

rience has captured the Jewish community, and—because we are so important in the political process—major segments of American political culture as well. None of the Jews associated with Freedom’s Watch seems to have demonstrated any compassion for the Palestinians being brutalized by the Israeli occupation. A couple have dismissed the idea of a Palestinian state.

It is true that liberal Jews like the Union of Reform Judaism are for a Palestinian state. But the URJ also expresses a hardened attitude toward the Arab world—for instance, when it emphasizes Palestinian terrorism as the greatest problem in Israel/Palestine and makes no mention of the horrifying actions of religious settlers, and when it all but rationalizes the confiscation of Palestinian land in the construction of Israel’s security fence.

These obdurate attitudes concern me because Jews once led the noble opposition to the Vietnam War. This debacle around, support for Israel has fractured that opposition. Still, I would contend that these attitudes are softening. Jimmy Carter’s book *Palestine: Peace Not Apartheid* was read by many open-minded Jews. Walt and Mearsheimer are getting a fair reception in the press, even though they were disinvited from a major foreign-policy forum in Chicago and the *Forward’s* editor declined to host a debate on their ideas in New York.

My generation was galvanized by ’67 and ’73, when Israel seemed to face an “existential” threat. Today, young Jews see an Israel that has been isolated in world opinion, and which litters southern Lebanon with cluster bombs. When even Bush’s ambassador to Iraq argues that the solution to terrorism there is “political” equity among the various sects, progressive Jews have to wonder whether Israel’s troubles don’t have similar roots. Myself, I have pushed for a

Jewish soul-searching to figure out how it is that the neocon ideology gained so much traction in my community.

Not that the leaders of Freedom’s Watch want anyone to examine their motivation. “Didn’t you invoke Israel’s security in 2005?” I asked Matt Brooks—referring to a period when the Republican Jewish Coalition attacked the Union of Reform Judaism for coming out against the war.

“Now you got me, hold on a second,” Brooks said, before digging up the full-page ad the RJC ran at that time in support of the war effort. “No!” he crowed triumphantly. “It says we support the president and the war on terrorism. ... There is absolutely zero reference to Israel. It’s about stability, it’s about making the world a safer place.”

Later, though, on the RJC’s own website, I found an article the coalition had posted from *The Jewish Week* newspaper during that same brouhaha. This article quoted another RJC ad, apparently from the Jewish press, that *did* mention Israel: “This mission is vital not only for the continuing fight against terrorism, but also for the security of Israel and the stability of the Middle East.”

For the last four years, American democracy has suffered from the fact that no one is quite sure just why we invaded Iraq. It would be good for all of us if pro-war Jews were more straightforward about their agenda. ■

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Slip Sliding Away

The mortgage crisis is only the beginning ...

By James Howard Kunstler

BAD FINANCIAL PAPER, like rust, never sleeps.

The tropical paradise of Hedge Fund Island might seem tranquil for now, but worms are turning in the dumpsters of securitized alphabet debt (MBSs, CDOs, CLOs), and the odor blowing around the world from all this garbage grows stronger by the day in places like New York, London, Tokyo, and Shanghai.

Transfusions of loss-cover loans from the Federal Reserve and other central banks have enabled the Big Fund Boyz to spend the late summer weekends rubbing elbows in the Hamptons with transcendent beings like Diddy and Kelly Ripa. The Boyz gather along the dunes at twilight, bongs in hand, to gaze at Hedge Fund Island, looming offshore in

the gray Atlantic mist, and they notice something alarming: the island, which the BFBs built themselves over the past ten years, seems to be either floating out to sea or perhaps just sinking. In any case, it’s getting smaller.

The scores of billions of dollars, euros, and other monies that central banks have recently poured into the sinkhole of losses will only paper over the essential problem for another few weeks, at most. The damage to global structured finance has been done, and there is a widespread, belated recognition that it’s not possible to get something for nothing after all. When you hold a lot of paper that represents nothing and put it up for sale, nothing will be offered for it. What a surprise!

Now the task of people with power to act in the finance sector—which itself may be a conceit at this point—is to manage the rapid dissolution of hallucinated wealth in such a way that as few people as possible notice that x-trillions in dollar-denominated pixels have vanished from the hard drives. Sooner or later, though, millions of shlubs dependent on pension checks, annuities, or monthly payouts of one kind or another will notice that something has stopped landing in the mailbox. Repo men with bad haircuts and tattoos will be seen driving other peoples' cars to the auction barn. Young adults accustomed to thrilling paydays will discover that their services are no longer required in the mortgage origination business and will instead have to memorize dozens of excruciating formulas for different sorts of beverages more or less based on coffee. Millions of realtors will enter second childhoods as they move back in with Mommy and Daddy, who themselves must now change their plans, since it is no longer possible to flip the 1962 raised-ranch in Hempstead to buy that condo in Boca Raton.

Reality is biting hard. As with the little marmot caught in the gray wolf's jaws, the body simply surrenders and God's grace of physical shock softens the translation from joyful creature to dead meat. That is where we are at the threshold of autumn, 2007. Digestion follows. The Big Fund Boyz and their minions will end up as mere worm castings in the global compost heaps.

Terrible shocks are going to rip through the socioeconomic fabric of the U.S. as we turn the corner into the darkening quarters of the year. The fiasco of bad debt won't be contained. The choices for those who find themselves financially underwater will be 1.) liquidation, 2.) bankruptcy, or 3.) destroying whatever remains of confidence in the U.S. dollar in order to erase debt by

hyperinflation. People holding power don't like the first two, which translate into Depression (let's make it a capital "D.") When a nation turns into a fire sale from sea to shining sea, and bankrupt citizens don't have enough cash on hand to buy things that have become desperately cheap, well, that's a Depression. Everybody from Fed officials to news editors has lately favored the softer term "recession" because it implies a mere pause in

Bring on Britney and Paris at halftime (Do they have halftime in NASCAR?) and let Justin Timberlake cut their hearts out on the hood of a Dodge Avenger. Believe me, the public will be so deliriously entranced by the spectacle they won't notice anything else going on in the background of our nation.

I pause for breath and apologize for what has been a rather immoderate spewage of mixed metaphors and face-

YOUNG ADULTS ACCUSTOMED TO THRILLING PAYDAYS WILL INSTEAD HAVE TO MEMORIZE DOZENS OF EXCRUCIATING FORMULAS FOR DIFFERENT SORTS OF BEVERAGES MORE OR LESS BASED ON COFFEE.

the inexorable march of progress toward economic nirvana. But that's not what we're heading into this time.

There will be so many assets up for sale across the U.S. in the months and years ahead that the very sun in the heavens will take on a K-Mart blue-light-special glow. From houses with miles of granite countertops, to Maybach automobiles, to cabin cruisers that burn 30 gallons of diesel an hour, there will be so much slightly used (or barely "pre-owned") stuff for sale that manufacturing another unit of anything (or importing it) will seem like a sick joke. This leads to a deadly downward spiral of what the realtors have cleverly termed "new pricing."

Of course, that creates a problem for the masses who theoretically support themselves by working to produce new things of value to be bought and sold. But let them watch NASCAR! Let's take whatever little remains of our tax revenues (or bonding ability) and build a dozen more speedway ovals around the country and use up the last remaining six inches of Midwestern topsoil to make ethanol for the race cars and shower the fans with Little Debbie snack cakes as they count the laps.

tious conceits, but the extreme abnormality of events has just got me going.

Let's turn now to what this all means for American society and its prospects. Beyond the murk of financial jargon, the issue will really come down to matters of culture and national character. Are we building a society with a future? Does our culture affirm life or yearn for destruction? Are our daily ceremonies meaningful or empty? Are our dreams consistent with what reality has to offer? Can we look in the mirror and say that we are upright people?

I think we are in trouble. Traveling around the country, you can read it in a thousand things—in the miserable sprawl landscape wastelands that have become our everyday environments; in the astounding obesity and ridiculous demeanor of adults lumbering down the airport concourses in oversized nursery-school togs; in the tattoo and piercing craze among people who believe they will never reach a stage in life where others might judge them by their self-mutilations; in the depravity of wealth deployed in Las Vegas, Hollywood, and East Hampton, where anything goes and nothing matters; in the meth-crazed

trailer enclaves of the heartland; in the warrior-culture-as-entertainment confusion of hip-hop gangsterism; in the bottomless cloaca of TV “reality” programming...

Our adventure in Iraq is self-evidently a troubling thing. But what astounds me about our intellectual classes is how they complain about our military presence in the Middle East while they enjoy lifestyles based utterly on supplies of cheap oil imported from the Middle East—and therefore on our continued influence over affairs in that region. Missing entirely is any sense of consequence, and even more particularly of what the overall situation means for our behavior at home. Based on how we live, we got the war we deserve. We’ve run out our string of stunts and tricks in the money rackets. We’ve spent our political legitimacy. The rest of the world will strive mightily to get free of their obligations to us, including their respect for the value of our currency. Events are in control, not personalities.

I doubt we can give up our current behavior without going through a convulsion. The psychology of previous investment is, for us, a force too great to overcome. We’re stuck with the bad choices we’ve been making for half a century to misallocate our resources in an infrastructure for daily life that has no future. Like the addicts we are, we will sell the birthrights of the next three generations in order to avoid changing. We will blame other people who behave differently for the consequences of our own behavior. We will not understand the messages that reality is sending us, and we will drive ourselves crazy in the attempt to avoid hearing them.

The meta-cycle of suburban development, including “housing” and all its accessories in roads and chain stores, is hitting the wall of peak oil. The suburban build-out is over. This will come as an agonizing surprise to many. The fail-

ure to make infinite suburbanization the permanent basis for an economy will rock our society for years to come. Hundreds of thousands of unemployed men with pick-up trucks and panoplies of power tools will feel horribly cheated. I hope they don’t start an extremist political party when the repo men come to take their trucks away.

Even under the best circumstances, with a nationwide change of heart and really wise leadership, America would find it difficult to make the necessary changes that new reality requires. Of course, reality will force us to make these changes whether we’re on board with the program or not. The only variable is how much turmoil may ensue in the process. If we resist doing what reality commands, our trouble is certain to be worse.

What does reality command? Well, first of all—and especially for the benefit of the enviro-progressives I have met recently, who want gold medals for buying hybrid cars—we’d better drop the idea that there is any way whatsoever to preserve our system of happy motoring. The car as a mass-market phenomenon and enabler (dictator, really) of all our daily life arrangements is finished. We’d better find something else to talk about or the American future will amount to little more than a Chinese fire drill on an increasingly unfixable freeway. I am hugely worried that even the intelligent and educated fraction of our society cannot focus on anything but how to keep all the cars running. A failure to drop this, and move on to more practical endeavors, will lead automatically to a failure of reasonable politics. It is already manifest in the abysmal failure of the candidates for president to address the looming oil-import crisis that will certainly be underway as soon as any of them is inaugurated.

Reality commands that we prepare to rebuild our small towns and small cities and downsize our gigantic metroplexes.

Reality commands that we get serious about local food production and local economies. Reality commands that we rebuild the kind of public transit that people will be grateful to travel on. Reality commands that we prepare to restore our harbor facilities for a revival of maritime trade, using ships and boats that do not necessarily run on oil. Reality commands that we put an end to legalized gambling in order for the public to re-learn one of the primary rules of adult life: that we should not expect to get something for nothing.

The trouble we are seeing in the financial sector is largely a result of blowback from tens of millions of people who tried to get something for nothing. It is a circumstance that is now beyond the control of the Bushes, Paulsons, and Bernankes. Their intended-to-be-soothing utterances and actions will not hold back the implosion of cascading defaults and cumulative insolvency. A few poster children may be symbolically rescued to try to prop up confidence in this or that paper, but an awful lot of other people and institutions will just go down because of their own bad choices.

We will see the ruined people and feel bad about them, but we will not be able to undo what they have brought upon themselves. This is how the idea of moral hazard returns to a society that has lost its way. Meanwhile, there is too much to do for the survivors to sit around being crybabies.

Perhaps then we can start by taking all the mental effort we are currently wasting on the subject of cars and how to run them on fuels other than gasoline and focus instead on how to rescue our political institutions so that a truly informed public can reconstruct a bankrupt society into a living and credible republic. ■

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Is Belgium Breaking Up?

ALL POLITICS ARE LOCAL, said Tip O'Neill. Not so. It is more true to say all politics are tribal. For the 1991 prediction of Arthur Schlesinger—"Ethnic and racial conflict, it now seems evident, will soon replace the conflict of ideologies as the explosive issue of our time"—has proven prophetic.

As Schlesinger was writing, the USSR, a prison house of nations held together by the ideology of Marxism-Leninism, the Red Army, the KGB, and Communist Party, was disintegrating. Out of the carcass came 15 true nations. Causes of secession: ethnicity and culture.

At the same time, Yugoslavia exploded. Slovenes and Croats broke free of Belgrade, and Bosnia was beset by a civil-sectarian war of Croats, Serbs, and Muslims. Macedonia seceded and, more recently, Montenegro. Now Kosovo, cradle of the Orthodox Serb people, but 90 percent Albanian and Muslim, is moving toward independence.

Yugoslavia, Czechoslovakia, and the USSR came apart after they became free, thus confirming what my late friend Sam Francis said. Multiracial, multiethnic, multilingual countries are held together either by an authoritarian regime or a dominant ethnocultural core, as the English have held together the United Kingdom, or they come apart.

Today, we see agitation for secession by Scottish nationalists who wish to follow the Irish nationalists of the early 20th century out of the UK, which brings us to the point of this column.

Belgium, created by the European powers in 1831, is the likely next nation in Europe to break up—into a Dutch-speaking Flanders in the north, tied to Holland by language and culture, and a Francophone south, Wallonia, tied to France by language and culture.

What puts the breakup of Belgium on the front burner is that this nation of 10 million has been without a government for three months. In June, Yves Leterme, the leader of the Flemish Christian Democrats, won the general election, but was blocked from forming a government by Wallonia, which fears Leterme is a closet nationalist bent on secession.

Belgium is also divided economically and politically. Flanders is wealthy, conservative, capitalist. Wallonia is poor, socialist, statist. As the Flemish 60 percent of the population generates 70 percent of GDP and 80 percent of all exports, it is weary of seeing its taxes—the top rate is 50 percent—going to sustain a socialist Wallonia where unemployment is 15 percent. By one poll, 43 percent of Flemish want to quit Belgium and go their own way.

What enables Wallonia to block formation of a government is a parliamentary system in which Flanders and Wallonia must each assent to any government, which means that half of the Walloons, 20 percent of the population, holds veto power over any national government.

Not only is the parliamentary situation becoming intolerable to Flanders, there is rage over the recent socialist government's having brought in French-speaking North Africans to give Walloons control of Brussels, which, though in Flanders, has a French-speaking majority.

Heightening the tensions, on Sept. 11, a demonstration was held in Brussels to protest "the Islamization of Europe," featuring a moment of silence for the victims of 9/11. There, as *Washington Times* columnist Diana West describes the videotape, "[W]e see black-clad Belgian policemen brutalizing a man in a light-colored suit and tie. His hands are cuffed behind his back, his right elbow is clasped

in what is known as an arm-bar hold and he is being subjected to a genital hold—a vicious grip that, a retired cop friend of mine tells me, would get any American policeman thrown off the force."

The victim of this brutality was Frank Vanhecke, president of the Flemish secessionist party Vlams Belang and a member of the European Parliament. Also arrested and beaten was Filip Dewinter, the leading politician of Vlams Belang, Belgium's largest opposition party. This is like having Mitch McConnell beaten up and arrested at a rally to protest illegal immigration on the Washington Mall.

Seemingly condoning what was done to the Vlams Belang leaders, Terry Davis, the secretary general of the Council of Europe, issued a statement declaring, "The freedom of expression and freedom of assembly are indeed preconditions for democracy, but they should not be regarded as a license to offend."

Are offensive ideas and speech now verboten in the EU?

While European and U.S. leftists regard Dewinter, Vanhecke, and Vlams Belang as crypto-fascists, as Ms. West writes, it was the police conduct that might better be described as "The New Face of Fascism" in Europe. Moreover, Ms. West and I have met both men and neither was wearing jackboots. What they seek is what many Americans seek—the preservation of their country and their unique national identity.

If a party of small-government immigration reformers and defenders of Europe's unique culture, heritage, and identity can be subjected to such treatment by Belgium police and Europe's elite, we have to ask: has the virus of appeasement—this time of radical Islam—re-entered the European bloodstream? ■