

The View from the Bridge

Robin Ramsay

The right madness

I was flipping through Richard Cockett's *Thinking the Unthinkable* (Fontana, 1995) about the influence of the 'think tanks' on the Thatcher revolution, and noticed a quote from a 1968 Fabian pamphlet on the then politically insignificant 'New Right' – essentially the Institute for Economic Affairs – and read this short statement of their central belief. The IEA and its ilk sought:

'perfect competition in which rational consumers indicate their preferences to profit-seeking producers by means of prices under conditions of perfect information.' (p. 157)

There are two 'perfects' and a 'rational' in that sentence. I have never met a 'perfect' where human arrangements were concerned (and little rationality); nor have conservative thinkers. Theirs is a generally pessimistic view of human potential: that we're flawed and likely to mess things up and the best we can hope for is muddling through and keeping the conflict down to a minimum.

How did anyone ever take such idealistic nonsense seriously? Put it another way: anyone who thinks like this has either inaccurately processed the data about the life before them or does not care what the reality is.

It is striking that there are people for whom this is the vision of a good society. We have all met people like this, for whom every transaction is about money and competition. It's not their fault – upbringing, brain wiring (this, most likely, recent MRI scans suggest), hormones – but they are a very limited version of our species.

Did he no ken?

Let me recommend Simon Lee's 'Gordon Brown and the British Way of Risk-Based Modernization'.¹ This is the author's summary.

'In Beyond the Crash: Overcoming the First Crisis of Globalisation,
Gordon Brown has sought not only to demonstrate how his political

¹ <<http://osb.revues.org/1115>>

leadership helped to save the world from what Gordon Brown has termed “the Great Recession”, but also to set out his recommendations for surmounting what he has depicted as “the first crisis of globalisation”. A series of spectacular market failures, most notably bank failure arising from undercapitalisation, caused in turn by “recklessness and irresponsibility all too often caused by greed”, has been presented to the reader as if Gordon Brown was a detached observer who could not have possibly previously been aware of the extent of risk-taking made possible by his own risk-based model of financial regulation. This paper argues Gordon Brown’s analysis is fundamentally flawed. We are not now living through the first crisis of globalisation. On the contrary, what Gordon Brown has actually documented is the first crisis of his own deeply flawed British model of political economy, which socialised risks and privatised profits. The paper explores how Gordon Brown’s attempts to modernize the politics and political economy of the United Kingdom, using the City of London’s liberalized markets as a blueprint, has left the United Kingdom facing an age of austerity that was politically self-inflicted rather than financially imposed by external global market forces.’

Bankers in Whitehall

In September Ian Fraser commented on his blog:

‘When David Cameron reshuffled his cabinet earlier this week, the arrival of a trio City of London bankers and consultants at Her Majesty’s Treasury went almost unnoticed. This in my view was a lacuna.

The three men are Paul Deighton, a former Goldman Sachs partner and chief operating officer for Europe, Sajid Javid, a former global head of credit trading at Deutsche Bank, and Greg Clark, a former consultant at Boston Consulting Group.

Cameron promoted Javid, who was first elected as Conservative MP in May 2010, to economic secretary to the Treasury, and Clark, who has been a Tory MP since 2005, to the role of financial secretary to the Treasury.

Most significantly, however Cameron appointed Deighton, who isn’t even an elected politician, as commercial secretary to the Treasury. While Javid and Clark start at the Treasury with immediate effect, Deighton — who will be ennobled as Lord Deighton, giving him [sic] to

sit in the House of Lords — doesn't start until January . . .

I was talking to a City source yesterday (one who is strongly opposed to the investment bankers "soft coup" of Westminster and Whitehall). He said that under New Labour, H.M. Treasury had been "utterly captured" by the investment banking industry. He said it had happened through subscription to a ludicrously flawed ideology, the "revolving door" secondments, quiet lobbying etc, and often if you are in foyer of 1 Horse Guards Road [address of HM Treasury], you're likely to find that everyone but you is an investment banker!' ²

Vampire squid news

The excellent blog run by John Ward, The Slog, reported in November that files in the European Central Bank on Goldman Sachs' role in faking Greek state debt figures to enable Greece to join the Euro will remain secret. The European Union general court in Luxembourg declared 'Disclosure of those documents would have undermined the protection of the public interest so far as concerns the economic policy of the EU and Greece.' Ward commented:

'The ECB is of course headed by a former Goldman banker, Mario Draghi. Although comment about this was sparse, the new Bank of England Governor Mark Carney is also ex Goldman Sachs. The Prime Minister of Italy Mario Monti is ex Goldman Sachs. Hank Paulson – architect of the 2009 US bailout – was ex Goldman Sachs. Greece's interim technocrat government in 2011 was headed by Lucas Papademos – also ex Goldman Sachs.

The privatisation of public money in the West is thus more or less complete.' ³

Fixing facts, faking history

I think that the phrase 'the intelligence and the facts were being fixed round the policy', which was in the 2002 memo from Matthew Rycroft to a section of those managing the UK's relationship with the Bush regime in the months

² <www.ianfraser.org/dear-david-cameron-entrusting-economic-policy-to-ex-investment-bankers-is-no-solution/>

³ <<http://hat4uk.wordpress.com/2012/11/30/official-goldman-sachs-role-in-eurozone-debt-fraud-to-be-kept-secret/>> See also <www.independent.co.uk/news/business/analysis-and-features/what-price-the-new-democracy-goldman-sachs-conquers-europe-6264091.html>

preceding the assault on Iraq, may turn out to be the most important diplomatic revelation of that atrocity.⁴ This is letting the cat out of the bag with a vengeance. But it was ever thus with the Americans.

Look at the US's history since the 1930s. The American war lobby encouraged war with Japan with increasingly impossible diplomatic demands on Japan and then by suppressing intelligence about the pending attack on Pearl Harbour.⁵ It then allowed MI6 to assemble a 1000 strong force – British Security Co-ordination – in Washington and worked with it in 1940/41 in one the biggest covert operations ever seen to neutralise Congressional opposition to US entry into the war in Europe.⁶

It then fabricated the Soviet threat to Western Europe to justify continuing with the economy on a war footing. America's economic and political managers feared that, left to itself, the return to the pre-war economy would produce a return to the slump which that war economy had ended.

The 'threat' to the US wasn't communism, or even socialism: it was economic nationalism. So economic nationalism was deemed to be 'communism' and thus worthy of attack. Decolonisation in the 1950s and 60s wasn't about communism (though the CIA and IRD could always be relied upon to fabricate a communist link if one was need): it was about nationalism.

It is curious how this has just been forgotten. The Soviet 'threat' in the post-war years was minutely deconstructed in the 1960s and early 70s by the so-called 'revisionist historians' of the Cold War, notably Gabriel Kolko. Did the Soviets ever seriously intend making a ground assault on Western Europe? With 20 million dead and the country devastated from the eastern border to the Ukraine? No, of course not. Yes, there ensued a competition between the competing blocs' intelligence agencies which led to some deaths and has produced an enormous literature depicting very small beer in very great detail. Yes, there was an arms race, the perception of which in the West was manipulated by US intelligence to exaggerate Soviet capacities, which eventually bankrupted both the major players. JFK understood this; and he and Krushchev were trying to wind it down. It would be satisfying to say that JFK was killed to prevent him doing this but the truth is he was killed to stop LBJ going to jail.

⁴ The text is at

<<http://rempost.blogspot.co.uk/2005/05/rycroft-memo-minutes-of-british.html>>.

⁵ I haven't read the vast literature on this but was reminded of this thesis by re-reading Gore Vidal's 'Japanese Intentions in the Second World War' in his *Dreaming War* (New York: Thunder's Mouth Press, 2002).

⁶ Described in Thomas E. Mahl's *Desperate Deception* (Virginia [USA]: Brassey's, 1999).

The willingness to fake US intelligence for bureaucratic ends continues. In the *New York Review of Books* of 12 July 2012 Alexander Cockburn, editor of *Counterpunch*, reports in a letter on p. 70 that the US Air Force produced a fake report on the success of air power during the bombing of Serbia in 1999. Cockburn quotes retired US Army Colonel James MacGregor:

‘Pressure to fabricate came from the top . . . the [Air Force] senior leadership was determined that whatever the truth, the campaign had to confirm the efficacy of air power and its dominance.’

Which isn’t proof by any means. But no doubt the US Air Force’s bureaucratic rivals for the shrinking US defence budget will come up with more evidence.

RIP Whitney and Crozier

Two of the the subversion-hunters of the 1970s died since the last edition of *Lobster*. Ray Whitney, whom my brain still records as ‘head of the Information Research Department [IRD]’, was the subject of an obituary in the *Telegraph* in August.⁷ There it was stated that he ended his diplomatic career as ‘head of the FCO’s Overseas Information Department, which handled counterpropaganda’. I think this is false: first, I think that Whitney did spend one year as head of IRD before it was nominally closed by then Foreign Secretary David Owen in 1977; and second the OID – IRD with a new hat on – was not exclusively about counterpropaganda. (The *Guardian* obit by Julia Langdon repeats that phrase about the FCO’s counterpropaganda department; either she and the *Telegraph* writer received the same briefing or Langdon lifted it from the *Telegraph*.)

Brian Crozier was the subject of lengthy obituaries in the *Telegraph* and *Guardian*.⁸ Oddly, both gave the name of his late 1970s private intelligence organisation as 61, when it was 6I, or sixth international – Crozier’s joke about the five ‘internationals’ on the Trotskyist left.

Taken together the obits conveyed a reasonable sense of Crozier’s activities, though neither mentioned his international work with the Pinay Circle (Cercle Pinay) in the 1970s and 80s.⁹ But the *Telegraph* fudged Crozier’s links with the CIA, even though in his memoir *Free Agent*, Crozier is open

⁷ <www.telegraph.co.uk/news/obituaries/politics-obituaries/9478296/Sir-Ray-Whitney.html>

⁸ <www.telegraph.co.uk/news/obituaries/politics-obituaries/9462513/Brian-Crozier.html> and <www.guardian.co.uk/politics/2012/aug/09/brian-crozier?newsfeed=true>

⁹ On which see David Teacher’s enormous study, downloadable at <www.cryptome.org/2012/01/cercle-pinay-6i.pdf>.

about them and at one point (p. 92) refers to his 'case officer'. The *Telegraph* omitted his work with IRD and in the *Guardian* Richard Norton-Taylor describes it as 'a shady organisation whose unattributable reports distributed to susceptible journalists and MPs were designed to highlight the dangers of communist subversion.' This is a seriously inadequate description of what, when it was closed, was the largest department of the Foreign Office, and whose activities were international.

Crozier is a puzzle, the significance of whose activities remains difficult to evaluate. But it seems clear that he was essentially an agent of the CIA from the mid 1960s. His activities were curtailed when those in Washington who believed in détente with the Soviet bloc came out on top in the mid 1970s. It was then, as his belief in the reality of the 'Soviet threat' became the minority view, that his funding dried up and he was forced to 'go private'.

Caro flunks it

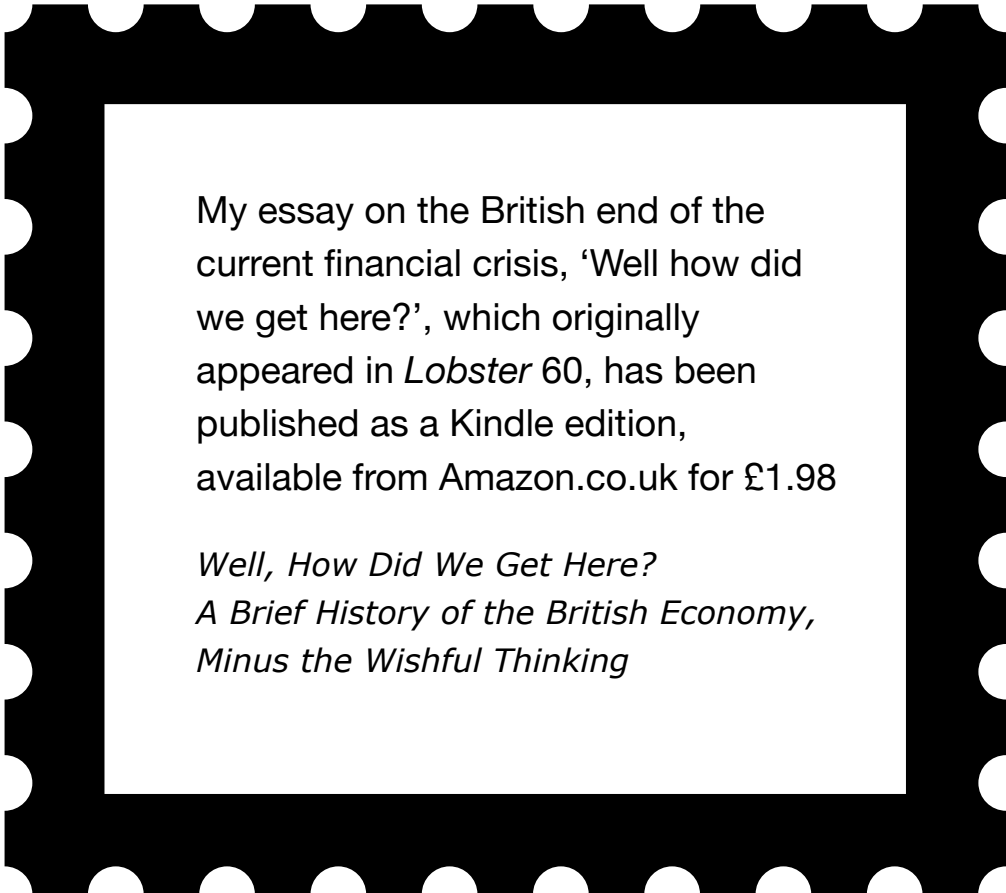
Looking at the role of LBJ in the Kennedy assassination has proved to be too difficult for Robert Caro. In *The Passage of Power* (2012), the fourth volume of his widely lauded biography of LBJ – covering his accession to the presidency – while he devotes much attention to the Bobby Baker scandal of 1962/3, he omits Billie Sol Estes and the Department of Agriculture events: hundreds of millions of dollars and seven or eight murders. At a couple of places Caro writes that he found nothing to indicate that LBJ was involved in JFK's assassination. He could only write this by ignoring the Estes-Texas material. And this wasn't an obscure Texas scandal: Michael Carlson pointed out to me that Estes was on the cover of *Time* in the 1960s.¹⁰ He was indeed, on 25 May 1962, under the strap line 'The Billie Sol Estes Scandal'. Estes was alive while Caro was writing his book and available for interview. As the title of the French book about Estes has it, he is *Le Dernier Témoin*, the last witness; and Caro took a pass. Caro's need to flunk this is what poker players would call 'a tell', and a great big one, at that. That Caro, the world's expert on the life, times – and, yes, to some extent the corruption – of LBJ has had to avert his eyes, is very striking indeed.

Leveson disappears Henderson

Robert Henderson, who had Special Branch sicced on him and then was the

¹⁰ His blog is at <<http://irresistibletargets.blogspot.co.uk/>>.

subject of a press smear campaign for the sin of writing letters to Tony Blair (see *Lobster* 39) submitted evidence to the Leveson inquiry about the way the media had treated him.¹¹ Leveson did not call him to testify. (No celebrity value, perhaps.) When the Leveson report was published Henderson checked the list of those who had made submissions and discovered that he was not on it. See the Report's appendices, submissions, page 1839.



My essay on the British end of the current financial crisis, 'Well how did we get here?', which originally appeared in *Lobster* 60, has been published as a Kindle edition, available from Amazon.co.uk for £1.98

*Well, How Did We Get Here?
A Brief History of the British Economy,
Minus the Wishful Thinking*

¹¹ His initial submission can be found at <<http://livinginamadhouse.wordpress.com/2011/11/25/the-leveson-inquiry-the-blairs-the-mirror-the-police-and-me/>>.

