

17 February 2007

Broonland

Broonland One ‘Through the Whole Island’

Since first the dominion of men was asserted over the ocean, three thrones, of mark beyond all others, have been set upon its sands: the thrones of Tyre, Venice and England. Of the First of these great powers only the memory remains; of the Second, the ruins; the Third, which inherits their greatness, if it forget their example, may be led through prouder eminence to less pitied destruction.

John Ruskin, *The Stones of Venice*, 1851.

I An Inquiry

In 2006 we were nine years into New Labour and the results were enigmatic. Had the United Kingdom become the front-runner among the major European nations, as the government continually claimed and some at least of the numbers seemed to bear out? Economic growth was higher than France and Germany, real wages rising faster, unemployment lower. London was unquestionably the European capital of finance, and perhaps of culture as well. Had Britain transcended the curses of earlier Labour governments – ‘stop-go’ economic policies, endemic labour unrest, mediocre products – and captured new, if unorthodox, positions in a global market-place which Europe scarcely acknowledged? Or was the whole thing a construct of smoke and mirrors? Most commentators, quite honestly, didn’t seem to know.

There was little sign of consensus or contentment. Poverty persisted, at about double the German level, in a society where inequalities went far beyond anything Margaret Thatcher had provoked. Drug addiction couldn't be avoided, trapping thousands in old industrial areas. British youth established European records for drunkenness, teenage pregnancy, educational underachievement; the response of many non-caucasian New British was a counter-revolution centred on religious radicalism, brought to a dangerous level by the government's Iraq involvement. In late 2006, as the numbers on climate change were added up, other 'achievements' – more mobility by plane and car – were put in question.

If the situation was positive, whose was the credit? By the spring of 2006 Tony Blair's once glamorous career seemed to be running out, and opinion within the Labour Party set on the Chancellor of the Exchequer Gordon Brown: the dour architect of Britain's sound finances, the solid redistributionist heart of the New Labour project. Or was he? Testing this proposition was the purpose of my inquiry, given a certain personal urgency by taking him on as a candidate in his local fiefdom. The task wasn't straightforward. See above.

Did personality matter in an age of markets and bureaucrats? If it did matter, was this healthy, when we ought to have been arguing about the details of economics, citizenship and participation? An inquiry called for a variety of methods, not all conventional. Britain at the beginning of the twenty-first century was a very peculiar place indeed, whose helter-skelter social and communications changes demanded such interrogation. Some may find the result journalistic – remembering that journalists can have the goldfish's notion of time – but they also have, when on form, a sensitivity to *milieu*, to new phenomena, to disruptions of the expected and stereotypical: pretty similar to what's expected of the historian. This is an economic inquiry, but it recognises that last two decades have been 'interesting times', in the words of the ancient

Chinese curse. These require energy and interpretive dexterity on the part of the writer.

II 'Mean-Eyed Boats'

'I got the first hint in an inn on the Achensee in Tyrol. That set me inquiring, and I collected my other clues in a fur-shop in the Galician quarter of Buda, in a Strangers' Cub in Vienna, and in a little bookshop off the Rachnitzstrasse in Leipsic. I completed my evidence ten days ago in Paris...' (Buchan, 1915: 1)

Franklin Scudder's travels, at the beginning of John Buchan's *The Thirty-Nine Steps* (1915) may seem an odd route into economics. Conspiracies are paranoid stuff. But why was I making a TV programme about Buchan in autumn 2006, noting that nearly all his books were still in print, while solid citizens like C P Snow, who had promised insight into contemporary politics and society in the 1960s and 1970s, had vanished from the shelves? Fascination with Buchan's tweed-and-mahogany security? Or with the sense of something going badly wrong, which he shared with his successors: Graham Greene, Eric Ambler, John Le Carré? Under the bland exterior of PR-ridden journalism 'some big subterranean business' was not just throbbing away, but had turned its accusing eye on the nation itself. (Harvie, 1991, Ch.7)

The random lists of the thriller writers could – like the urgency of journalism – disrupt conventional, academically-respectable expectations. Suddenly some facts, culled from different areas and disciplines, were shaken into a pattern and an established way of seeing dissolved. So too with countries. There was a discourse of polls and voters' preferences and politicians' responses which, granted its parameters were accepted, made at least partial sense. But change the

viewpoint and a parallel, sceptical, narration emerged which queried it at nearly every point.

The journeys and conversations in which these impressions crystallised took place in the year after April 2005. I was revising my *Rise of Regional Europe* (1993) for the University of Wales Press and completing *A Floating Commonwealth* for Oxford, a long-researched study of technology, politics and culture along the Atlantic coast in the steam age. This involved travelling, surveying and analysing, to see what the ‘arc’ from Cornwall to the Clyde looked like now, and how markets, institutions and habits compared with Europe.

A lot had been claimed for New Labour, principally in terms of economic management. Much was written about it, and particularly about the ruling dyarchy of Tony Blair and Gordon Brown: large and expensively-commissioned books focused on the duel of individuals and their courts, but as one read through the post-Granita years*, a huge liminal emptiness showed up, where subjects that didn’t fit securely into the character of one or the other contender simply vanished into the cracks. Gaps in research seemed to be caused by a sort of political Heisenberg principle, where the observer *became* his or her own subject. Robert Peston scarcely mentioned Europe, beyond the currency issue. James Naughtie on Blair the ‘unofficial American’ made no attempt to detect where the common Americophilia of both men broke up. Tom Bower arraigned the Chancellor’s character and showed the continuing influence of Geoffrey Robinson MP, a colourful character who was still cheer-leading for Brown at the *New Statesman*, but neglected the wealthy and ambitious at Blair’s elbow, and indeed the relationship of both men to changing social and economic forces. Dave Osler in *New Labour PLC* (2002) had no doubts:

New Labour is institutionally corrupt, in the same sense that the Metropolitan Police is institutionally racist. This is not an easy or comforting thing to say, but after a thorough examination of the evidence, no other conclusion can logically be reached. (Osler, 2002,)

But he made no attempt to locate this within a study of the country's economic evolution. Yes, there were academic accounts, but most of these were clotted in jargon, destined for the Research Assessment Exercise, and outside that, for tiny readerships. Collectively, there seemed no way in which one could 'read' *and influence* British society and analyse examples of a fairly patent malaise without being involved with one camp or the other.

(* Granita was a superior Italian eatery in Upper Street, Islington. It is now a Tex-Mex joint called Desperados.)

Yet when one surfaced from the Channel Tunnel at Calais, and looked back at this scene from the standpoint of a continental media which had traditionally indulged its 'Britishness' – there must be ten times more German correspondents in London than British correspondents in Germany – how small and diminishing it looked, 'out' in Philip Larkin's words, 'at the end of an event.' Did it matter at all?

What the Westminster accounts of Blair-and-Brown omitted was the enigma of the latter. Bower made him an Iago, but his book was a *collage* of black and white, lurching from praise to dismissal, lacking nuance and historical distancing. In fact the pair seemed more to resemble the Durie brothers in Stevenson's bleak melodrama *The Master of Ballantrae* (1887), likewise victims of a collapsed ideology, in their case Jacobitism : the charming and corrupt James, intestinally linked to the dour and diligent Henry. The latter, once

deformed by hatred, would become the worse. Edward Pearce's 'The man's half an inch deep' settled Blair, but the Chancellor seemed increasingly incalculable. What had eluded Westminster-watchers (and Bill Keegan seemed to probe the economic roots more subtly than Bower, Routledge or Naughtie) was the peculiarity of his obsessions.

First, he was doing Chancellor for £ 180,000 a year, a sum which wouldn't get a Goldman Sachs banker out of bed.* Second, he was pervasively Scottish. Not that he used the place as a power base (if Brown was behind Henry McLeish's brief term as Scottish First Minister, his instrument was very blunt), but he used the relative freedom that Scots MPs enjoy – Members of the Scottish Parliament (MSPs) are there to Hoover up constituency business – to build a power elite *at Westminster*. Third: he was of the Scots Free Kirk tradition, like Buchan, John Reith and Rupert Murdoch. The 'Disruption' – the split in the Presbyterian church in 1843, over its relations with government – was Scotland's biggest trauma since the Union of 1707. At some deep level, the Free Kirk mind is fascinated with power yet detached from its consequences as they affect a sinful – and thus by definition English – world. Accompanied, inevitably, by a preference for exhortation over self-criticism. Broon's* attempts to invoke Britishness (in his 2004 British Council lecture) were shallow, and their benign aspects had been well and truly screwed by Rupert. But there was something here – the Henry Durie quality – different from Blair's 'I'm a regular guy' / 'It's a fair cop, gov' alternations: more honourable, more misguided and ultimately more menacing.

(* Hank Paulsen, his American counterpart as Treasury Secretary, had indeed come from Goldman Sachs, where his 2005 income was \$ 37 million or £ 20 million, over a hundred times Brown's)

(** The use of ‘Broon’ – as Gordon is known, not wholly affectionately, in Scottish political circles – may puzzle, unless you’re a regular reader of the *Sunday Post*, Scotland’s folksy weekly, once condemned by the likes of *moi*, but now recognised as far superior to the red-tops. ‘The Broons’, founded in 1935 by the immortal Dudley D Watkins, creator of Lord Snooty and Desperate Dan, were a classic Scottish artisan family of c. 1910 – Paw, Maw and *eight* children: Hen, Joe, Maggie, Daphne, Horace, the twins and the bairn. Gordon is Horace, who wears glasses and is an intellectual.)

In 2005 Blair was looking increasingly blown-upon, yet until 2006 the Chancellor escaped this: ‘Gordon will see us right’ was what kept probably a majority of Labour’s (fast-declining) membership loyal. But what *was* his record? How did it appear on the ground? Or compare with other national experiences? How to account for a pervasive tone of public discourse which seemed quite different from the confidence which radiated from the Treasury? My commute from Germany, and journeys within Britain, both came into play.

Take Lymington, in the heart of Horatio Nelson’s England. On both sides of the Solent yachts were moored as far as the eye could see, thousands of them. But although this was an ideal sailing day, only a handful of sailors were out. It was as if Lymington river had become a colossal wardrobe for the rich, with yachts as uniforms, only taken out for the ceremony of Cowes Week. Twenty years earlier Jonathan Raban had written his *Coasting* (1985), in which the literary critic had circumnavigated Britain in a motor-boat. Of Lymington, he wrote:

Behind each mean-eyed boat there lay the rich pickings of the property business, the money markets, North Sea oil, silicon chippery or the legerdemain of tax accountancy. (Raban, 166)

Here was wealth, crystallised in fibreglass and aluminium, starting at £ 50-100,000 a go: if £ 25 million was floating on the river in Raban's time, multiply by ten? One of Britain's few booming manufactures was the building of luxury yachts, and the coast westwards of Lymington had become a *littoral* for millionaires.

This was borne out explosively when on 3 March 2004 a helicopter carrying a lawyer called Stephen Curtis crashed in flames at Bournemouth Aerodrome, killing off the head of the vast Russian Menatep holding company, the tax-dodging creation of Mikhail Khodorkovsky and Boris Berezofsky, billionaire Russian oligarchs, en route to his heavily-guarded Pennsylvania Castle on the Isle of Portland. (*Financial Times*, 15 May 2004) Curtis, then 46, was a graduate of University of Wales Aberystwyth, where I have an Honorary Chair in Politics. He wasn't a recluse, though he didn't like being photographed. He threw parties attended by hundreds of usually well-heeled locals, doubtless many Lymington yacht owners among them. And thousands of miles away, at the end of a long, long corridor, the cash once notionally belonging to the Russian people was extracted from polluted nickel-mining towns in Siberia, in sub-zero temperatures and darkness for most of the year: their workers on a hundred dollars a week and as much vodka as they could take; towns with deformed kids and no hope. A prime performer in this was Roman Abramovitch, who by selling his gas business back to Putin (with ominous implications for Europe's power supplies) became Britain's richest man at L 13 billions, and a hero to the tabloids because of his ownership of the all-conquering Chelsea Football Club. (*Financial Times*, 2006) Brown exulted in such infusions of wealth, but remained silent when its accompanying 'illegalism' spread corruption and ultimately – and literally – poison.

For all the Chancellor's personal austerity, his 'redistribution by stealth' reputation and the continuing moans of business groups about overtaxation, the social distance between the very wealthy and the rest of society had never, even under Thatcher, been so great. And much of this wealth, particularly if it settled in London, came from sources which were novel, exotic and ethically dubious if not politically destabilising.

Such facts wouldn't have come leaping out of conventional economic and social science accounts. To nail these, and see where things connected up, you had to read what people read, walk the walk, and remember where you had been.

I had Defoe's *Tour through the Whole Island of Great Britain* (1724-27) in mind, almost three hundred years after the Union he had helped bring about, but Winchester and Hampshire were, it turned out, appropriate departure-points for me that April. It had been from near there that William Cobbett, farmer and radical, had set out on his 'rural rides' 175 years earlier. Cobbett *qua* economist was the scatter-gun type: with the City of London legitimately in his sights, but with a strong irrational, anti-semitic element, too. Yet, as a popular educator, grammar-teacher and publicist, he made the first generation of English working class radicals articulate contestants of print-capitalism. (Anderson, 1982, Thompson, 1965) John Ruskin was another, more logical critic, remembered later in the year when I climbed to the Belvedere at Schaffhausen. He had stood there in 1825 with his parents, and watched the distant Alps in the sunset turn from ivory to amber: the first great aesthetic experience of the writer of *The Stones of Venice*: his epiphany. When Ruskin assaulted *laissez-faire Unto this Last* in 1861 he would scandalise the Victorian middle-class with his proto-green thinking. He was now available in cartoon form, as young Britons tried to work out their own long-term sense of 'wealth or illth', while the Alpine glaciers melted. (*How to be Rich*, 2006)

III The Years with Broon

'New Labour has no objection to entrepreneurs becoming disgustingly wealthy!' So said Peter Mandelson, sometimes characterised as the party's Shylock but in fact the grandson of another one-time far lefty of Scots descent turned Westminster manipulator, Herbert Morrison, famous for his robust definition of socialism: 'Socialism is what the policy of the Labour Party is.' Lapidary, that. The rich of the turn of the twenty-first century weren't just different. Like Curtis of Portland, they were elusive. As well as the yachts, big new houses – more mansions were rising than at any time since the latter years of Queen Victoria, often of surpassing vulgarity – testified to unparalleled luxury among the wealthy. This didn't show up in the tax statistics, yet every year these were disproved by the *Sunday Times Rich List*, figurehead of the Murdoch press. Murdoch was worth about L 3.7 billion in 2006, and NewsCorp already brought him \$ 1.25 billion a year in 1996 but he didn't appear in the tax figures; deriving a huge slab of his income from his papers and near-monopoly of UK satellite TV, he continued to pay about 7 % tax in the USA, and none at all in Britain (Fahri, 1997, *Times Online*, 2006). Despite this he conferred regularly with Premier Blair and Chancellor Brown, and when Irwin Stelzer, Murdoch's *nuncio* in London, edited a book on *Neo-Conservatism*, Brown wrote a foreword to it.

The Murdoch press was omnipresent in Downing Street, but when had Gordon Brown got involved with it? In the mid-1970s, while student Rector of the University (a scandal to a stuffy establishment) and a rising man in Scottish Labour, his journalism had been limited to the abortive *Scottish Daily News* in Glasgow, a workers' cooperative set up to run the old *Scottish Daily Express*, eventually wolfed down and spat out by Labour's favourite tycoon, Robert Maxwell. I first met him in 1978 when I was researching *No Gods and Precious*

Few Heroes (1981), a history of twentieth-century Scotland, as (like him) an Open University teacher and also a Fellow of the School of Advanced Studies in Edinburgh. I saw him more or less daily when trying to run the Lothian Labour Yes Committee at the time of the 1979 Referendum, which produced Brown and Harvie's *The Scottish Assembly and why you should vote for it*. Lothian was neither shaken nor stirred.

Gordon was glamorous to the biographers, his lovely Hohenzollern girlfriend prompting the occasional John Buchan fantasy that he might end up King or at least Consort of Roumania. Otherwise he was lively, humorous, self-deprecating, organisationally chaotic – a combination of dynamism and poor sight left a trail of jumbled papers, hieroglyphic scrawls and wrecked typewriters. He wasn't as all-conquering as later legend has it; in fact he filled the vacuum left by the main driving force of 1968 in Edinburgh and originator of the *Red Papers*, Colin Lindsay, also a *protégé* of the politics lecturer and Labour Party magus Henry Drucker, who had quit the place in 1970.*

Gordon was honest and reliable: an important link-man in a crumbling party. He kept the Lothian Labour Yes Campaign going, and we only just succeeded, as Cook, shamelessly opportunistic and anti-devolution – 'Some people call Robin machiavellian, but at least you knew where you were with Machiavelli.' – tried to force a recount to ensure a 'No' victory in the region. Such dissidence was idiotic – hadn't Denis Healey said that whoever won in 1979 would be kept in by North Sea oil for a generation? – but an SNP motion of no confidence in the Callaghan government was passed on 1 April by a single vote. Gordon fought South Edinburgh in the General Election in May. It snowed. We lost. And Thatcher went to work. (Harvie, 1999, 163-73)

(* Lindsay resurfaced in Coventry, where he ran the trades council and was a founder of *Red Pepper* until he died of a heart attack in 1999. Of other ambitious radicals of the time, Steve Morrison became a not-noticeably-successful Managing Director of Granada TV, Jonathan Wills lives happily in the Shetlands as an *überGreen*, and Sheila 'Legs' McKechnie also died young in 2004 as Dame Sheila and head of the Consumers Association.)

That was really the limit of my cooperation with GB, so there are no intriguing revelations, and my own political views changed as I completed *No Gods*. In 1986, when the BBC asked me to do a documentary on Scottish politics in its *Scotland 2000* series, I was moving towards nationalism and I left Labour for the SNP in 1989.

Gordon's doctoral thesis on 'Scottish Labour 1906-24' (1976) was good but not ground-breaking, and also deeply pessimistic about the Labour movement's resilience in circumstances of economic depression. His polemical writings – the introduction to *The Red Paper on Scotland* (1975), *Scotland: The Real Divide* (1982), which caused the break with Cook, his co-editor, and *Where there is Greed* (1989) were thoughtful, soft left, arguments for redistribution, welfare extension and industrial modernisation. They offered no guide to his record in office.

The prevailing background was social-democratic with a touch of CND and environmentalism: Michael Frayn's 'herbivores' reared by debates at the High School and University, an atmosphere which pretty rapidly tended to separate the political wheat from the ideological chaff. Not the sort of 'five nights a week' activist who depressed Gordon, but ready to emerge as the new generation which he and a repentant Cookie represented, particularly when, after 1992, they were marshalled behind John Smith, a refreshingly undogmatic sort. In 1994-5 I

may even have contributed a little to the intellectual mix which led to Labour's short flirtation with the 'Rhenish' social market economy and the 'stakeholder' ideal, through studies of North Sea oil in *Fool's Gold* (1994) and *The Rise of Regional Europe* (1993).

Twenty-five years on, most of the surviving Trots seemed to have become New Labour careerists – the same five-nights-a-week obsession and conspiratorial methods, but this time promoting a neo-liberal 'project'. I had endured five years of Robert Maxwell in Buckingham Labour Party, and the Trots seemed as toxic to party democracy as the Socialist Millionaire/ Bouncing Czech. I never thought, however, that manipulators and millionaires would click.

This was the gap between my milieu and Gordon's. Debating had been eccentric but competitive and quite collegiate. Cookie had friends on the Tory side – 'they aren't after your job' – and a catholic take on life. Later people like Gordon, laconic in style, marched through the institutions, using such ideology as came to hand. This came to fruition when, on John Smith's death in 1994 Granita guaranteed him oversight of economic, training, transport and trade policy. (Bower, 2005, 141-5) An extraordinary accession to the traditional power of the Treasury, this effectively rigged cabinet government, like Mrs Thatcher's clever appointment of her 'wets' to the spending ministries, calculating rightly that they would claw lumps out of each other and keep her 'dries' in control.

Granita was a new constitutional convention which went well beyond the personal melodramas the commentators focus on. Blair and Brown weren't ideologically at odds. They needed each other too much: as Peter Hennessy put it: 'Tony survives by consoling the people Gordon offends.' It was akin to New Labour's abandonment of broad-based campaigning in favour of analysing focus groups and picking off swing seats and, and like this ran the risk of a narrowing

of vision. Reliance on the muscle of a right-wing press effectively domiciled in tax havens had further potentially disastrous longer-term implications. By 2006, when one stripped the conventional rhetoric from the Chancellor's discourse, it had shifted so far to the right as to come under attack *from the left* by David Cameron's Conservatives.

IV The Uses of Regionalism

Why doesn't this show up in the literature? Read it. There was the court gossip from Downing Street, earning lots of *geld*, and down below, on a sort of academic coral reef, the discourse of an academia driven by the 'publish or be damned' of the Research Assessment Exercise (RAE). Communication between the two was rare. But Germany was different. New Labour's conservatism showed up in the regional studies which were the main concern of my Tübingen teaching, as part of the menu we offered in co-ordination with the best economics faculty in Germany. This wasn't just limited to teaching good English, but meant creating a humanist membrane in an economics which was increasingly overspecialised or under the enchantments of MBA mumbo-jumbo. The students would tackle writers who were concerned about getting and spending, from Ben Jonson and Daniel Defoe via Adam Smith and Walter Scott to Rudyard Kipling and George Orwell. This not only made literary concerns relevant to contemporary debates, but economics could gain a new social, moral and psychological depth, and relate to an endangered environment.

This brought teaching challenges. Books were inadequate, since it took months if not years to get 'contemporary' material into print and by that time the data was obsolete. Most social science textbooks were also chloroform in print. So, for something like fifteen years I built up a press cuttings/webfile and printout collection covering Scotland; transport; British politics; economics and culture;

European regionalism; globalisation and environmentalism; oil; Germany. Editing this stuff on the Eurostar became a feature of trips back to Germany and overcame the tedium of the Waterloo-Brussels run. Such sources were imperfect. It was always possible to see which stories were planted by publishers and PR people; but they gave useful data and punched out the main points – where some government *Spinmeister* had spilt the factual beans, or where the numbers simply didn't add up. Out of this it was possible to separate hype from actuality, and to see where the trajectory of the British social economy was headed.

From time to time in the flood of press releases, flashes of insight clarified overall patterns. Comparing UK stories with continental treatments showed up stuff which the journalists didn't want you to see, since most of the business pages were and are intended to make people buy goods, financial services, shares and so on. When you followed a story from start to finish and *transnationally* – say, from Austin/Morris via British Leyland and BMW to Rover – you got a far less euphoric view, in which 'good news' proved to be PR plants by interested parties, and spin from the politicians. We hadn't yet got to the retrospective editing of news in which Winston Smith was trapped in Orwell's *1984*, but it was on its way.

As an economic historian one isn't concerned simply to cite resonant facts. This makes for arresting reading, but doesn't in itself convince. Facts have to be quantified and framed by overall economic activity, then compared with past data to show shifts over time, and with other national experiences to show UK distinctiveness. This I have attempted to do, though without much help from conventional economics.

For three reasons: firstly because the neo-classical orthodoxy which has gripped the profession is stubbornly based on the miniature *polis* of the firm, something whose existence dates back to the dominance of manufacturing, but has since lost most of its meaning. What has replaced manufacturing is the vast, trackless, labour-intensive jungle of the 'service industries'. Is orthodox economics concerned with charting their topography? Don't ask.

Secondly because the neo-classics, with their pro-business ideology, are rarely alert to associated costs which may subvert the dominance of profit. The glowing accounts of Chinese industrialisation which underlie much pro-globalisation hype have deliberately neglected published evidence on the catastrophic state of the Chinese environment and the repression of its labour force. The spectacle of our neo-liberals simultaneously celebrating 25 years of Solidarnosc at the Gdansk Shipyard and demanding free entry for textiles from the Chinese industrial gulags where union activity could mean execution, was properly stomach-turning.*

(* No-one was sour enough to observe that the 21,000 Gdansk workers of 1980 had dwindled to 3000 in 2005).

Thirdly because, despite their fat salaries, business economists, analysts and consultants aren't moved to analyse the disreputable elements which are the downside of commercialism. Adam Smith and Adam Ferguson's 'luxury and corruption'. Fraud, pornography, tax evasion, money-laundering and old-fashioned villainy are immense economic sectors, which powerfully influence 'legitimate' economics. But their role in the cloud-cuckoo land where Nobel Prizes are dished out among pupils of the Chicago School is non-existent.

This took me back to Karl Marx and to the most readable part of *Capital* (1867). 'The Working Day' brilliantly dissects the economics and psychology of factory industry; Marx's distinction between the 'subjective' and 'objective' ordering of industrial processes (the first around people, the second around machines) is as telling as Smith's iconic pin factory. But 'objective ordering' isn't the only way forward. Marx was obsessed with quantification, but cavalier about how technology conditioned economic choice and change, and the sheer lack of scruple of the wealthy. Economies naturally evolved away from manufacturing towards distribution and hence to the more 'subjective' world of the service industries, their producers and consumers, without losing this dynamism, allowing for the seductions of technology, as in Rudyard Kipling on railways – 'Bother romance! And all unseen, /Romance brought up the nine-fifteen.' But there was also a balancing absorption with 'scientific materialism's other side: the romance as well as the statistics of intrigue, hype, and sheer evil-doing.

It is time, friends, to get stuck into the wonderful world of false consciousness: something encountered in raw form in my own teaching, research and travel: in this case sport, crime, politics, education and business organisation. The product of random encounters as much as logical development, this bore out Werner Heisenberg's famous thesis and expanded it: economic reality, up close and personal, takes on a third dimension.

V Flannelled fools, muddied oafs, and geld

2006 was World Cup year and most fans had fun in Germany, which only got the fixture through Scottish intercession. Charlie Dempsey, an ageing Airdrie numpty representing the Orwellian-sounding Oceanic Football Association (a non-institution, since no-one played soccer in Australasia) was schmoozed by

Kaiser Franz Beckenbauer to vote against his own delegation and carry the decision against South Africa, which could have done with the cash.

In a German TV film of the fans, the English stood out. Amid the jollity and the Brazil-style carnival – face paint and lots of female flesh – was a fat, tattooed man in a red shirt, stupefied with drink and disappointment, with a small son, similarly dressed and miserable. A hundred million pounds worth of talent had been schlepped out to Baden-Baden, under the iconic David Beckham, and had bombed, the only lasting image being the ‘Wags’ spending their heads off. The results – in terms of tensions between the home nations – would sour and, in particular, damage Brown’s prospects. If anything anatomised English grievance, football was it.

At a conference on regional identity in Newcastle in the run-up to the North-East referendum, we couldn’t get round the black-and-white striped ‘Toon’ supporters milling about the gigantic St James stadium. Local patriotism? But North East England would in November 2004 vote decisively against any form of self-government. Curtains to one hope of political revival? Newcastle still seemed to maintain a regional, rather than English identity – despite the weakness of its print media and the demise of Tyne-Tees Television. Its element of ‘English’ consciousness seemed to come from the football stadia, the new Colosseums of the provinces, juxtaposed with the local patriotism of town-centre prestige developments: the Baltic Mills, the Gateshead Sage. Was this evidence of social health? Politicians seemed to think it was. I couldn’t remember Gordon taking any interest in football in the 1970s: like most of us I supposed he regarded the Tartan Army as the comic supporters of Scotland’s comic football team, whose early exit from the 1978 World Cup helped wreck devolution, yet in 2005 he emerged as the saviour of Raith Rovers, Kirkcaldy’s

flagging team. Because Tony Blair had just showed himself a genius at football trivia?

Sport in the industrial age was a mixture of working-class self-organisation and commercial entertainment. It consolidated itself in the 1860s, when working folk first enjoyed the payoff of industry, and brutal ‘old corruption’ was tidied away. The ‘four hanging holidays’ ended in 1868, just as Association Football and the Trades Union Congress began. The culture went from boys’ kickabouts via amateur sides to the professionals at the stadia. The Scottish Free Kirk – of Brown, Reith, Murdoch – supplied professional football with perhaps its greatest reservoir of talent in the Boys’ Brigade League, founded in the 1880s, though what ‘professional’ meant in the early 1960s was epitomised by Iain St John being attracted from Motherwell to Liverpool by the offer of his own semi-detached house.

Football was by 2006 a classic example of dysfunctional social capital. It absorbed perhaps L 11 billion directly, and with merchandising, TV, travel and gambling perhaps 3.0% of GDP. Footballers, along with lottery winners, made up about half of the country’s million-a-year earners. Yet fewer and fewer young Britons were any good at the game: pricey strips and trainers clothed unfit and obese bodies. The amateur game evaporated from such sports grounds as had not been sold off. The teams were gladiators bought in from East Europe or South America; owners were from all over the place (Abramovich at Chelsea, Glazer at Manchester, Romanov at Edinburgh). Only the middle classes could afford their season tickets of £ 600-£1000; the others paid £ 250-odd annually to Rupert Murdoch in TV fees. Warned off a bid for Manchester United by Peter Mandelson in 1999 (he never forgot) Murdoch controlled its television outlet until in November 2005 Brussels intervened, against the protests of No 10 *and* No 11 Downing Street.

Yet the results were ambiguous. Did football hold together a vestigial bloke-ish Englishness? Or was it as evanescent as the ‘rugby mania’ which followed England's Rugby World Cup win in 2004, or the ‘cricket mania’ after 2005’s narrow win over the Australians, followed in 2007 by a complete whitewash. What was certainly true was sport's highly-capitalised nature, and close interlinking with marketing, of computers, or phones, or booze, and latterly online gambling, by an advertising and PR branch whose self-belief was absolute – particularly directed at parting the quasi-socialised from large sums of money. It wasn’t just overpriced shirts for the kids. British *quality* papers devoted a third of their space to it, *Le Monde* or the *Süddeutsche Zeitung* did not. Not a profile of a business tycoon or civil servant came without him being labelled a ‘fanatical fan’ of some team or other: something unheard of among German businessmen. The modest talents of many metrolit authors and journalists, the Nick Hornbys and Tony Parsons, seemed to be based on it. Was this a technical reaction to the internet's takeover of main-line news and business stories? Or had English sport now taken on the consolatory quality football had possessed in non-self-governing Scotland?

Did sport in fact provide two things which polished the economy while sapping society? First, an economic boost for the rest-and-recreation area: a substantial and rapidly-growing part of GDP, equal to food or motoring, and second, an almost perfect vehicle for the politics of occlusion? Did the borderland between clubs and their confected rivalries (for local talent had long since vamoosed from the pitch) provide a diversion from the civic ‘business of good government’, from tracking ill-doing to its roots in the political dealing at the centre? Something of the sort, more explicitly political, had happened with Silvio Berlusconi and his *Forza Italia!* ‘Go-for-it, Italy!’ combination of party, media, Fininvest and InterMilan, only just dislodged from power in April 2006.

VI The Dark Economy

Special sorts of conditions must exist for the creation of the special sort of criminal that he typified. I have tried to define these conditions – but unsuccessfully. All I do know is that while might is right, while chaos and anarchy masquerade as order and enlightenment, these conditions will obtain.

Eric Ambler, *The Mask of Dimitrios*, 1939

I had known someone rather larger than Ambler's Dimitrios in my political life, the psychopath and fraudster Robert Maxwell (also one of the first celeb football magnates) and showed the wounds. This was an apt introduction to the economics of huge transnational flows of capital, seldom analysed or even quantified.* Out of it came an interest in the treatment of economic and social theory in the 'ideal types' of political discourse which underlay crime fiction, and Ambler's thrillers in particular. Matters took off from there.

One of my postgraduate students, Scott Stelle, was an American MA whose interests had started with the historical philosopher Gianbattista Vico, the first figure in Edmund Wilson's brilliant history of Marxism *To the Finland Station* (1934). His research on the fiction of globalisation showed how shrewd Ambler's analysis was. Ambler (1909-1999) was no Buchan; his characters barely made the sergeants' mess, if lucky. But he always had an eye for the politics of misrule, from *The Mask of Dimitrios* right up to his last novels *The Intercom Conspiracy* (1981) and *Send No More Roses* (1984). In the first of the latter two, the inquisitive Latimer of *Dimitrios* was 'disappeared' by corrupt NATO officials; the second started with a more-or-less documentary introduction to the circumstances which allowed Paul Firman, a tax-adviser

‘able criminal’ who triangulates his rise by deceiving those more criminal than himself, to thrive and prosper. It involved a real book, *The Crime Industry* (1975) written for the Council of Europe by John A. Mack of Glasgow University and Hans-Jürgen Kerner of Tübingen. A week or so later a law PhD student turned up in Scott's office wanting help with a translation. His *Doktorvater* was Kerner.

Some intriguing interviews followed. Mack – the driving force of the partnership – was dead. He was older than Ambler, after all. His research had originally been undertaken for the Scottish Home Department which had, even in the early 1970s, grounds for worry about white collar crime, 'Mr Bigs', and so on, what with the Kray Brothers moving in on gambling, the Scottish Co-operative Wholesale Society being scammed to death in the fringe banking binge of 1973-4, 'Gorgeous George' Pottinger, head of the Scottish Development Department, being bent as a corkscrew in the multi-million bribes which made the Yorkshireman John Poulson Britain's biggest architect. Mack and Kerner's line was that not much separated sophisticated villainy and sharp business practice, and the division would get even more blurred with computers and multinational capitalism. If matters were menacing in 1975, what about 2005?

Bad enough. The problem was that, in the asocial situation created by the demolition of an organised working class, a ‘populist’ black economy, essentially propelled by criminal activity, was also growing from the bottom up. In Europe in 1999, 1.5 million out of 375 million citizens were problem drug users, or 0.4% (Stephen Bates, *Guardian*, 12 Dec 1999). The equivalent figure in Scotland was 60,000 out of 5 million or 1.2%: three times that level. If the UK economy was doing well why this? Why the ‘generally worrying level of hard drinking and unprotected sex’ among British teenagers, that the World Health Organisation survey found in 2004 (Kirsty Scott, *Guardian*, 4 June

2004). Why a per capita level of gambling *at least* twenty times that of Germany? (*Focus*, 23 March 2006) The money-laundering that Nick Kochan found in *The Washing Machine* (2005) particularly acute in Britain at City of London level, was in the provinces the end-station of a dense network of illegalism, ranging from the old components of girls and gambling to minicabs and tanning studios. In Scotland such transactions had a turnover which came to over £ 5 billion annually or about 3.7% of GDP. This was happening under the Chancellor's nose.

Brown was wont to go on about the wisdom of Adam Smith, but kept quiet about Smith's auld enemies luxury and corruption, to be found among the bravoos, grandees, crime, gin, and sex of his contemporary William Hogarth's England. British popular culture was always comparatively louche, mercenary and visceral, figuring nowhere in the Free Kirk view of the world.*

This grotesquerie was relevant to the ethos of New Labour: an obsession not with policy and community but with publicity and personal manoeuvring. The periodic surveys taken of the Brits and their press weren't reassuring. Hard news had once been about manufacturing breakthroughs or strikes, now it scarcely extended beyond houses, war (no shortage of that under Blair), crime, sex, telly, football and racing. As even the last two declined in favour of other means of gambling, froth increased until what remained, in even the most resolutely up-market production, was the drive to sell, even when this conflicted with the provision of information: editorial matter was buried in 60-80% of advertising, PR plants or celebrity flam. The worrying thing was that this was aimed not at scrubbers and chavs but at the relatively well-off and well-educated.

Was dumbing down, in other words, not an incidental, but a purposeful element in government? With its object being to deliver a responsive, knee-jerk market

for the sort of consumption/demand management which was basic to Broonite economics? While the Germans were trying to get their citizenry to spend instead of penny-pinching once out of their workshops, only to be met with 'Geiz ist geil!' (stinginess is fun!), the British seemed determined to shop until they dropped. Result, the 45% of British food which ended up in the waste bin; the frocks worn only once or twice; the 'street-gear' which became *de rigueur* for kids in deprived neighbourhoods, where wearing the wrong trainers meant ostracism or worse.

This suggested not just an Anthony Sampson-like anatomy of Britain – difficult these days as so many sovereign decisions are taken overseas – but an excursion into the ‘back-self’ of civil society. In 2005 Brown gave bountifully of his conspectus of British history and identity. Socialism figured little and the 'social-critical' tradition réprised by Raymond Williams even less, in a creaky Whiggery a long way after Simon Schama. Yet the book of the speeches would come out from Bloomsbury, towed along in the slipstream of Harry Potter, and would doubtless join Schama’s ‘acclaimed’ volumes in the high street or airport booksheds, along with chicklit, ghosted sportsoaps, real crime, and the bloody knuckles of Andy MacNab. Cultural capitalism didn’t mean the diffusion of Matthew Arnold’s ‘one thing needful’, but its replacement by profit-driven commodity and the hell with social responsibility.

VII Occlusion and Convergence

The political component came directly from my own historical research. A *Floating Commonwealth* (2006) was a detailed study of the impact of technology on the Atlantic arc of west coast Britain. In the 1990s some of this effort had been diverted into *Fool's Gold* (1994) concerned with the more compressed experience of extracting oil from the North Sea. Both fields were

ultimately to do with examining the intellectual and cultural assumptions which either validated or rejected patterns of economic development. The *littoral* had won World War I for Britain, but David Lloyd George, a politician of genius, had been unable either to save the Clyde from economic collapse in the early 1920s, or to retain Ireland within the Union. And political history hadn't been bothered to discover any link between the two. North Sea oil figured nowhere in the three long biographies (by Ben Pimlott, Austen Morgan and Philip Ziegler) of Harold Wilson, Prime Minister at the most decisive point in its history, 1974-75, and only got a few lines in the memoirs of Margaret Thatcher, whom it bankrolled. (Harvie, 1993, 8)

So did the business of integrating finance and technology with labour relations and market help create a mind-set, on the part of politicians as much as businessmen, that *wasn't* universalist, although the concerns involved might have a global reach? For progress to be possible, did they pare their agenda down to what could be integrated into the dominant system and its capabilities? Were other systems and approaches, which might under different circumstances influence this, not just underestimated but ignored? In Britain there was a case for a cosmopolitan-regionalised politics, a new 'North Britain West Britain' whose tendencies were broadly European. There was also Atlanticism, once powerful and democratic, now plutocratic and manipulative. The Blair-Brown soap – and the rewards accruing thereto – was a refuge from a debate which might otherwise highlight a restrictive agenda of economic management, patronage, political finance and metropolitan development.

This didn't just elbow aside other approaches, it remained oblivious to them. On the other hand, it could behave in this way because the national framework – culture was too optimistic a term – simply didn't enforce any alternative agenda. Opinion polls showed that the concept of Britain, made so much by the

Chancellor, in repeated addresses to the *bien-pensant* who still trusted him, was held by only a minority in Scotland, a dwindling majority in Wales, by Protestants alone in Northern Ireland. And England? The forest of St George's crosses bound for Germany in June 2006 gave its own answer.

After the travelling and totting-up, an agenda started to emerge. Under the Tweedledum-Tweedledee business in Downing Street, had Britain's 'flexible constitution' – that combination of the conventions of Cabinet government and parliamentary debate with an enticing literary culture of 'good behaviour' – lost both its totemism and its dynamism? If so, what had replaced it? In mainland Europe one lived in a *Rechtsstaat* where requirements and obligations were prescribed and written down. Constitutions lacked glamour, and powers were, anyhow, divided up and shared with Brussels. Though the more one tried to 'read Europe' the more one was choked by the acronym-peppered private language, the sheer unrelenting boredom of Eurospeak.* I had suggested a decade ago in *The Rise of Regional Europe* (1993) that the British tradition – of convention and corporate responsibility: Walter Bagehot, John Stuart Mill and James Bryce – might provide bureaucratic Europe with much-needed cultural flexibility. What had actually happened?

(* Charles Grant's *Delors: Inside the House that Jacques built*, London: Nicholas Brealey, 1994, is a rare example of compelling readability. See also Stanley Johnson, *The Commissioner*, London: Century 1987, a sprightly and usefully-educational thriller by the father of the more famous Boris).

Another model of integration had then been visible both in London and in the clutter of Brussels: the power and co-ordinating potential of the big firm, its bosses, their PR and marketing outfits. Some claimed it could provide the 'efficient part' of European unity. Given the contrast between the sclerosis of EU

bureaucracy and the private sector's corporate efficiency, this at one time seemed plausible. But now there appeared a more debatable constellation: the atrophy of the firm itself, whether ICI or IBM, driven by Edward Luttwak's 'turbocapitalism' – the ideology of shareholder value and concentration on profit centres; the pursuit by senior executives of their own wealth, at the expense of corporate wellbeing, and the concealment of such action under the conflicting jurisdictions of European Union, national state and region. (Luttwak, 2000)

This abandonment of corporate responsibility made the behaviour of the dealers and the bankers in the City understandable: in excesses of vulgarity and greed which paralleled young footballers or chance celebrities on the *qui vive*. The turnover of 'masters of the universe' suggested 'cashing in and pissing off'. There was nothing peculiarly British about this. France and Germany had their mega-rich, with muses, mistresses and fixers tagging along, followed by the scandal-sheets of the 'rainbow press', America had Enron and its supermarket shockers. Italy had been *run* by its Rupert Murdoch: Berlusconi. What was distinctive was the degree to which this churn-and-burn style was concentrated in a metropolis which quite systematically ignored ordinary life in the rest of the country.

Behind this was something altogether more sinister: the importation into the political life of behaviour typical of privileged elites in poor countries and post-industrial *anomie*: of nepotists, oligarchies and mafias. If one took the Mack-Kerner approach, was this convergence fostering 'able criminality'? Wealth *wasn't* trickling down from an opportunistic state which had megafirms and their executives, and incoming plutocrats, seeking maximum profits: it was being schlepped off to tax havens. While something less elevated was seeping upwards from the wastelands of social dislocation inflicted by globalisation and unmediated technical change. Writers of a hitherto liberal-ish tone such as John

le Carré and Harold Pinter seemed to have become thoroughly obsessive about this, and wholehearted in linking its political malignity to giant firms and the primitive neo-conservative political ideology of the USA. I sympathised at a distance, but wanted facts and figures.

VIII A Walk round the Policies*

The audit can be seen in the following chapters, roughly governed by the triad of ‘work, place and folk’ expounded by Ruskin’s disciple Patrick Geddes. My inquiry takes on ‘the matter of Britain’ through manufacturing and equality, provincial culture, Scotland and Europe, transport, culture and the metropolitan mind-set. What emerged were two areas of technical contention: one of quantification and description, the other of perception and communication. The UK's gross national product came to an estimated \$ 1660 billion in 2004; that of Scotland to \$ 132 billion, or 8% of the above. These were crude figures in every sense: they had to be divided into primary production, manufacturing, construction and services, and most economists stopped there. But services made up about 70% of general output and notoriously varied from hamburger-flipping to computer software design. Growth and employment, the politicians' virility symbols, were simply an aggregate of turnover and in this sense socially neutral. What I set out to do, in the course of my travels, was to try to assess in a way similar to Cobbett and Ruskin – but strengthened I hope by continental comparison – what elements of growth could be called positive, and what elements were negative.

(* In Scots, ‘the policies’ means the estate around a country house, but the word shares the same root as *police* and *politics*, implying husbandry, management and control.)

I started off from the impression, derived from comparing Britain and Germany, that conventional definitions of growth were little use in assessing the accumulation of 'social capital' which enables citizens to multiply both their own life-chances and their collective resources. National income accounting dated only from World War II and the work of James Meade: its categories were still crude, though 'social capital' was now being stressed by the American political scientist Robert Putnam in his influential *Bowling Alone* (1999). Suppose that, within aggregate statistics of growth, there were negativities which *diminished* social capital? For instance, expenditure on alcohol (£ 50 billion) counted towards growth, as did expenditure on the health service. But more than half of the expenditure on Accident and Emergency was occasioned by alcohol-related causes: diverting or destroying resources. Using this methodology, I wanted to dissect certain key 'grey areas' within the service sector to separate their positive and negative elements: the inflation of property values, the impact of retailing, sport and recreation, the quantification of the black economy, the evasion of environmental responsibility. As will become apparent, chapter by chapter, this cumulative impact is quite different from the upbeat story that New Labour retails.

One could see such ambiguities within the microcosm of the student estate and its teachers. Few of us were still on our legs – most UK contemporaries having taken up early retirement offers they couldn't refuse. European universities were sneered at by many British academics, but German students, though they paid only nominal fees, worked hard, took their own initiative, and on the whole lived pretty frugal lives. There was little drinking or drug-taking but enough book-buying to make bookshops the largest single category of town-centre shops in Tübingen. In Britain students would leave the university with, on average, £ 5000 in debts in 1999, rising to at least £ 7000 in 2005; and that was before top-up fees kicked in. A visit to Preston, which once spun cotton and built trams,

lorries and planes, disclosed the immense University of Central Lancashire, second-largest in the UK, with one basic bookshop, set in a *glacis* of deafening megaboozers. In this milieu, the acquisition of knowledge could only be limited. In 2003 the Adam Smith Institute did a value-for-money survey of British universities. The standards of comparison were the costs of alcohol, and the chances of getting laid. (ASI, 2003, xxx)

In Germany you could test ideas on students and see them chewed up and changed. The quietness of British lecture theatres wasn't replicated in Tübingen. Besides, I benefited from my students' research efforts and experience working in firms and schools in Germany, the USA and Britain, a country which (however puzzled by it) they liked. For instance one student, analysing Brown's claim to cure 'stop-go' economics, argued that in a manufacturing economy, 'go' (boosting demand) implied tooling up factories to produce new consumer goods, and the time spent on this inevitably delayed any upswing until the balance of payments started flashing red lights: 'If you don't manufacture anything, you don't have this problem.' QED.

And you don't have much industry either. Nor do you have the trained manpower necessary to enable high-value-added services: something palpably evident in current British transport, power generation, and computer networks.

Another student, working for the Fraunhofer Foundation, which explores the social context of innovation and technology, compared the economics of A.C. Pigou, the founder of 'welfare economics' and tutor of J. M. Keynes, with that of Ruskin's *Unto This Last* (1861) This had fascinated J. A. Hobson (and through him, Lenin), Gandhi, Tolstoy and Patrick Geddes. Under Pigou's criteria, only immediate economic benefit could be accepted as criteria for evaluating an economic transaction: which invalidated an environmental economics. Ruskin's

concept of house-keeping, however, derived from the invisible world of Victorian women, and assessed long-term impact on the 'life-chances' of those involved. Pigou was academically respectable, but over the previous century Ruskin had in fact affected humanity more, and seemed more relevant to our current situation.

(* My thanks to Markus Halt and Helmut Zaiser)

Intending to get at such contradictions by surveying the milieu in which Brown's policies had (or hadn't) taken effect, I also owed a lot to debates about industrial and regional innovation at the annual Freudenstadt Colloquium in the Black Forest.* One discourse served as a particularly useful instrument in approaching the contradictions of 'reform' in the hands of Brown and Blair.

(* I have run this with Paddy Bort of Edinburgh University since 1991 for the Friedrich Ebert Stiftung, the education and research arm of Germany's Social Democrats. Over the last fifteen years or so we have conferred with Neal Ascherson, Herta Daubler-Gmelin, Tom Nairn, Joe Lee, Katrin Budde, John Osmond, David Walker, Nuala O'Faolain, etc., reporting on and discussing regional issues from across Europe.)

Management theory tended to inhabit the noisy arsenal of MBA culture (which seemed closer to evangelical religion than social science), but did it have to be there? There was, even within the market system, an alternative. Noel Spare, from Offenburg Technical University, offered a different approach in the theories Walter A Shewhart evolved in 1920s Chicago, about what the 'knowledge-based economy' and process management in fact meant. Shewhart's ideas became a useful link between economic and political decision-making,

notably and effectively in post-war Japan, now moving forward again after a decade of slump.

Shewart was a product of American 'pragmatism' of William James and Thomas Dewey, in many respects a derivative of the Scottish common sense school, with its stress on practical systems analysis and problem-solving. In the 1920s, faced with an inefficient telephone works, he stressed that in diagnosing production difficulties one had to work out the capability of the system, distinguishing between 'noise' (customary irregularities in measurement) and 'signals', in which problematic elements in the process indicated either the need for modification or, if significant enough, for complete restructuring.

If one applied this to contemporary Britain, 'noise' was represented by inefficient productivity and social misbehaviour: worrying enough, with a higher education system churning out 'rental' jobs in the law/public service/big firm bureaucracies, not technical competence which was always under proof. Dysfunction ought to mean that noise is replaced by signals which, in a technologically-capable society, demand action and repairs. But could this diagnosis be made without adequate trained manpower, cooperation, high morale? Without it, would politicians misinterpret noise and signals and – to show initiative and capture publicity – impose quite arbitrary targets which were in an unaltered system impossible to meet? (Spare, 2005)

Evident in the turbulent history of Blair-Brown's bureaucracy, such reactions were pretty consistently plunging processes into chaos. Think of (1) the replacement of education by testing, and the accompanying mental overstress and imaginative aridity; (2) the unending succession of computer crises – mega-schemes that don't work – in the public service. Or of (3) cognate catastrophes in the non-computer area: in railways or helicopters or military equipment for Iraq.

We were supposed to be good at software: if we fail there, can the rest be any better?

Systems theory: pragmatism: common sense. This led back to the birth of economics in the Scottish enlightenment: to cool assessment and a distrust of self-interested rhetoric. Did we have, in a supposedly steerable mixed economy, the people with the technical competence and social information *to* steer? Particularly when the trade unions (always a sort of 'devolved' management, which is still the case in Germany) had been made impotent, and replaced by consultants and executives: Adam Smith's 'conspiracies of merchants' with a near-vested interest in dysfunction. In North Sea oil in the 1970s, the oil companies simply bought over the civil servants who were supposed to be regulating them (state salaries could never match the private sector). Others made a packet out of the unregulated 'wild capitalism' phase of Thatcherite privatisation, sold out and cleared off. (Harvie, 1994) Not the best of starting-points.

Brown/Blair emphasised market and management but were the two compatible? The supply of competent technically-trained management was an element of infrastructure – like education or transport – which ought to be available cheaply (i.e. by state subsidy/control) for the industrial market to function efficiently. Under hypercapitalism, was management not overstating its competence, in order to increase demand, and hence payment? Regulation – what the eighteenth century *savants* would have called 'police' – was where the state intervened to patrol the market and see that it wasn't being distorted by 'sinister interests' such as Adam Smith's Conspiracies of Merchants and these resilient old rotters Luxury and Corruption. With Ambler, Mack and Kerner in mind, if police was thinned down too much, or directed at the wrong targets, would the result be not efficiency and enterprise but exploitation and criminality?

For instance, the Department for Work and Pensions estimated that the government lost £ 900 million in “benefit theft” by the poor in 2005 but HM Revenue and Customs were silent on tax losses to the rich. In June 2006 leaked Treasury papers revealed that the government ‘estimates a staggering annual loss of between £ 97 billion and £ 157 billion to tax theft, representing an appalling 8% to 12% of the nation’s GDP’ (Adam Taylor, *Guardian*, 10 January 2007).

Collapses – especially national ones – aren't monocausal. It's more often the case that a determined agenda, in its own terms successful, underestimates the cumulative complexity of the situation – fails, in Spare's terms, to separate noise from signals – and prescribes remedies which make a bad situation irredeemable. On the other hand, disruption could create new patterns and options. There was no substitute for seeing how things panned out on the ground.

IX Audit the Accounts

In August 2005 Robin Cook collapsed and died on Ben Loyall. Cook wasn't just secular but atheistic: as militantly irreligious as a French Third Republic anticlerical. And here he was, going out to the sound of Crimond and to a Gordon Brown eulogy from John Knox's pulpit (not without jokes, for the Scots like them at funerals: hence the Tartan Army and Scottish football). Brown, the man who had stopped Cook becoming First Minister of Scotland in 1999.

At the end of the ceremony, the cortege left St Giles for the High Street, and the statue of David Hume came into view. Only weeks earlier, the Chancellor had been schlepping Alan Greenspan around Kirkcaldy, the birthplace of Adam

Smith, but Smith to Alex Wedderburn, 1 August 1776 on the death of Hume seemed to have deserted him:

Poor David Hume is dying very fast, but with great chearfulness and good humour and more real resignation to the necessary course of things than any whining Christian ever dyed with pretended resignation to the will of God. (Mossner,)

Was this a manoeuvre to get Cook posthumously *on message* by the Chancellor, who would not be similarly placed when the mortally-ill Mo Mowlam, his enemy, passed on? Too cynical, perhaps, yet when the racing tipster John McCririck attacked Tony Blair for his failure to turn up, comparing him unfavourably to Margaret Thatcher, who had just attended Edward Heath's funeral, a ripple of applause came from the small crowd in the High Street: the sort of folk who would on other occasions have gobbed at the Iron Lady.

In 1997 the Oxford historian Raphael Samuel, chronicler of ordinary people and wizard of the 1970s History Workshops (which applied the corrective 'socialist and feminist history' to the above) was buried at Highgate Cemetery, within sight of the huge bust of Marx, Alan Howkins read the coda to MacNeice's 'Autumn Journal'

Sleep to the sound of running water,
 Tomorrow to be crossed, however deep.
 This is no river of the dead or Lethe.
 Tonight we sleep
 On the banks of the Rubicon – the die is cast;
 There will be time to audit
 The accounts later, there will be sunlight later

And the equation will come out at last.

John Prescott, the new Deputy Prime Minister, was there in a heavy politician's coat, with chauffeur and detective – but as a Samuel *protégé* he had authored a warm tribute in the *Guardian*: remembering Ralph racing through the Oxford streets, trying to stop him from fleeing the place. The Kingdom – the sense that we could, after long enough, trust our leaders – seemed at that moment quite close.

And ten years later? Below the level of the national institutions there ought to have been a British antidote: something that the decent democratic lefty Louis MacNeice, an Irishman at the BBC, called in 1943 'The Kingdom', a civil society where people did things for one another, pursued enthusiasms, looked out into a world of mutuality:

Go wherever you choose, among tidy villas or terrible
Docks, dumps and pitheads, or through the spangled moors
Or along the vibrant narrow intestines of great ships
Or into those countries of which we know very little –
Everywhere you will discover the men of the Kingdom:
Loyal by institution, born to attack, and innocent.

(MacNeice, *Collected Poems*, 1966)

I had encountered this in people running local publishers or preserved railways or community markets, in the feedback processes of the Open University in which part-time staff sorted out the academics' treasured theories, in new technology, where students knew far more than I did and were endlessly generous with information. The 1970s, a decade habitually trashed by Blairites

and Thatcherites, was particularly rich in this, not least through the feminist movement.

But now this hopeful spontaneity seemed dissipated. For a metropolitan capitalism whose business was culture – transforming it into a profitable commodity – these efforts were awkward impediments. In my earlier drafts it was quite evident that what sold was politics as soap, not politics as analysis. And in this context metropolitanism could no longer hold a dialogue with the region. In Scotland our agenda was increasingly dictated by an unravelling Union, which Brown seemed guilty of. Jeremy Paxman muttered about a ‘Scottish Raj’ in London, but we weren’t the only movers and shakers there who would fail the Cricket test. Arguments about the economics of separation were increasingly dwarfed by the British machine, commercially powerful but technically primitive, opulent but chronically indebted, and out of control.