

Fuel for Thought



by Theodore Dalrymple

These days, everybody—by which I mean every person who considers himself intelligent and educated—must have an opinion about everything. It would be socially irresponsible, even antisocial, not to be able to opine on each of the thousand burning questions of the day. The natural result is that opinion comes before its own justification, and most intellectual activity consists of finding reasons for what one already thinks. Perhaps it was ever thus.

At any rate, this morning as I opened my newspapers—on my phone, of course—I was confronted by two burning questions before I had even finished my first cup of coffee: that of electric vehicles and that of collapsing banks. What do I think of them?

It seems that the Germans are backpedaling on the European commitment to phase out all fuel-fueled cars by 2035. I don't think that you would have to be a paranoid schizophrenic to

suspect why. German fuel-fueled cars are the best, and a large part of the country's commercial surplus, not to say of its entire economy, depends upon its undoubted superiority in this field.

But self-interest is not always on the side of the devil, and though I have not studied the question deeply—nor even shallowly—I suspect that the move to electric cars is based upon a giant confidence trick, foisted on corrupt governments all too willing to be duped by smiling entrepreneurs. (One may smile, and smile, and be a villain, as Hamlet said.)

The questions about the electrification of vehicles are many and obvious. How is the electricity necessary for the tens, if not hundreds, of millions of such vehicles to be generated and distributed? How are enough minerals for the batteries to be mined? How are the extinct batteries to be disposed of? Is not pollution merely being transferred from one area of the globe to another in what one might call blatant imperialist fashion?

The answers to these questions are technical and are no doubt additionally complicated by the prospect of technological advance—which, however, cannot be predicted with certainty. Curiously enough, however, the questions do not seem to be discussed very often, or even raised. Today I read in one newspaper that a spokesman for car manufacturers, admittedly an interested party, pleaded for the overall environmental effects of electric cars to be taken into account, not just their gaseous emissions. One would have thought—one would have hoped—that this had already been done as far as is possible where there are inevitable uncertainties, and taken into account by policy-makers; but it seems not, at least if the spokesman for the car manufacturers was not merely indulging in a self-interested smokescreen operation.

I have not the time, nor the patience, nor the technical engineering capacity, to answer the questions properly, and so I stick firmly to my belief, which I am prepared to argue for

in any bar or over any dinner table, that electric cars are a giant fraud perpetrated on the public by the corporatist state, in the process punishing the poor who will have to pay dearly if they want to go anywhere—which, of course, the Duke of Wellington, reacting to trains as a cheap means of transport for the multitudes back in the early part of the 19th century, thought they shouldn't anyway.

Having settled *that* question, at least to my own satisfaction (the only satisfaction that counts in these days of mass narcissism), I move on to the banking question. A bank collapses and both individuals and businesses stand to lose all their money, in the case of the latter not being able to pay their employees, their creditors, and so forth, with potentially disastrous spreading effects. What is the correct response?

It is possible that the collapse to which I am referring was caused by elementary imprudence followed by a leavening of fraud, when the directors of the bank, realizing that the end was nigh, sold their shares in the bank (awarded to them for their brilliant past performance) while they were still worth something, thus defrauding the poor speculators who bought them. But something more has to be done than providing the public with the delicious spectacle of formerly wealthy and self-satisfied people going to jail—thus catering to another social-psychological phenomenon of our times: mass schadenfreude.

The argument for bailing out not so much the bank as the depositors in the bank is that it will avoid the economic ripple effects of them losing all their money. Of course, the money will have to come from somewhere unless it is conjured out of thin air, with all the ill effects of conjuring money from thin air that led, ultimately, to the problem in the first place. And if the money is not so conjured, it will have to come, ultimately, from the pockets of non-depositors, a tax upon them as it were. But as the Bard said, present mirth hath

present laughter, the corollary of which is that present wound hath present dolor, and what's to come is never sure. It is better, therefore, to avoid certain discomfort in the present and the near future than uncertain catastrophe in the far future—certainly from the electoral point of view.

On the other hand, if every time a bank collapses and there are no consequences for the depositors, even the shareholders having made enough money in the past not to care whether the bank collapses or not, what incentive is there left for banks to conduct their business with care and prudence? Thus the moral hazard argument: Buyer beware, depositor beware. How could capitalism work without the possibility of bankruptcy, one of its most laudable features, though temporarily painful for some?

As far as banks are concerned, I say let them collapse—except the ones in which I hold deposits, of course. It is not that I have done due diligence and selected them carefully for their prudence and wise management of their affairs; they just happened to be the nearest to me at the time I wanted to open an account. I have banked with one such bank for 55 years, and even if I had found it prudent then, it might well have changed since. Indeed, it might have changed last week. I don't really want to spend my time checking up on it, even if I knew how to do so. I want to trust someone to do it for me, as I want my tap water to be pure without having to examine it bacteriologically myself.

So my opinion remains: Let banks collapse as they will, but not mine.

First published in [*Taki's magazine*](#).