were adopted in the Soviet Union and elsewhere. Subsequently, Marxist scholars such as Ernest Mandel and even political leaders like Abel Aganbegyan, Gorbachev's economic adviser, have proposed ways in which associated workers might introduce workers' control of the Soviet economy, but they had no success. We still have to ask why? It is a major weakness of Hobsbawm's book that this question is not posed, nor the still more serious question about the cruelties, indeed the reign of terror, of Communist rule. The obvious answer – and it does no harm to the Marxist case against capitalism – is that socialist regimes were established in the face of powerful military opposition from outside, which required the resistance of a strong militarised state. Getting beyond that stage to one of peaceful co-existence with capitalism has proved difficult, if not impossible. Cuba, perhaps, offers the best example.

The fact has still to be faced by Marxists – and Hobsbawm deals with this question in many places – that the Marxist analysis has never come to terms with nationalism. By its very nature Marxism is internationalist, and has many 'Communist Internationals' to its credit. At one time in the 1960s and 70s, there were powerful international trade union organisations matching the multinational corporations for which their members worked. Today, as Hobsbawm has noted, it is young intellectuals who are coming together – in the World Social Forum and other international gatherings – much of the initiative coming from Latin America (the Fifth Social Forum meeting in Porto Alegre, Brazil had 155,000 registered delegates). Some have religious associations, but many have a Marxist orientation, in their belief in the need to end the rule of capital and find co-operative rather than competitive ways of working. They enjoy all the facilities of the new means of communication – by the Internet, Facebook and Blogs. What they still lack is the political and economic structure to create a new social order. Marx still has lessons to teach us.

The title of the book, *How to Change the World*, is scarcely supported by the text. If it is a real revolution that is called for, a good deal more is needed than what the sub-title calls *Tales of Marx and Marxism*. This becomes very obvious on the book's dust cover. It has on one side a picture of a Russian peasant with a long red flag followed by a great crowd in a Moscow street, and on the other side a painting of face-less delegates in uniforms, apparently worshipping two balding heads like Khrushchev's

and a large armoured tank on a pedestal. Whoever designed this for Getty and Alamy had a clearer picture of the reality of Communism than Hobsbawm would allow for. But, most strikingly, under the title words on the cover is the standard cartoon face of Che Guevara, with his long hair, heavy eyebrows, moustache and the star on his cap. Che is the undoubted hero of many young people, but it is the tragic heroism of the romantic who was a failure. What are Hobsbawm or his publishers telling us?

*Michael Barratt Brown*

## Spookery

**John Diamond, *The CIA and the Culture of Failure: US Intelligence from the end of the Cold War to the invasion of Iraq*, Stanford University press, 2008, 552 pages, ISBN 9780804756013, £26.95**

If you want to get the low-down, learn about the intrigues, the politicking of the snake pit world of spies, agents, double agents, double-double, double-double-double agents, and politicians, then this is the book for you. Perhaps I am being unfair to snakes; maybe cesspit would be a better word. Anyway, it's a fascinating read. What puzzles me is the title: 'The Culture of Failure'? Hardly. Perhaps the CIA blew it on Cuba and its repeated attempts to assassinate Castro, but it participated in many successful attempts to destabilize and overthrow governments both before and after the end of the Cold War. And their blunders (if indeed that is what they were) played into the US Government's hands. The CIA served its masters well.

Of course, there are colossal cock-ups at times. Show me any large bureaucracy that doesn't, never mind the murky worlds of spying and lying, whether it's the CIA, FBI, MI6, KGB, SS or the Gestapo. Much is made of the CIA's failure to capture its own spy, Aldrich Ames, who, along with others, were carbon copies of Philby, Burgess and McLean in Britain. What else do you expect in a world of treachery and treason? No matter how patriotic an agent may be, a lot of his or her time is spent trying to 'turn' others to be treacherous and treasonous.

Let us look at some of the CIA's 'failures'.

It overestimated the armaments and military of the Soviet Union.

It was convinced the Soviets would invade Poland, as it had done Hungary and Czechoslovakia, to crush the Solidarity movement.

It failed to predict the rise and fall of Gorbachev, and the coming-down of the Berlin Wall.

So, it got it really wrong. Or did it? Anyway, it suited the American powers-that-be. They have always needed an enemy to keep their own population in awe, fear and ignorance so they can do more or less what they like: send young men off to die in their thousands, award each other huge contracts to make lots of guns and bombs, planes, ships and missiles instead of, say, health care or education (always a dangerous thing, unless it's propaganda). The people are easily fooled, thinking it's for the defence of the nation and to stop the Communists. And those who are not so easily fooled are easily dealt with, courtesy of a bit of tear gas.

But there was a problem: there was no enemy. Of course, there was an initial euphoria: freedom at last! We won! The Russians lost! Long live democracy! The enslaved of the East are now free!

But there was no enemy. Of course, there was the war against drugs, but that was a rather feeble, local rather than global affair, mostly confined to Columbia. What to do? How to make the people tighten their belts and make sacrifices?

And then, along comes Bin Laden and Al Qaeda; a gift from the Gods. The Americans, of course, knew Bin Laden well. They had financed him and the Mujahideen in Afghanistan against the Russians and did business with his family (they flew out a plane load of relatives after 9/11). He blew up the Twin Towers, and the US had, once again, a real enemy, not just a few drug lords, and instead of a Cold War, a permanent hot war, the war on terror.

The CIA also knew Saddam Hussein well. The Americans backed him in the Iraq-Iran war (while also supplying arms to Iran in the Irangate scandal to finance a very nasty, dirty 'little' war in Nicaragua). The CIA failed to spot his nuclear bomb programme was so advanced, but it was stopped all the same, and Saddam lamented that he didn't have the bomb because if he had, the Americans would not dare touch him. The CIA 'failed' again when it tried to highlight Saddam's supply of weapons of mass destruction. They were not there, of course, and it seems few people were convinced that they were, but it didn't really matter. It was as good an excuse as any to go to war, and it was war that had been resolved on, come hell or high water.

*The CIA and the Culture of Failure* is a good and interesting read, but it is as much an apologia for the CIA as an attack. Words such as 'terrorist', 'rogue state', and 'evil empire' are banded about, but there is little self-awareness that the US itself might be a rogue state, out of control, an evil empire (with 800 to 1,000 military bases around the world).

*Nigel Potter*