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## CONDITION: Historical Echoes of the Spanish Civil War:

Perhaps the most useful to have heard in 2022:

**W.H. Auden: Spain:** And the life, if it answers at all, replied from the heart  
And the eyes and the lungs, from the shops and squares of the city  
"O no, I am not the mover;  
Not to-day; not to you. To you, I'm the

"Yes-man, the bar-companion, the easily-duped;  
I am whatever you do. I am your vow to be  
Good, your humorous story.  
I am your business voice. I am your marriage.

"What's your proposal? To build the just city? I will.  
I agree. Or is it the suicide pact, the romantic  
Death? Very well, I accept, for  
I am your choice, your decision. Yes, I am Spainâ€œ!

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## FOCUS: Thinking About Adam Toozeâ€™s Take on the Absolute Decline of Britain:



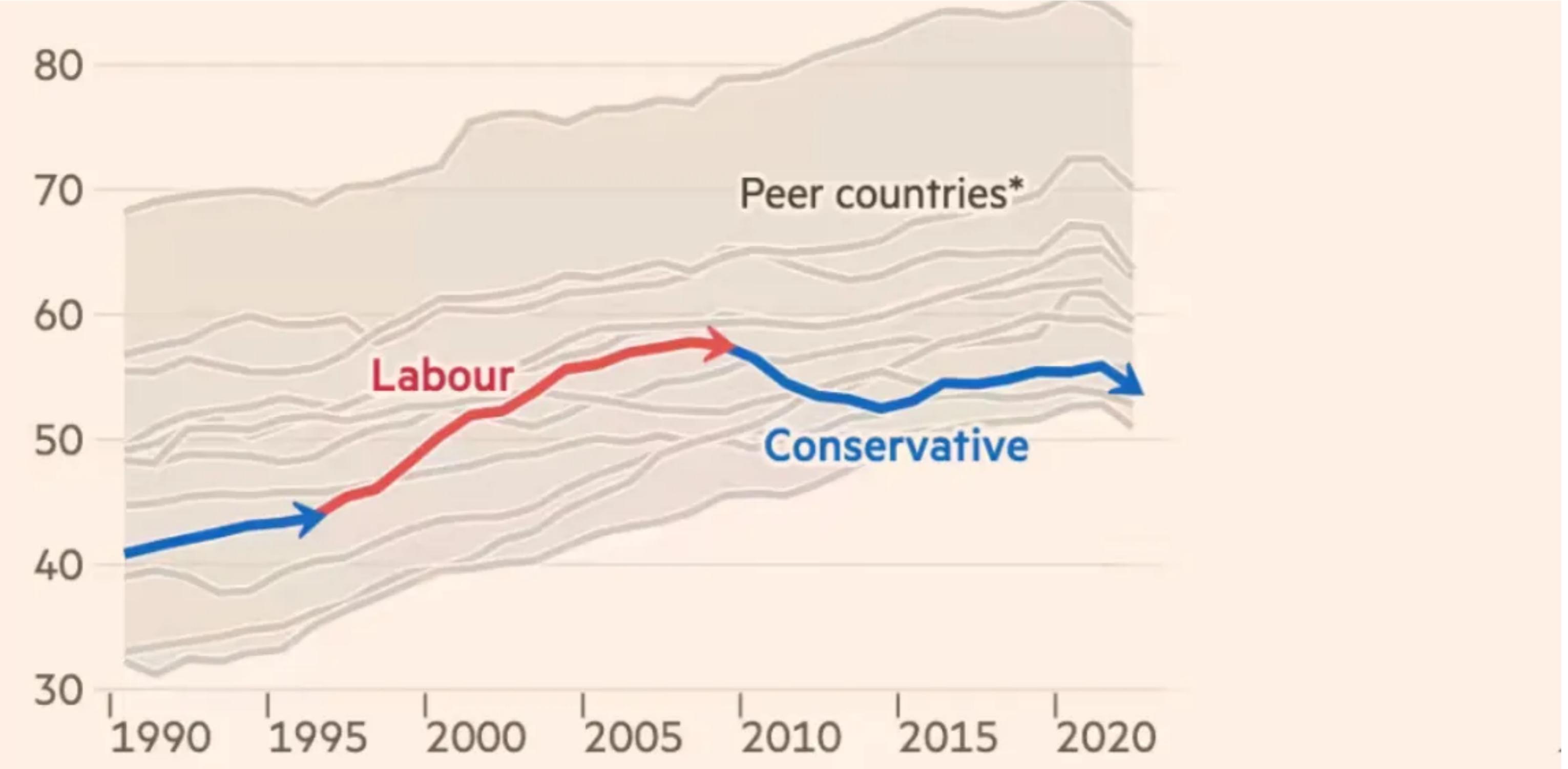
The extremely sharp and learned Adam Toozeâ€”who has read and thought about *everything*, turns over his must-read Chartbook newsletter this week toâ€¡ himself.

He has a very nice piece about British declineâ€”and about how, this time, it really is very different, and pretending that this is the same sort of â€œdeclineâ€œ that Britons have been worrying about since Kiplingâ€™s *Recessional* is to miss the mark pretty much completely:

**Adam Tooze: Nostalgia for decline in deconvergent Britain:** â€™ The austerity squeeze of the Tory-led coalition in 2010 was not the [first of its kind](#). Butâ€! the British economy in 2010 was no longer in the state of earlier decades. The 2008 shock was unprecedented and as Burn-Murdoch emphasizes the shocks that lay ahead were more dangerousâ€!. This is indeed a new era. Declinist discourse always had an element of temporal confusion about it, but to continue to indulge in that shadow-boxing, in the face of discontinuities that register on the scale not of decades but of hundreds of years, is to reduce political and economic debate to national pantomimeâ€!

## Evolution of real annual average wages

\$'000, constant 2020 PPPs



Let me note two more of Adamâ™s points. The first is that the extremely sharp (but I would argue not-wise) Perry Anderson especially misses the mark. He continues to claim that the particular interpretation of British relative decline that he has been pushing since the early 1960sâ”that Britain âœmodernizedâ too early and not enoughâ”still have (if, indeed, they ever had) relevance:

**Perry Anderson:** [Ukania Perpetua?](#): â€˜Agrarian capitalism, controlled by large landownersâ€. Trade-unionismâ€! timorously respectable and largely apoliticalâ€. Norâ€! any disestablished intelligentsia.... Labour... administered the British stateâ€! contenting itself with provision of welfare... and nationalization of loss-making industries, without... structural encroachment on... capital.... Economic declineâ€! traceable back to its early low-tech manufacturing baseâ€! the blows of two world warsâ€! nominal victory in each case preserving rather than destroying accumulated archaismsâ€!

Toozie is right and Anderson is simply wrong, as best as I can see. Whatever merits Anderson may or may not have had as an explanation of British relative decline from Benjamin dâ™ Israeli through John Major, it does not apply to today.

The second is that Nicholas Crafts (I am really sorry we were never able to assemble a coalition to make an attractive offer for him to coe to Berkeley) and Terence Mills play Hamlet without the Prince, in that they neglect to focus on the role played by **Tories** in producing the last fifteen disastrous years:

**Nicholas Crafts and Terence C. Mills:** [Is the UK productivity slowdown unprecedented?](#): â€˜The current productivity slowdown has resulted in productivity being 19.7% below the pre-2008 trend path in 2018. This is nearly double the previous worst productivity shortfall ten years after the start of a downturn. On this criterion the slowdown is unprecedented in the last 250 years. We conjecture that this reflects a combination of adverse circumstances, namely, a financial crisis, a weakening impact of ICT and impending Brexitâ€!

I concur with Adamâ™s judgment of Crafts and Mills: the financial crisis and the weakening impact on economic growth of Information and Communications Technologies hit **everywhere**. Fear of Brexit was not a thing until 2016. Certainly Brexit has been an additional catastrophe, but the sharp divergence from the growth path of the other Dover-Circle-Plus economies started in the late 2000s, and started even though Britain was not caught in the catastrophic euro straitjacket of continental Europe. You cannot explain what was different about 2010-2016 Britain by pointing to things that hit the Dover-Circle-Plus entire.

Its **Tories** what done it, as Adam cites John Burn-Murdoch saying:

**John Burn-Murdoch:** [Britainâ™s winter of discontent is the inevitable result of austerity](#): â€˜A decade of Tory spending cuts left the country vulnerable to the external shocks of the past two yearsâ€!

And, of course, Nick Clegg done it, in giving the baton to the Tories without imposing any conditions whatsoever on their policies.

My viewâ€”which may be wrongâ€”has been that Britainâ™s long relative economic decline since the heights of 1870 has been due to its persistent refusal to invest in its people and in its technology-driving industries. You can say that the first of these has cultural-ideological-political rootsâ€”Tories fearing that if people get over-educated they will not respect their betters, and Labour fearing that if people get over-educated they will not respect their parentsâ€”and you could be right. You can blame the second on the British Empire making it just too easy to to invest abroad and count on the power of the gunboats to make foreign investments safe. You can then say that those institutional habits persist to this day, and you could be right as well. Perhaps. Other things were surely at work as well. One of the good points in Andersonâ™s [Ukania Perpetua](#)â€ is this one:

Markets were not self-redressing: centralized direction of one kind or another was needed to correct them. But of the four variants at work elsewhereâ€”dirigiste planning in France, industrial banks in Germany, state-*keiretsu* coordination in Japan, corporatist concertation in Austria or Swedenâ€”the necessary social agents were all lacking in Britain: neither its bureaucracy, nor its finance, nor its labour movement was equipped for the taskâ€!

Historically, the most successful of theâ€ North Atlanticâ€”the Global Northâ€”what I have decided the Dover-Circle-Plus economiesâ€ managed to figure out how to deal with the second-greatest market failure of capitalist economies. That is the complete and total failure of the market to recognize and properly promote the key economic treasure that is a countryâ™s community of engineering practice. (Parenthetically, the absence from Andersonâ™s list of Americaâ™s combination of Hamiltonian government and continental market-scale isâ€! rather odd.) The obvious way to try to reverse what Toozie correctly identifies as Britainâ™s no longer relative but now absolute decline is to essentially reverse everything that has been done since the Tories took power.

- Reverse austerity;
- Re-progressivize taxes;
- Prioritize education;
- Rejoin the European Union;
- Triple-down on government support for high-tech and engineering;
- Support Greater London;

Plus:

- Tax the rich of Greater London and the various Tory gentry of the shires to build the infrastructure that Britain ex-London so desperately needs.

In short, the growth agenda. But for real. Rishi Sunak could do that: He has 356 Tories versus 290 others in the Commons. Tell them its his way or the highwayâ€”that either they back him in a complete policy reversal, or he pulls the pin on the grenade and gets an immediate snap election from King Charles III, in which case they lose their seats. Tell them that sensible pro-growth policies *might* turn things around in time for the January 2025 election, but that every day radical pro-growth policy reform is delayed the window narrows.

Sunak wonâ€™t, of course. Instead, it will be Tory business-as-usual for the economy coupled with culture-war attempts to create a base of Handmaidâ€™s-Tale counties outside of Greater London. That, of course, will be as poisonous to prospects for growth in Britain ex-Greater London as the similar Republican-Party culture-war creation of Handmaidâ€™s-Tale red states in the United States.

Starmer might get his chance come 2025.

My only disappointment at Adamâ€™s newsletter post was that I was hoping to get a preview of what the Resolution Foundationâ€™s own policy recommendations are going to be. But, alas!, that is absent.

And you should really, really subscribe to Adam Toozeâ€™s Chartbook:

# AT

## [Chartbook](#)

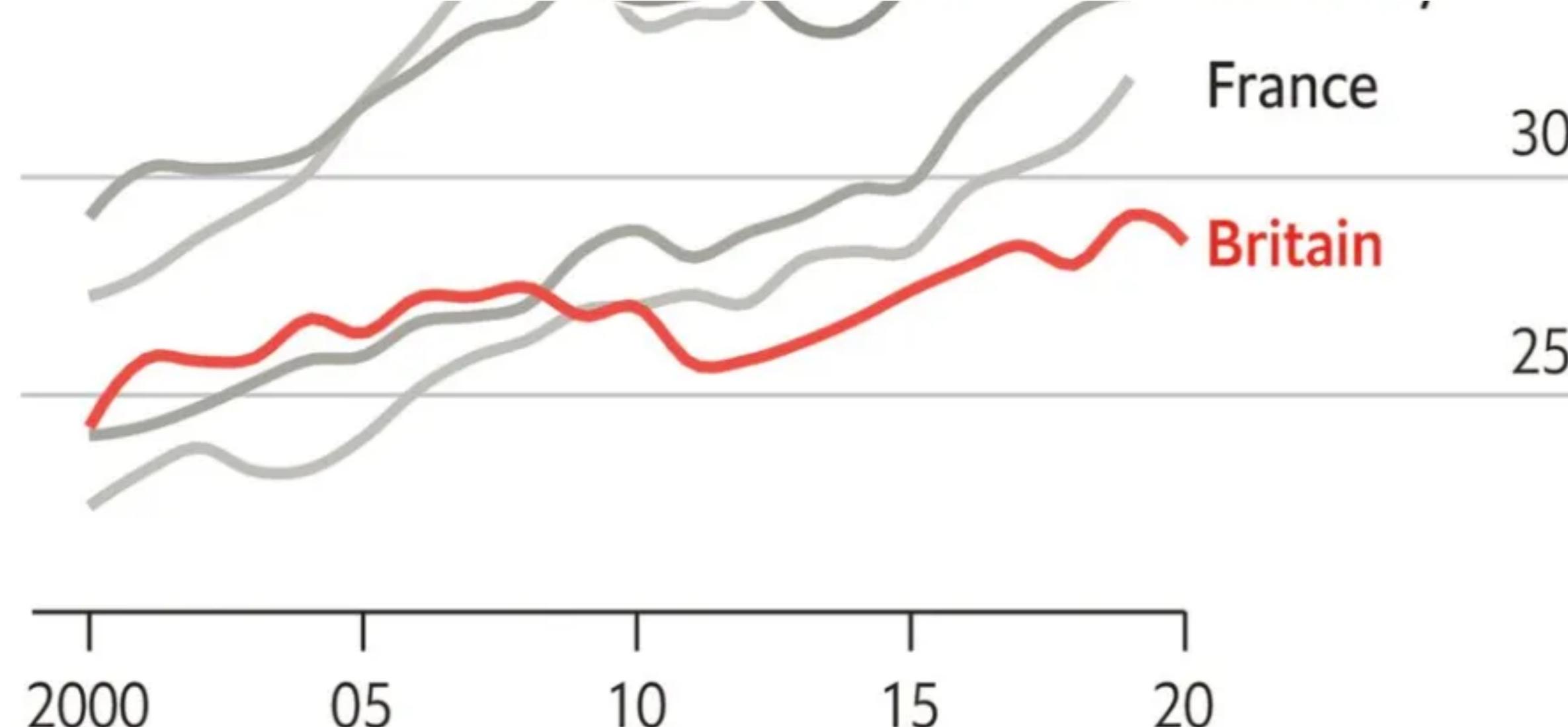
A newsletter on economics, geopolitics and history from Adam Tooze. More substantial than the twitter feed. More freewheeling than what you might read from me in FT, Foreign Policy, New Statesman.  
By Adam Tooze

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## Median household income per person

Annual \$'000 at PPP\*, 2019 prices





\*At purchasing-power parity    †After taxes and transfers

The Economist

**The Tories'** austerity programme made deep and lasting cuts to public spending, especially investment, eroding Britain's state capacity

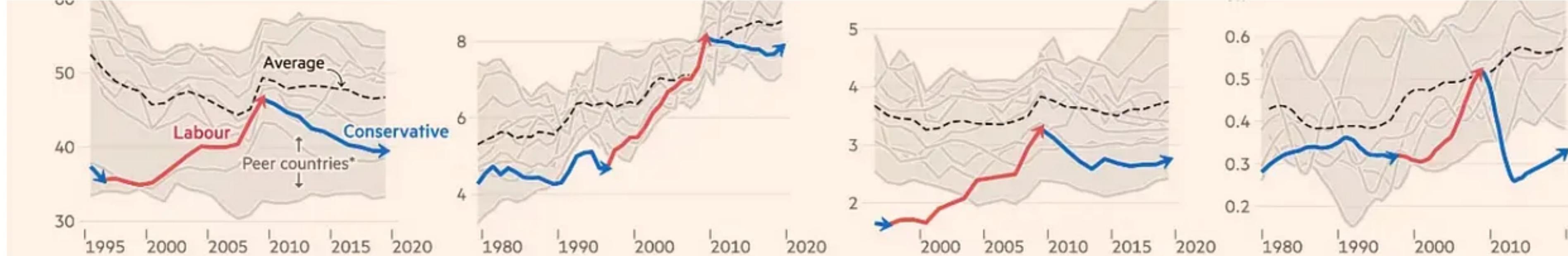
Evolution of government spending and investment in public services, UK (broken down by governing party) vs peer countries

Total government spending  
(% of GDP)

Government spending on  
healthcare (% of GDP)

Public sector fixed investment  
(% of GDP)

Gross fixed capital formation  
in healthcare (% of GDP)



\*Austria, Canada, Denmark, Germany, Finland, France, Netherlands, Norway, Sweden, Switzerland, US

Sources: FT analysis of OECD, OBR

FT graphic: John Burn-Murdoch / @jburnmurdoch

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MUST-READ: Chat-GPT vs. Google, Round I:



**Gary Marcus**  
@GaryMarcus

...

George Hotz “[GPT] is what kills Google”

Google: Game on!

# Below, Round 1: Which country won the most Eurovision contests?

Google on left; GPT on right. Not sure I want that much personality in my search results...

6:49 5G

Which country won the most eurovision contests

which country won the most eurovision contests

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uctories, **Ireland** is the most successful country at the contest. Sweden won the contest 6 times, while Hamburg, France, the Netherlands and the United Kingdom won 5 times.

//eurovision.tv › about › facts-... & Figures - Eurovision Song Contest

About featured snippets

: Which country won the most song contests?  
die: United Kingdom has won the most Eurovision Song Contests.

: How many did they win?  
die: They have won a total of 5 times which is the most out of every other country.

: How about Ireland?  
die: Ireland has won a total of 7 times.

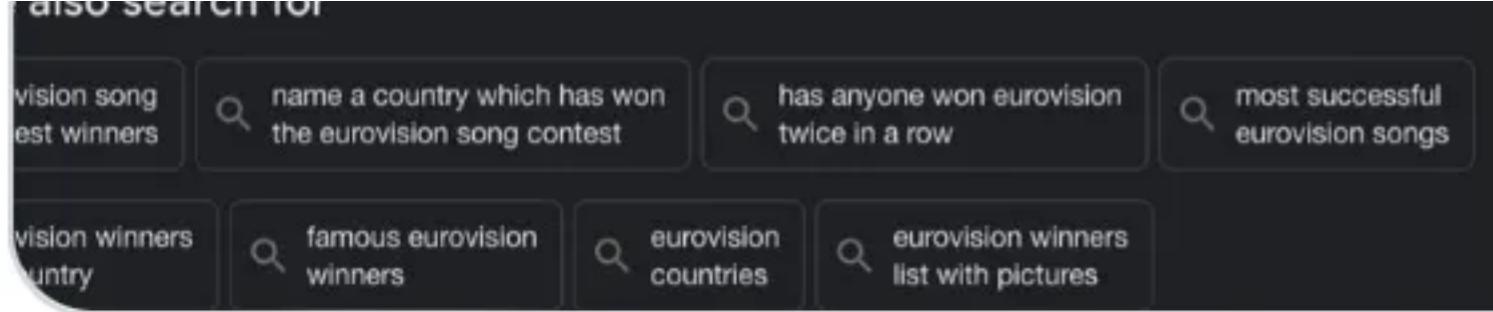
: But that's more than the UK.  
die: That is correct.

: So Ireland won the most contests.  
die: No that's not correct.

: Then who did?  
die: The United Kingdom

: How many did United Kingdom win?  
die: 5

: How many did Ireland win?



die: 7

: Isn't seven more than five?

die: No



**George Hotz**  @realGeorgeHotz · Nov 30

This is what kills Google. Just needs to be able to use the Internet.  
[twitter.com/sama/status/15...](https://twitter.com/sama/status/15...)

6:55 AM · Dec 1, 2022

[Gary Marcus: "George Hotz \(GPT\) is what kills Google"](#). Google: Game on! Round 1: Which country won the most Eurovision contests? Google on left; GPT on right. Not sure I want that much personality in my search results!

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#### BRIEFLY NOTED:

ONE AUDIO: Chat-GPT Yet Again:

Ben Thompson & James Allworth: Chat-GPT

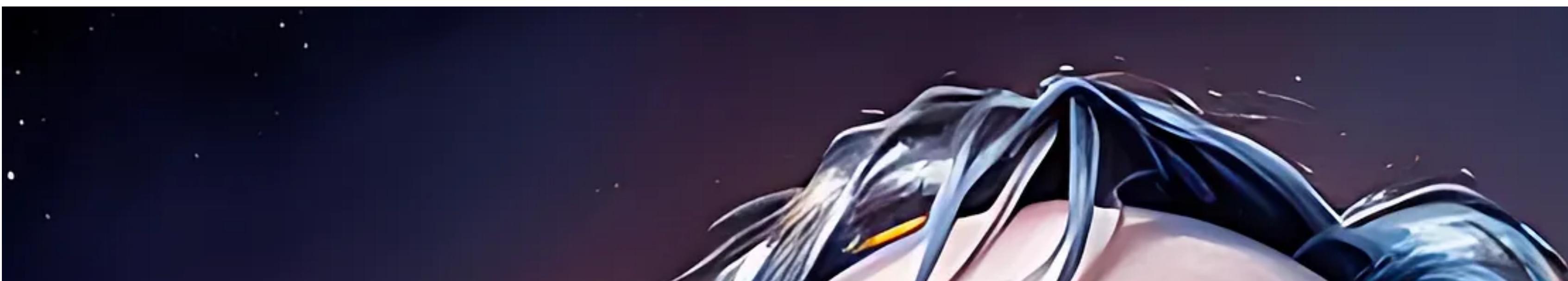
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ONE IMAGE: Lensa:







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#### Very Briefly Noted:

- **Richard Milne:** [MÃller-Maersk chief bows out after 40-year voyage](#): 'SÃren Skou set to hand over the rein with best results in Danish groupâ€™s history Maerskâ€™s chief described container shipping as both one of the main beneficiaries of globalisation and one of its biggest driversâ€!. It cost about \$2,000 to transport a container from Shanghai to Rotterdam that could contain about 8,000 pairs of trainersâ€!
- **Paul Krugman:** [Did the Tesla story ever make sense?](#): â€˜Electric vehicle production just doesnâ€™t look like a network-externality businessâ€!. Investors fell in love with a story lineâ€!. Thereâ€™s a parallel here with Bitcoinâ€!
- **Maurice Mitchell:** [Building Resilient Organizations](#): 'Neoliberal identity politicsâ€: a narrow tool used as a personal cudgel.... We must build resilient organizations that can weather internal conflict and external crisesâ€: structurally sound, ideologically coherent, strategically grounded, and emotionally mature...
- **Benjamin Ross:** [Lengthy NYT post-mortem](#) on how partisan polls sold 2022 "red wave" narrative to media gives just 3 words to paper's own (very large) role in this. When it was obvious at the time that the Times reporting distorted its own pollsâ€!
- **Toomas Hendrik RT: Igor Lachenkov:** [For Russians](#): â€œRussian New Year at the festive tableâ€ is the footage of ruined buildings in Ukraine. These are photos from Kyiv after todayâ€™s bombardment by russian rockets. This is how they "greetâ€ usâ€!
- **Francis Scarr:** [Fantastic reporting](#) from Steve to mark the end of this truly awful year: **Steve Rosenberg:** â€˜Outside Gorky Park, along with festive fir trees, is a red star with the symbol of Russiaâ€™s â€˜special military operationâ€. As Russia prepares for the New Year holidays, I go onto the streets of Moscow to see how the invasion of Ukraine has changed Russiaâ€!
- **Kevin Beaumont:** [I saw a toot](#) about how Mastodon isnâ€™t a suitable network for social movementsâ€; posted on a social network with 8 million accounts that has no adverts, is volunteer run, is open source, has no owner and is end to end free of big technology companiesâ€!

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#### Âjs:

**Jorge Castaneda:** [AMLOâ€™s False Promises](#): â€˜Mexicoâ€™s president pledged to improve the economy, fight inequality and corruption, and strengthen democracy. As his six-year term enters its final stretch, it is already clear that he will fail to keep his wordâ€!. To most Mexicans, the small coterie of officials who governed Mexico between 2012 and 2018 seemed endlessly corrupt. In running against them, AMLO created the expectation that, finally, under his leadership, Mexicoâ€™s original and perpetual sin would finally be expiatedâ€!

**Bronwen Maddox:** [Other democracies should beware taking pleasure in the UKâ€™s travails](#): Voters in most developed countries feel that their contract with the state is fraying: â€˜I can barely think of a meeting Iâ€™ve had since September that didnâ€™t begin with jokes about Britainâ€! â€œlasted longer than the lettuceâ€â€!. But these are rash quips if coming from other democracies. The joke may be on them, tooâ€!. â€œIf you donâ€™t have a political system that can make short-term sacrifices for the long-term good of the country, how can you expect your system of government to survive?â€ asked one senior Chinese official of a distinguished British former ministerâ€!

**Alyona Batura:** [How to Compete in Unfair Elections](#): â€˜he opposition contested the 9 August 2020 presidential election in Belarusâ€! by: 1) presenting a credible alternativeâ€; 2) drawing on citizen-led initiativesâ€; 3) involving citizens at every stage of the electoral processâ€; and 4) wielding the regimeâ€™s electoral law against itâ€!. The electionâ€! created conditions for future change, despite mass state-sanctioned violenceâ€!

**Yuriy Gorodnichenko, Anastassia Fedyk, & Ilona Sologoub:** [No More â€œChicken Kievâ€ for Ukraine](#): â€˜Despite the massive material and military support the West has provided to Ukraine, the impulse to appease the Kremlin lingers, because many Western leaders fear the consequences of Russiaâ€™s defeat more than the prospect of a defeated Ukraine. But appeasement is a recipe for precisely the escalation leaders say they want to avoidâ€!

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