

Has Germany just killed the golden goose?

By Raul Ilargi Meijer, 14 July 2015

Personally, like most of you, I always thought Germany, besides all its other talents, good or bad, was a nation of solid calculus and accounting. Gründlichkeit. And that they knew a thing or two about psychology. But I stand corrected.

The Germans just made their biggest mistake in a long time (how about some 75 years) over the weekend. Now, when all you have to bring to a conversation slash negotiation is bullying and strong arming and brute force, that should perhaps not be overly surprising. But it's a behemoth failure all by itself regardless.

First though, I want to switch to what Yanis Varoufakis told the New Statesman in an interview published today, because it's crucial to what happened this weekend. Varoufakis talks about how he was pushing for a plan to introduce an alternative currency in Greece rather than giving in to the Troika. But Tsipras refused. And Yanis understands why:

"Varoufakis could not guarantee that a Grexit would work ...

...[he] knows Tsipras has an obligation to "not let this country become a failed state".

Tsipras was made an offer he couldn't refuse

What this means is that Tsipras was told by the Troika behind closed doors, to put it crudely: "we're going to kill your people". He was made an offer he couldn't refuse. And Tsipras could never take that upon himself, even though the deals now proposed will perhaps be worse in the medium to long term, even though it may cost him his career.

Criticism of the man is easy, but it all comes from people never put in that position. Varoufakis understands, and sort of hints he might have had second thoughts too if he were ever put in that position.

There's not much that separates Schäuble and the EU from the five families that rule (used to rule?!) New York City. If you need proof of that, come to Athens and check out the devastated parts of the city. Germany and the Troika are as ruthless as the mob. Or, rather, they're worse.

My point is, their attitude and antics will backfire. You can't run a political and/or monetary union that way. And only fools would try.

Germany will always come out on top

The structure of the EU itself guarantees that Germany will always come out on top. But they can only stay on top by being lenient and above all fair, by letting the other countries share some of the loot.

To know how this works, watch Marlon Brando, as Don Corleone, talk to the heads of the five families in the Godfather. You need to know what to do to, as he puts it, "keep the peace". He's accepted as the top leader precisely because the other capos understand he knows how.

The Germans have shown that they don't know this. And therefore, here comes a prediction, it'll be all downhill from here for them. Germany's period of -relative- economic strength effectively ended this weekend. The flaws in its economy will now be exposed, and the cracks will begin to show. If you want to be the godfather, the very first requirement is you need to be seen as fair. Or you will have no trust. And without trust you have nothing. It is not difficult.

Germany will never get a deal like the EU has been for them, again. It was the best deal ever. And now they blew it, and they have no-one to blame but themselves. And really, the Godfather metaphor is a very apt one, in more ways than one. Schäuble could never be the capo di tutti capi, no-one would ever trust him in that role. Because he's not a fair man. But he still tries to play the role. Big mistake.

Greece are being forced to pay for years

The people here in Greece are being forced to pay for years for something they were never a part of, and that they never profited from. The profits all went to a corrupt elite. And if there's one thing Don Corleone could tell you, it's that that's a bad business model. Because it leads to war, to people being killed, to unrest, and all of that is bad for business.

I must admit, I thought the Germans were smarter than this. They're not. That much is overly obvious now. No matter what happens next, deal or no deal on Greece, and that's by no means a given yet, don't let the headlines fool you, no matter what happens, Germany loses.

It's not just about Greece, it's about the whole EU. The Troika thinks that by scaring the living daylight out of the periphery, its power will increase. They even think it'll work with France. Good luck with that. They'll be facing Marine Le Pen soon, and Podemos, and M5S, and these antics will not work on them.

I guess the main thing here is that Don Corleone was not a psychopath or sociopath, and that's more than you can say for Schäuble and Dijsselbloem and Juncker and their ilk. These people simply lack the social skills to lead any organization, because all they understand is power and force, and that is simply not enough. While brute force may look attractive and decisive and all, in the end it will be their undoing.

I'm sure the vast majority of them have seen the Godfather films, but they've just never understood what they depict; they don't have the skillset for it.

Germany just killed its golden goose. And boy, is that ever stupid. They could have had -again, relative, we're in a recession- peace and prosperity, and they're blowing it all away.

The decision to avert the most extreme plans

Tsipras for obvious reasons cannot talk about the threats he's been receiving, but he did give up some hints early this morning:

- *"We took the responsibility for the decision to avert the most extreme plans by conservative circles in Europe.."*
- *"I promise you that as hard as we fought here, we will now fight at home, to finish the oligarchy which brought us to this state."*

- *“We resisted demands for the transfer of state assets abroad and averted a banking collapse which had been meticulously planned.”*
- *“... decision to avert the most extreme plans by most extreme circles in Europe”*

The Italians and Spanish and French have noted every word of this, and more. Europe as it is, is already over. Everything from here on in is a mere death rattle.