

The Quandry of Capitalism, or why I bought a Flat

Bubbles of fictitious financial instruments rise from the murky subways of Wall Street and the London Underground. As the reach street level they burst expelling the foul smells of investor fear and the indigent unwashed. I stare aghast — a spectator from far away Buenos Aires, the World capital of Naomi Klein's disaster capitalism — my vision filtered through the pink pages of the Financial Times.

Has the chicken come home to roost?

In 2005 New Orleans, the notoriously corrupt former Louisiana capital, was submerged in murky saline lakes of bloated bodies; in 2007 the streets of World's financial capitals are strewn with worthless bloated *paper* on which are written unintelligible names like *CDO*². This disaster-paper is bloated with imaginary debt repayments that will never happen.

US mortgage debt promised freedom from rent or homelessness even to those the *system* considered too poor to deserve such treatment. These financial promissory notes too were fallacious. The distressed debt of the US poor is a result of canned dreams of housing their children on their own *property*. Through the heart of that "American" dream was driven a stake on which is posted "foreclosed". To the aspiring owners their ghetto apartment in suburban Detroit or the Bronx offered a brief glimpse of a little piece of real-estate heaven. Finally their turn to step on the ladder to heaven, the investment that never loses money. Now their misery threatens to foreclose on a multi-trillion dollar industry with even less basis in reality, the "derivatives" trade.

No escape for those whose paper has been deemed insufficient to ascend from the poverty trap of monthly rent payments. The first two years mortgage payments were hardly sufficient to pay the commissions of the corrupt agents who wrote up the policies. Now their credit rating is an ugly reflection of a sub-prime financial system that is fraying at the seams. The hopeful masses their meagre savings wasted, are hopeless again. They get back to their shrinking job market in search of a second income to qualify for another rental contract at inflated market rates.

Back in Buenos Aires

Here I sit in my sassy rental typing on a computer, marveling at the fact that I've just set in motion the process of buying my very first apartment.

Am I insane?

Thursday this week I had a further meeting with yet another salesman. They are a terrible race — the real-estate agents of the World— but this one was better than most. He's going through his first divorce and my Brazilian friend speculates that he may be more than fond of the overtly gay owner of what will soon be **my** pink palace in central Buenos Aires.

Why am I doing this?

For the most perverse reason anyone would think to buy a department; as a hedge against currency risk! I don't want to own anything! Incredible it may seem to those who take property rights for granted, I don't even believe in the concept of ownership. However I have decided to become somewhat pragmatic. While this fallacy still exists I've decided for now to not give my

decade a half of savings to some silly broker who invests it in complex CDO² in a currency whose economy is bankrupt.

Mr. Proudhon

OK I take some of that radicalism back. I can accept that I *own* my computer (even though some of its contents may be pirated), I also *own* my shoes and some clothes and the contents of a fridge full of food but I'm happy to share all (bar the shoes).

Owning a living space is a new concept which seems entirely perverse to me. Heaven help me Mr. Proudhon, you said Property is theft, but theft from whom, can you have the concept of stealing if you don't have the concept of ownership. I guess Proudhon meant stealing from the commons? But who owns the right to the commons?

The proprietor, the robber, the hero, the sovereign — for all these titles are synonymous — imposes his will as law, and suffers neither contradiction nor control; that is, he pretends to be the legislative and the executive power at once . . . [and so] property engenders despotism . . . That is so clearly the essence of property that, to be convinced of it, one need but remember what it is, and observe what happens around him. Property is the right to use and abuse . . . if goods are property, why should not the proprietors be kings, and despotic kings — kings in proportion to their facultes bonitaires? And if each proprietor is sovereign lord within the sphere of his property, absolute king throughout his own domain, how could a government of proprietors be any thing but chaos and confusion?

—Proudhon, *What is Property?*

Am I a member of the Argentine commons, do I have to be born here, to be a citizen, do I have to have rights to live in this capital through native bloodlines? Am I a carpetbagger? Am I stealing from myself or from the seaming masses that encircle this once great (now enormous) city living in the shanty towns that do not even merit names just numbers like Villa 31? Have I become a paranoid usurious king or is that still to come?

OK maybe I'm feeling a little paranoid!

I do feel OK with living within a space, I need a space in which to live. I've always been willing to pay rent to those other people with *titles* to rent them to me. That is what have I done until now? But now I have *bought* something!

Buy? What does it mean to buy something that existed before your parents were even thought of? What does it mean to be the holder of a *title* to a *property* in a city in which even my residency is somewhat precarious? In real terms absolutely nothing, in the fiction of property *ownership*, everything!

This title for which I will exchange 175,000 worthless paper US dollars is a space in an old building built when my grandparents were children in Ireland. It was constructed to pseudo-French architectural tastes by immigrant labour when the Barrio of Balvanera (sometimes called San Nicolas, or Congreso). The district was expanding upwards less that a half kilometer from the dead centre of the city now demarcated by the famous obelisk. The labourers who built this building, now long since dead, were not from Bolivia and Paraguay — like construction workers in Buenos Aires today — these guys spoke Galician

and crude dialects of Italian. They were desperate, they came to South America with nothing to escape the barbarity of Europe in the beginning of the 20th century.

WWI was about to begin and construction was booming in Buenos Aires fuelled by the high prices of grain and meat. In 2006 an old woman died who had run this place as a boarding house for women (a conventillo). An emigrant Argentine living in Spain bought it from the estate. He did a commendable job of renovating it, peeling a century's worth of nasty paint from the doors to reveal the protected wood of trees that began their lives in extinct 19th-century forests. I guess I've just bought it from him. In the 1950's Peron built his cultural center in front of it and that is being reconstructed now with government grain and meat taxes.

So this is the flat into which I shall move along with my paper title. Tipo chorizo, estilo Francés (French sausage style) they call it here. Everything French, or at least pseudo-French, was always very much in vogue in this Paris of the south, at least for the affluent few.

OK if you have made it thus far I suppose I owe you some photos of this pink palace of a place, these should stay up a few days more: <http://www.siconolfi.com.ar/ppal/may07-venta-sarmiento-1500-.htm>

Come over sometime and check it out.