

Welcome To Blackswansville

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by James Howard Kunstler

While the folks clogging the US tattoo parlors may not have noticed, things are beginning to look a little World War one-ish out there. Except the current blossoming world conflict is being fought not with massed troops and tanks but with interest rates and repayment schedules. Germany now dawdles in reply to the gauntlet slammed down Sunday in the Greek referendum (hell) “no” vote. Germany’s immediate strategy, it appears, is to apply some good old fashioned Teutonic todesfurcht — let the Greeks simmer in their own juices for a few days while depositors suck the dwindling cash reserves from the banks and the grocery store shelves empty out. Then what?

Nobody knows. And anything can happen.

One thing we ought to know: both sides in the current skirmish are fighting reality. The Germans foolishly insist that the Greek’s meet their debt obligations. The German’s are just pissing into the wind on that one, a hazardous business for a nation of beer drinkers. The Greeks insist on living the 20th century deluxe industrial age lifestyle, complete with 24/7 electricity, cheap groceries, cushy office jobs, early retirement, and plenty of walking-around money. They’ll be lucky if they land back in the 1800s, comfort-wise.

The Greeks may not recognize this, but they are in the vanguard of a movement that is wrenching the techno-industrial nations back to much older, more local, and simpler living arrangements. The Euro, by contrast, represents the trend that is over: centralization and bigness. The big questions are whether the latter still has enough mojo left to drag out the transition process, and for how long, and how painfully.

World affairs suffer from the disease of terminal excessive complexity. To make matters worse, much of the late-phase complexity operates in the service of accounting fraud of one kind or another. The world’s banking system is mired in the unreality of so many unmeetable obligations, cooked books, three-card-monte swap gimmicks, interest rate euchres, secret arbitrages, market manipulation monkeyshines, and countless other cons, swindles, and hornswoggles that all the auditors ever born could not produce a coherent record of what has been wreaked in the life of this universe (or several parallel universes). Remember Long Term Capital Management? That’s what the world has become.

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