

Griftopia

Bubble Machines, Vampire Squids and the Long Con That Is Breaking America

Matt Taibbi

New York: Spiegel and Grau, 2010, \$26.00 (US); (around) £10 plus p and p
from Amazon.co.uk, h/b

Robin Ramsay

John Lanchester's *Whoops! Why everyone owes everyone and no one can pay* (published as I.O.U. in America) may be the best account I have read of the financial crisis which began in 2008, but the three chapters on it in Taibbi's book are much the most entertaining. The thing about Taibbi is that where Lanchester's book (like the others) tries to explain how a system failed, Taibbi thinks that Wall Street is the enemy, bankers, financiers and hedge fund wallahs are mostly crooks, and the financial markets are devices for fleecing the citizens.

As well as wonderful, splenetic rhetoric, there are nice clear explanatory passages within the narrative. He educates as well as entertaining. After reading this you will understand the mechanics of 'the long con', the several subsidiary cons that are described, several of the major episodes which contributed to the meltdown, and the Wall St. grifters' repertoire – CDOs and CDSs and all the rest of them.

But what rhetoric! His most famous quote, the one that got a lot of major media attention when the essay first appeared in *Rolling Stone*, was his description of Goldman Sachs as 'a great vampire squid wrapped around the face of humanity, relentlessly jamming its blood funnel into anything that smells like money'. But his essay on former Federal Reserve Chair, Alan Greenspan, titled 'The Biggest Asshole in the Universe', is nearly as brutal:

'Former Federal Reserve chief Alan Greenspan is that one-in-a-billion asshole who made America the dissembling mess that it is today.... Greenspan's rise.... is a tale of a gerbilish mirror-gazer who flattered and bullshitted his way up the Matterhorn of American power and then once he got to the top, feverishly jacked himself off to the attentions of Wall Street for twenty consecutive years – in the process laying the intellectual foundation for a generation of orgiastic greed and

overconsumption and turning the Federal Reserve into a permanent bailout mechanism for the super-rich.’ (p. 36)

And so on. There is something worth quoting on almost every page.¹

In the other equally entertaining and lucid chapters Taibbi discusses the Tea Party and what it means, social security and the attempts by the Republicans to get their hands on it, oil prices (and commodity speculation in general) and the selling-off of American infrastructure – yes, they’re even selling roads – to foreign capital.

Because Taibbi writes for *Rolling Stone*, it is tempting to compare him to that journal’s other famous political writer, the late Hunter S. Thompson. But Thompson’s political writing hasn’t worn well – who now reads *Fear and Loathing On the Campaign Trail*, for example? – and Taibbi is a much more important figure (and a much better writer).

It is interesting that both he and Lanchester were not financial journalists but just intelligent writers who educated themselves in these fields and thus began with (and have maintained) a critical distance from the subject – the people and the bullshit theories – impossible for financial journalists, none of whom, to my knowledge, have written adequate accounts of the mess we are in. Gillian Tett’s *Fool’s Gold* is about the best of them but she works for the *Financial Times* and is unable or unwilling to look this vast set of frauds and thefts in the face.

¹ En passant Taibbi makes short work of the adolescent ‘philosophy’ of Greenspan’s mentor, Ayn Rand, who was given so much undeserved prominence in the Adam Curtis documentary, ‘All Watched Over by Machines of Loving Grace’, shown on BBC2 in late May 2011.