

Euroland, the Horror Movie

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on FEBRUARY 15, 2010 7:03 AM

An Olympian game of musical chairs in global finance heads for a climax in the days ahead as so many eyes are diverted to alternate festivities in British Columbia, where grown men compete for gold by riding things that look like cafeteria trays down icy mountainsides -- is this the moment that comes every four years when you wonder why you didn't get your kid a luge for Christmas?

The advertisers must be lovin' it, but six thousand miles away a whole lot of European bankers are wondering how to get their fannies in a dwindling number of seats at the money trough. Greece is going bust. History is great prankster this way. Just when you're wondering how America will make Afghanistan safe for democracy, or whether Venezuela will blow itself up along with the oil markets, along comes kindly, picturesque, inoffensive old Uncle Greece -- land of antiquities and pizza entrepreneurs -- to fuck things up.

Those who run Europe have three choices: to bail out Greece, to let Greece sink (into a desperate economic depression), or to pretend to bail out Greece. The sad truth of the situation is that there is not enough productive activity in Europe to really support all the members of the European Union in the style they're accustomed to. (Which also happens to be true of the USA and its constituent states, but you probably know that already.)

Europe is a sad case, really poignant, because it became such a darn nice corner of the world after the convulsions of the mid 20th century. Who, for instance, can spend two weeks walking the lovely ancient streets of Bruges or Orvieto, or Lisbon and not fall to their knees in overwhelming despair on return to the slum of Kennedy Airport? Europe rebuilt itself so beautifully after the war while America became a utopia of overfed clowns riding in clown cars around the plasticized cartoon outskirts of our ruined cities. Europe had wonderful public transit while America let its railroads rot away. European men went about their business in grown-up clothing while Americans men dressed like five-year-olds and got flames tattooed on their necks as though contemplating a barbarian invasion of Akron, Ohio.

But history, that prankster, in the awful melodrama of industrial capital's demise, now seems to have backed lovely, reformed Europe into a corner as an early object-lesson in the agonies of de-complexifying and re-localization. The monetary union seemed like a great idea as long as the members appeared to play straight in the revolving credit racket. Europe had never been so peaceful and happy for so long. But the financial crisis has opened a yawning black hole in the operating system, and into it has been sucked all the elaborately constructed abstract markers of wealth -- in the form of credit-gone-bad -- and now the sad truth is that there really isn't enough wealth to go around. Places like Greece, Portugal, Spain, and Ireland have to return to their previous condition as narcoleptic economic backwaters. Either that or Germans and Frenchmen have to work an extra seventeen hours a week to prop these places up, and somehow that seems unlikely to happen.

Europe has plenty of other things to worry about in the bigger picture. For one, where are they supposing to get the oil and natural gas they need to keep things running? Who's got any? Well, The UK once had quite bit but they pissed it away building freeways and suburbs. Norway, with around one-twelfth the UK's population, still has a bit of oil and gas left, but not enough to keep the rest of the gang in Europe humming. Romania has, like, a tablespoon of oil left, maybe. For the moment, Europe is getting its fossil fuels from Russia and the usual suspects in the oil export world. Bottom line: Europe can become Russia's energy bitch (and only for a little while because Russia is getting tapped out too), or it can compete with China, Japan, India, and the USA for whatever comes out of the Middle East, Africa, and Venezuela. Meanwhile, all the exporters see their own exports dwindling as their populations grow and grow and they pour more bunker oil into the new electric power stations, and evermore new cars leave the showrooms in Riyadh, and Hugo Chavez keeps pumping 35-cent gasoline for "el gente."

My guess is that the current situation in Euroland is unfixable. The "contagion" of Greece has already spread and it's only a matter of months before the Iberian peninsula goes under too. Did I leave out the UK's financial troubles (acknowledging that they are not within the Euro currency system)? Not to put too fine a point on it, Old Blighty is pretty well nigh fucked. It's on the express line back to the fifteenth century, and doesn't know it yet. Break out the leathern helmets and the wooden ploughshares. The UK is out of oil, out of banking cred (which is all it had the last forty years), and out of time. The one thing they have a lot of is bad paper hiding in their bank vaults -- enough to blow that black hole of capital even wider.

A larger question is what happens to the vaunted peacefulness of contemporary Europe now that the narcotic of universal prosperity is wearing off. Maybe it will be too shellshocked for a while to do anything. More likely, though, old and new animosities will burble out of those lovely old streets. Nations that seemed to be populated by effete cafe layabouts will be transformed back into warrior societies. Never underestimate the sheer power of testosterone in idle, unemployed young men.

For another thing, I expect Europe to join the global contest for the world's remaining oil resources. Germany and France, at least, won't enjoy the luxury anymore of kicking back while the US Military desperately tries to keep a western "police" presence in the deserts down there. Germany and France will also not have the luxury to drink espresso and watch Iran become a mad dog nuclear power, with missiles capable of striking Frankfurt and Lyon. Won't that be interesting?

As all this plays out, of course, the USA will be struggling with very similar problems of capital and economy, and as our states fall into bankruptcy one can easily imagine all kinds of political mischief here that would parallel the unravelings of Europe. Our financial arrangements are intermingled anyway, so the collapse of a major bank, or of a country, over there is going to blow more holes through our foundering institutions as well. Things are changing fast. We're all werewolves now.

