

## ***HOUSE ORGAN***

### **The World According to Carlos Slim**

Sourly observing the decline of the once great magazine known as *The New Yorker* as it has become the weekly outlet of the Fashion Industry, I have often pondered cancelling my subscription. But I never do. Too much good writing, the cartoons still amuse, and it does give one a window on great events as constructed by the dominant classes. Still, the fearless *New Yorker*, that once published John Hersey on Hiroshima, gave Rachel Carson her outlet onto the world, and hired Alan Nairn as a “Talk of the Town” author, allowing him to write about CIA training of death squads in Central America, is now a craven, domesticated journal, a certified member of the Israel Lobby snugly wrapped in the comforts of advanced consumerism. Its journalism reminds of Freud’s aphorism that what passes for courage in our epoch is to stick one’s toe outside the blanket on a cold morning, secure in the knowledge that it can be pulled back in at any time.

For example, in a recent issue (June 29, 2009), Elizabeth Kolbert writes about James Hansen, director of NASA’s Goddard Institute of Space Studies. Hansen is a heroic figure known for uncompromisingly laying out the worsening scenario of carbon-driven climate collapse, and even, as a conscientious intellectual must do, putting his body on the line in direct actions that accentuate the severity of his conclusions. Kolbert reports this dutifully—out goes the toe—but then makes sure that it gets pulled back in again by quoting the president of the Pew Center on Global Climate Change (a disinterested body, no doubt) to the effect that Hansen should “stick to what he really knows. Because I don’t think he has a realistic view of what is politically possible, or what the best policies would be to deal with this problem.” Shame on you, Hansen!

This is called the Rule of Reason. As everyone knows, what is rational is real, and *vice versa*.

Everyone also knows that reality has been shaken up quite a bit these days by the torments of global capitalism. *The New Yorker* is properly preoccupied. In the June 1 issue John Lancaster has a review-essay, “Outsmarted,” that has a go at the breakdown of our banking system. Once this would have been ascribed to old-fashioned motives like wanton greed, but recently devices such as the “securitizations” that convert the risk of default into commodities and create markets around them have created new and dazzling kinds of revenue streams. This has greatly stimulated the intellectuals.

Take Richard Posner, whose latest tome (he writes, it seems, one a month while sitting on the Seventh Circuit Court of Appeals) is *A Failure of Capitalism*. I only know Posner’s book through Lancaster’s eyes, so I may be less than fair to him here. I should also add that Richard and I were schoolmates at good old Yale, where we belonged to an organization founded by André Schiffrin, the “John Dewey Society,” which was every bit as radical as its namesake (so who were you expecting—Rosa Luxemburg?). But the JDS was the best that Yale could do in an age dominated by massive right-wing repression. And we were an awfully clever bunch, none more so than Posner, as his brilliant career confirms.

According to Lancaster, Posner opines “that he doesn’t know what the word, ‘greed,’ means”; and moreover argues that

the risks taken by banks were rational, for two main reasons. First, it’s only with the benefits of hindsight that we can know that a bubble in prices was taking place. Bankers had to assign a probability to the prospect that there was a bubble, and second, to the prospect that if there was a bubble and it burst, house prices would fall by twenty per cent or more—this being the decline that precipitated the general crisis of bank insolvency. Now, suppose that the risk of both things happening was one per cent. Whether an event with that likelihood is worth worrying about depends on what its consequences will be . . .

And so forth . . . One thinks of another aphorism, this by Marx, that Jeremy Bentham, the British utilitarian and hence Posner’s intellectual ancestor, was a “genius of bourgeois stupidity.” Unkind words, but they remind us that when the reigning system of production is irrational, it will also produce a class of rationalizers whose vocation becomes, as a famous line from Milton’s *Paradise Lost* put it, to “justify the ways of God to man.” John Milton lived during an early phase in the history of capitalism when God was, well, God. By Bentham’s time, and certainly that of Posner, God had become the Logos of accumulation and took the shape of the technical reason which legitimates the rationalized irrationality that defines the real in our time.

How much fresher and cleaner are the words of Carlos Slim, who does not need to be an intellectual because he is one of the three richest men on Planet Earth, the rank depending on the flux of the Market. Slim directly owns and controls about five percent of the Mexican economy (chiefly in telecommunications), and he is poised, so the article tells us, to take control of the failing *New York Times*. Barack Obama, while visiting Mexico this past March, asked Slim, according to *The New Yorker*’s profile by Lawrence Wright in the same issue, to stop by and visit him the next time he was in Washington, “because we need your advice.” Any such advice would be embedded within the worldview revealed by Slim in his reading of the discontents of capitalism:

“[T]his crisis is the same one as 2000 and 2001.” The bursting of the tech-stock bubble, followed by 9/11, had created a major slump in the American economy. Slim said that the U.S. government had “used all its resources to stop that, including two wars.

The queasy might blanch at so brutal a reading of recent history. But its elemental truth, incomprehensible to the justifiers, is entirely consonant with the logos of capital, which remains unchanged throughout all external forms: Accumulate! Accumulate! Such is the watchword: accumulation *über alles*, including mere humans and the ecosphere. Make war to accumulate, ravage nature to accumulate, build a deceitful cultural apparatus to accumulate—but accumulate we must, else the system comes tumbling down. That, Marx wrote, is “Moses and the prophets.”

Presently the System is in the midst of another of its great, crisis-driven transformations, restructuring itself away from the Washington consensus. Barack Obama, smooth, multicultural and capable of lulling protest, has been hired to supervise the project. Whether he will pull this off is far from clear. The great challenge of the 21<sup>st</sup> century looms. A first rule for those who wish to preserve the hope of a future is this: do not be fooled by the intelligentsia.