

POLITICAL ECONOMY №13

Nikita Kurkin

Review of

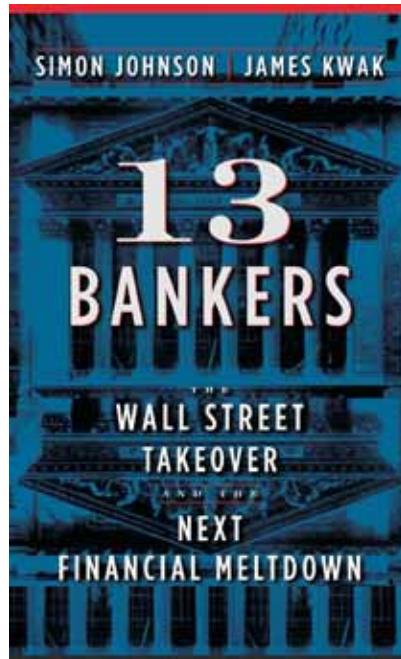
13 Bankers: The Wall Street Takeover and the Next Financial Meltdown (2010)

by Simon Johnson and James Kwak

REVIEW

There are a number of bestsellers in the Anglo-Saxon literary tradition, all well known to the public, whose titles contain numerals. Among them are *Fahrenheit 451* by Ray Bradbury, Joseph Heller's *Catch-22*, and the film *10 Little Indians* based on one of Agatha Christie's short stories. Long before these, there was *Seven Against Thebes* by Aeschylus, and recently the vulgar film production of *300 Spartans* appeared on cinema screens. Owing to semantic exclusiveness numerals do not allow hyphenation, and therefore have no metaphorical use. Yet, at the same time, numerals allow a writer a means of 'informational expression' which highlights the uniqueness of his work and bestows the special authenticity that he wishes to impart to the reader. Undoubtedly, such reasons did not escape the authors of what is an absolutely inartistic work, but one that is nevertheless meant for a mass audience — *13 bankers*.

When, in March 2009, President Barack Obama gathered the 'captains of the American financial industry' for a meeting to discuss the financial crisis, he uttered a phrase to them that was to become widely quoted. 'My administration is the only thing that stands between you and the pitchforks.' There were 13 bankers present to receive this warning. 11 years prior to this in Washington, in the bowels of President Clinton's administration, when issues of levels of financial regulation were being wrestled with, this number entered the public space apparently for the first time. Larry Summers might not have been U.S. Treasury Secretary at that time, but he was already an influential political figure of the neoliberal camp. And at that point — a staunch supporter not limited by any financial freedom. He had mentioned over the phone that there were 13 bankers sitting in his office. The group was singing some-



thing to the tune of the band's famous song, *Tears of Rage*: 'We carried you in our arms on Independence Day, and none of you would in any way do away with the horrors of Roosevelt.'

Yet they soon did depart from 'Roosevelt's horrors' — the financiers were to unashamedly and unreservedly indulge in the pleasures of unchecked profiteering. If Lenin had presented his ideas amongst this polyphony he most probably would have quoted something from his writings along the lines of the following: 'Financial capital is concentrated in the hands of the few and using actual monopoly ... consolidates the domination of financial oligarchy, laying all society in thrall to the monopolists.'

The author of this article once argued with a convinced Russian libertarian. The strife was about the fact that such close mutual relations between the state and the Russian oligarchic regime in Putin's Russia (built on the model of 'state as corporation' as once was in South Korea under Park Chung-Hee's rule) will one day be the model for the American system. My adversary said that it was impossible for a political system as

deeply rooted in the democratic tradition as the USA's to follow such a course. But this very idea that an oligarchic regime has emerged in America — in which financial power is converted into political power — and where this political power also engages in a dialogue with the largest political players of the USA, can be taken as precisely the position of the authors of the book of *13 bankers*. In their book they mention facts and examples from Russian and South Korean political history that demonstrating and support this thesis. And just a cursory glance at the bestsellers list confirms that such a point-of-view generates significant interest in the Western reader.

Simon Johnson, one of authors of *13 Bankers*, is himself not alien to this oligarchy — he previously held the post of chief economist at the International Monetary Fund (IMF), which adds additional interest to the conclusions that can be drawn from this work. Its conclusions are as follows: in order to preserve the American democratic system it is necessary to take measures to counteract the absolute political power of the American oligarchy, as had already happened under Theodore Roosevelt and Woodrow Wilson in the early 20th century and Franklin Delano Roosevelt in the mid 20th century. As Johnson stated in his interview with *RJ*: 'Today, we know exactly what caused the vulnerabilities in the system, and the fact that these causes have not been dealt with gives grounds to make unfavorable predictions for the future. To solve the problem, it is necessary to allow banks to go bankrupt.'

Eventually, the realization of the authors' ideas in *13 bankers* will allow both Americans and admirers of American democracy outside of the USA to assert that their future path of development does not, and will not, resemble the Russian course. ■

Issue Editor
Nikita Kurkin

Executive Editor
Valentina Bykova

Design
Sergey Ilnitsky

Page proofs
Gleb Shuklin

Additional contributors
Boris Volkhonsky, Anna Lebedeva, Yulia Netesova, Elena Penskaya, Liubov Ulianova

Project director: Alexander Shpunt