

Reinventing Collapse

Dmitri Orlov

Predictions are hard to make, especially about the future. I love Orlov, but I disagree

Nobody accurately forecast how the Soviet Union would collapse, or the speed with which it would happen. Dmitri Orlov was watching, from the comfortable distance of his new home in the USA and firsthand via trips to the USSR. This book draws parallels between the arteriosclerotic, overstretched Evil Empire of 1991 and the overstretched, arteriosclerotic United States of 2012. He sees a collapse coming, soon, and attempts to project the forms it will take and the measures of protection that Americans can take to see themselves through these hard times.

These are issues to which I've given a lot of thought. Orlov and I have a lot in common. I am a lifelong cyclist and believer in a minimalist lifestyle. I walked away from the sunk cost of a quarter-century marriage, a costly suburban Washington lifestyle and a million dollars' malinvestment in our children's' education to start again in Kiev. I give this book five stars. It is a classic, like Kahn's "On Thermonuclear War." It is important not because it will prove to be 100% prescient, but because it raises all the right issues.

Orlov lists his qualifications in the negative. Not a paid expert in any field, but "just a guy" who happens to be smart, trained as an engineer, and read a lot. Those are my qualifications! Here's where we agree and disagree. You, dear reader, can infer from my comments the general topics covered by the book.

Orlov sees that the debt spiral (rhymes with death spiral) of the United States, and with it Western Europe, will never be resolved. We are constitutionally unable to bring income in line with spending. We do not have the political will. The demographics (increasing numbers of old folks, few kids) mitigate against it. The entrenched interests – business, government, unions – will not let it happen. The populace has been too poorly educated, too content to be bought off by cheap entertainment, vapid and false news/propaganda/promises, to rebel. They have been bred to be fat, apathetic and dependent. Though Orlov does not include references, one will find these same observations made by educational commentators such as Diane Ravitch and John Gatto. Orlov echoes them in concluding that the purpose of American education is not to educate, but to institutionalize our children, and accustom them to a lifetime of institutionalization.

How can such people be productive? Increasingly, they cannot. He points to the early years of communism when the masses believed they had a message for the world. Despite a huge human cost, the USSR remade itself quite substantially during Stalin's time. Thereafter, people lost faith and they and the country drifted. He contends that the same is true of the US. We once believed in the promise of democracy, but after a couple of generations of declining real income, endless and nonsensical wars, and increasingly intrusive government and horrific levels of incarceration, most Americans have quietly given up.

Bottom line. The time is coming, soon, when the creditors of the US will awaken to the fact that their loans will never be repaid. There will be a run on the bank – people fleeing the US dollar. Its value will crash, and with it, our economy.

Orlov makes a big deal of “Peak Oil.” He says that world oil production peaked in 2005, after which our energy-saturated economy must decline, first slowly, then quickly. Here I disagree. Energy is somewhat fungible. Tar sands increase the world’s accessible oil endowment from 3 to 4 trillion BBL, in the roundest of numbers. They are an environmental scourge, but we can keep driving. We can and are replacing liquid petroleum with natural gas, first for fleet vehicles, but increasingly for private ones as well. Even when the crunch comes, liquid petroleum will still be available, just at a significantly higher price. Orlov’s scenarios of our having to walk or bicycle everywhere seem way premature.

Orlov sees massive unemployment. Looking at precedents of failing economies – Weimar Germany, the US Great Depression, Argentina (every year divisible by three), Cambodia, most of Africa most of the time, I think his scenarios are overdrawn. There will be things to do and people to do them.

Orlov mentions, though he could go into more depth on, the fact that when the dollar goes there will be no internationally recognized reserve currency. He says that we will be reduced to a system of barter. This may be true – there do not seem to be ready alternatives to the dollar. Perhaps untainted foreign currencies, if any exist, and perhaps gold, though there is vastly too little of it to serve as a world currency. This is indeed a good question. Orlov suggests keeping a well-hidden cache of useful stuff, like soap and bicycle parts, to use in barter. Also a bit of gold squirreled here and there. Good ideas.

The USSR fell into anarchy as it fell apart. Here in Kyiv most apartment have thick steel doors with two, three or four locks in memory of the times when hoodlums would break down one’s door and loot the apartment. Orlov’s advice as to what to do in such times is good. He quotes a wonderful Russian pagavorka (wise saying) – better 100 friends than 100 rubles. When there is no law and order, you depend on your friends and neighbors. But, also, keep your wealth well hidden and scattered, so no single robbery can clean you out.

I think Orlov is unjustifiably harsh in his critique of American ticky-tack houses and fast food. As a landlord I owned several of the former, and found that they were a good economic proposition. They held up half a century or so at a minimum. The food in fast foods is not inherently bad; it is the portions and marketing that are truly invidious. McDonalds’ is right when they self-righteously claim that their hamburger and potatoes are top quality. It is their promotion, their “happy meals” and Ronald McDonald sucking in of kids that are pernicious.

Orlov devotes only a page to the ethnic strains within the US. On the other hand, he rails at length about the penal system, which incarcerates a higher percentage of the population than any other place in the world. I would conflate the two and give them more weight. Our prison population consists disproportionately of unemployable minorities. Keeping them locked up (1) prevents crime, which despite Orlov’s figures has fallen over the years, (2) keeps them from breeding, somewhat, (3) obviates

the need to find employment for them, and (4) provides employment for legions of keepers, whose own skills are usually quite marginal. When we can no longer afford the lockup, which is happening in California and elsewhere, these unemployable, now hardened criminals return to the streets. Orlov projects that most of Los Angeles will be a “no go” area for white people after a serious economic crisis. I carried a rifle for the National Guard in LA in the 1965 race riots. I’ll say, amen to that, but it will not just be LA. It will be most cities in the US.

Orlov offers some characteristics of the ideal place to which to retreat. Ethnically homogeneous, with solid connections among neighbors, capable of growing food one needs for survival, served by transportation other than private cars. He observes that such places are hard to find in the US. I agree. I’ve found it, but in the former USSR. Ethnically homogeneous everywhere, good public transport (because cars remain a luxury), able to grow food because they haven’t forgotten, and able to survive periods without gas and electricity because that’s what life is like. Also, compact enough to get around by bicycle, which I do, with waterborne connections to the rest of the country.

While I think Orlov’s scenarios are a bit overdrawn, I would not rule them out. I am impressed that he got Nicholas Nassim Talib of “The Black Swan” to write a squib on the cover page. Very apt. Talib would say that we simply cannot know how things will turn out, but you would not be amiss to bet on pretty bad. That’s Orlov’s fundamental message.