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Tying it all together: A crash course in learning the lessons of financial and economic meltdown. With Chris Martenson (ChrisMartenson.com) and Nicola Anderson (Bank of England). Held on Tuesday, February 16, from 12:30-2:15pm

The first speaker began by outlining his views on the barriers to recovery from the recent economic crisis. His pessimism on the prospects for recovery evidenced, he claimed, by his investment strategy; he was still shorting real estate and betting against the stock market.

By way of a brief review of the years preceding the financial crisis and subsequent recession, he outlined his concern over the accumulation of debt, spurred on in the Greenspan years when interest rates were kept low, and the consequent creation of a large credit bubble. A central problem he identified was that debt loads doubled while incomes remained stagnant. In this context the trigger to the crisis (in this instance sub-prime mortgages from the US) was immaterial, and his prognosis was pessimistic. Insolvent governments had to borrow from insolvent financial institutions to lend to insolvent individuals. Breaking this cycle, he felt, might just be possible were it not for other constraints on the horizon.

Which moved the discussion on to the speaker's notion of 'peak oil' and the central role of oil in the economy. He predicted another energy crisis in the next five years, followed by crises of increasing frequency and noted that the flow rate of oil was probably at or near peak. A slowing flow pointed to a quantity issue, while there were also quality issues, resulting in more expensive extraction. He also noted that although the decline in peak oil (and thus energy) may appear slow, its impact would be much more dramatic.

At the centre of the current economic model was a requirement to generate an energy surplus, feeding continued economic growth. Growth that was not simply desirable but necessary. It was the ability of the economy to keep growing— and at an ever increasing (exponential) pace - in the face of resource constraints that he questioned. The need for the economy to grow year after year was so entrenched that it had given rise to an ugly phrase describing its opposite – *negative growth*.

Central to the speaker's thinking, in addition to the pivotal role of oil, was the notion that the pace of change was accelerating and he used the image of the 'hockey stick' chart to illustrate this *exponential curve*. So not only was population, for example, increasing rapidly, putting additional pressure on resources (in particular oil) and necessitating ever more economic growth, but the resulting shocks could be expected to accelerate in frequency as well.

He portrayed an image of a fairly unpleasant future. The only solution he foresaw had to be underpinned by a new economic model (a post oil economy) that valued economic activity differently. And, in response to a comment by one of the attendees that people would change their behaviour in response to price changes if in fact oil production was at or near its peak, the speaker noted that it was not price but the actual energy expended on oil extraction that concerned him most. Price signals, he noted, told you what had happened, not what should happen.

Another member of the panel agreed that the recent crisis had challenged a number of assumptions; that markets were more flexible and deeper and that better policy enabled the global economy to absorb shocks, for example. Still she felt that price and markets were the best mechanisms to determine resource allocation. And, in the near term, the bail-out of the banking system and stimulus package had been sufficient to keep the status quo. She did state, however, that several of the other speaker's concerns were being recognised and addressed.

She was both realistic and optimistic about the future; markets could solve most problems and the central issue was how to lessen the pain of adjustment. Both panellists agreed, however, that there was some limit to continual economic growth and that GDP growth was not the only, or even the best, measure of a successful and happy society.