

Opportunity out of Crisis



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This is a transcript of The Annual Economics Lecture (with the above title) given by **Ian Mason** (the Principal and Head of Law and Economics, School of Economic Science) on Monday 9th February 2009 to an open audience of about 250 at the Hinde Street Methodist Church, London W1U 2QJ, organised by the School of Economic Science.

Transcript of "Opportunity Out of Crisis" the Annual Economics Lecture given by Ian Mason on 9th Feb 2009 at a meeting in London

Good Evening ladies and gentlemen, and thank you for being here.

The fact that you are here is something of a testament to the seriousness of the time we live in. It testifies to the fact that we are witnessing the breakdown of the economic arrangements which it was thought would offer us a future of unbroken economic growth, ever improving living standards and ever more expensive houses. We now know that these were impossible dreams and we and our leaders meet the crisis with an uncomfortable mixture of confusion, fear, hope and fervent prayer.

It is incumbent on anyone who dares to offer public lectures on these issues to say something about how we got here and I will try to do just that. What we are witnessing is the playing out of natural laws – laws which are inherent in the universe, in the nature of human kind and in the nature of economic activity: and the first cause of the present problems is that we have studiously avoided admitting that there are such laws – except perhaps for laws of the market – and completely avoided taking any account of them.

More than 50 years ago, Leon MacLaren, the founder of the School of Economic Science, in a lecture entitled *The Function of Economics*, spoke about these laws. He began by pointing out that we are entirely dependent on Nature for everything. All our food, all the materials we use, all the places where we live and work – all of these are provided by Nature. And, he pointed out, they are provided without any consideration of persons. They are just there.

He added too, that the more sophisticated our civilisation becomes, the more dependent we are on Nature's generosity. If you doubt this, consider for a moment the effect of a failure of food supplies to London. Within days there would be riots in the streets, and within days thereafter there would be starvation and death as well.

Are we aware though that more than 33 countries round the world have experienced food riots in the recent past?

And our dependence does not stop with

food. A serious water shortage would precipitate even more angry riots and even quicker deaths.

Do we know how many people in the world now suffer from serious water shortages? How many see their children die because there is not enough water and what there is carries disease instead of life? The United Nations reported last week that no less than one third of the world's population already suffer from shortages of water. They expect it to be two thirds in less than twenty years.

And then there is oil. Did anyone get here this evening without assistance from oil? Would there have been any point in coming if there was no power, no electricity to light our meeting? These too are provided by Nature.

Leon MacLaren also pointed out that Nature gives us laws and also the ability to reason, to observe and to discover her laws so that we may live by them. And he might have added that Nature's laws do offer the prospect of freedom and prosperity for the human race if we will but learn to live with the dignity and goodness that Nature's laws provide for.

Central to human understanding of Nature's laws is a sense of justice: and by this I mean justice in the purest sense; justice which intends the best for all beings, human and other than human; justice which, when observed allows peace and prosperity to shine upon the Earth and illuminate human affairs.

He pointed out that the first of these laws is that Nature always tends towards balance – and when imbalances become acute, Nature acts to restore balance. Imbalance is a sign of injustice. It is a sign that Nature's laws are being ignored. The forces that seem to overwhelm us now are the forces of Nature acting to restore balance.

Last year, I spent a few weeks in Africa, trying to discover a little about the rapidly disappearing traditional African culture – the culture of a people who still live very close to Nature. I had the opportunity to speak to some traditional healers who had

been trained over many years in African ways. Health, they told me, is a matter of balance. The function of the healer is to restore balance – to the body and to the environment which sustains the body; for if there is imbalance there, there will be illness for the people as well.

What then are the imbalances to which Nature is taking such offence today. Giving the inaugural Economist City Lecture a few weeks ago, Adair Turner, the new chairman of the Financial Services Authority, described what he called the macro-economic imbalances of the global economy. I quote:

"At the core of the crisis was an interplay between macroeconomic imbalances which have become peculiarly prevalent over the last 10-15 years – very large current account surpluses in oil exporting countries, China, Japan and some east Asian developing countries; and large current account deficits piling up in the USA, but also in the UK, Ireland and Spain. A key driver has been the very high saving rates in China; since these high savings are in excess of domestic investment, China and other countries must accumulate claims in the rest of the world."

A few days ago I heard the managing director of HSBC in similar vein: "We have to be absolutely realistic about the world we are in. There is a global imbalance – foreign lending is drying up; domestic lending is available but not enough". And then he added: "We need to re-discover that contracts are not values and that there is still room for principles like 'my word is my bond'."

But the financial crisis – serious as it is, and it is serious – is only the froth on a badly poured beer. The real crisis facing the world economy is much deeper than that and it requires much deeper thought and much more radical action than it is now receiving. I will come back to that too.

What we are enduring is a classic bust which was preceded by an equally classic boom of the kind that the Prime Minister, during his ten years as Chancellor, promised repeatedly had come to an end. As always, the key indicator is the property

market and particularly the housing market which is where household incomes go. As always, house prices rose as people began to feel prosperous again after the previous property crash in 1989. Family incomes increased and more and more of those incomes were poured into purchasing property. Prices went on rising until eventually the position was reached where rising incomes could no longer keep pace.

That happened in 2006 when the problems of first time buyers first came to the fore. This was the first imbalance to show itself – an imbalance between house prices and household incomes. It was bound to be corrected in due course and now it has been, at least for those who still have a household income.

But there was a second imbalance which was carefully and deliberately nurtured as government policy. This was the imbalance between household income and household expenditure made possible by the consumer credit boom. These are weasel words if ever there were any. It was a debt boom fuelled by the insane belief that all debts would be repaid from rising house prices. In the UK it was our extended love affair with plastic cards; in the US it was the now infamous sub-prime mortgages (although there were more than a few of those in the UK and Europe too). But the effect was the same – a steep imbalance between earned incomes and actual expenditure.

Then came a third imbalance. The classic basis of the current collapse was aggravated and partly disguised by the fact that the entire global money and banking system has become closely tied to the property market. This was the effect of the deregulation and subsequent development of securitised debt instruments (which means debt secured against real property) and the system of distributing risk as widely as possible by packaging and selling collections of debts (that is, mortgages) secured against faith in ever increasing property prices.

The collapse of the property market could not help but precipitate a financial collapse as well. As a result, banking systems in all the affected countries are no longer able to play their vital role in providing credit to the real economy, and probably worse still, in providing the supply of money that is the essential oil in the wheels of any modern economy.

The boom and bust of the stock market was also the effect of the debt based money system combined with largely unjustified confidence in the assets of companies based on real estate values and sometimes some very dodgy accounting. All this was fuelled by what Adair Turner calls "irrational exuberance" – a sort of blind faith that because things have gone

up in the past they will continue to go up forever.

But there is a deeper fuel to all this. It lies in a profound and irrational belief in something for nothing: that you can make a profit without making anything else. This is the deepest illusion and probably the deepest imbalance of all, and, I am sorry to add, the economics profession is largely responsible for it.

But in looking at all this, we are looking at the past. It has all already happened and its effects will play themselves out as they must. Governments and individuals can only do their best to mitigate the worst effects of the collapse. We have no choice but to go on living and working as best we can until the financial storms settle and the productivity of economies is restored as eventually they will be.

But in the midst of all this, it is easy to forget that the world was already in crisis before the financial crisis broke? There is a much deeper level of crisis which has not gone away just because sub-prime mortgages, toxic assets and bank failures have driven them from the headlines.

There is, in fact, a series of matters that continue to need urgent attention in addition to the financial crisis:

- the first of these is the endemic disparities of wealth and poverty across the globe and across national economies: here indeed is a serious imbalance that still threatens the peace and security of the international community of nations, even in the present circumstances
- then there is the food crisis – how to feed a much higher world population than has ever been seen before without irreparable damage that compromises the prospects of future generations
- allied to this is what they call 'peak oil': the fact that oil production is probably already as high as it can get and the future can promise only increasing oil prices, the effect of which we were shown in dramatic fashion only a few months ago
- then there is the challenge of climate change which many prefer to think is not happening at all.
- But lastly, and perhaps most deeply, there is the little recognised crisis of culture: the deep crisis in our understanding of who we human beings are and how we relate to the world around us. Without addressing that issue, it is almost impossible that we can reach sound conclusions on the others.

- All of these issues touch on the real economy – the economy in which people work to produce the things they need from the materials provided by Nature. The financial crisis sits on top of them, just as the finances sit on top of the production of real wealth.

The **crisis of culture** is about how we decide what we need and how it should be shared. It was this pending crisis that turned the School of Economic Science from economics to philosophy many years ago and it is this crisis that philosophers, theologians, economists, writers, thinkers and people of good will across the globe are called upon to address with the utmost urgency **now**, because it is our culture that will determine the outcomes that we want and it is what we want that will determine how we go about getting it.

Many have said to me recently that with the present crisis, the time for the economists has come. But this avoids the real issue. Now is the time, for philosophy to show her true colours and to demonstrate that she has a real service to offer to humankind. Only then can economics rise to its proper stature as a handmaiden to true understanding.

The first task for philosophy is to assert and demonstrate that human beings are not merely material beings and to show that we can live accordingly. It is philosophy that points us to the ethical and moral dimension of our human form; it is philosophy that tells us that we have a voice called conscience and that it is our place to listen to it. It is philosophy that explores our place in the universal scheme of things; that explores our capacity to inquire into our universe in all its aspects and teaches how to understand what we find. It is philosophy that creates the culture in which government, economics and business play their role. Philosophy which fails to speak out and show us these things is failed philosophy. The call for philosophy now could not be more urgent.

But this is not to say that economists are not responsible. Economics, of course, is as essential an aspect of philosophy as philosophy is of economics. This fact incidentally is almost universally ignored. But why is it said that economics is an aspect of philosophy? Because economics cannot function without at least two things. The first is a concept of what it is to be human, and the second as a clear set of values. It is philosophy who supplies both of these.

What values, then, does philosophy offer economics? Surely Truth and Justice must be among them. Truth to ensure that no proposition is taken as final, and nothing is left unquestioned: Justice to ensure that the outcome of economic practice leaves Nature's balance intact. I would confidently

assert that part at least of such justice would ensure that every last soul was able to receive as much as the bounty of Nature can offer.

But the essence of the crisis of culture is this: Economics has been allowed to rule the world on the basis that human beings are merely economic actors who can conveniently be treated as statistics. That is the concept of economic man that has ruled the last hundred years or so. That is the concept that has shattered hopes and aspirations across the globe; driven people from their rural homes into city slums and sweat-shop factories; sent farmers to suicides' graves and allowed frauds and criminals to thrive. It is true that it has supplied a wealthy middle class in the wealthy parts of the world, but not without profound imbalances and inequities elsewhere.

This has been made possible because economics was allowed to become a science without values. Its only end has been to increase economic growth and on the way to that end it has lost sight of some of its own realities. The first of these is the consequences of the proposition I started with – that human beings are entirely dependent on Nature.

Consider for a moment the significance of this. Our utter dependence on Nature makes us also dependent on land, which is all that gives us access to Nature and her bounty. No human being is exempt from this basic and most natural law. Yet in our wisdom we have parcelled out the land so that some may own it while others do not. The effect of this is to make the landless completely dependent on those who have land for their basic subsistence. They get it in exchange for their labour, which is all they possess that they can call their own. This is not the natural inter-dependence of people who are independently self-sufficient and equal partners in the business of life; it is an unhappy and undignified dependency of the weak on the powerful.

Bereft of land, labour can only assert its strength through numbers – and that was the source of the mass labour movements and revolutions of the nineteenth and twentieth centuries. And what is the strength asserted for? Why, to regain a toehold in the land – which is the source of the modern notion of property owning democracies. And short of revolution and brute force, the way to this is for working populations to buy the land they live and work on from those who have the good fortune to own it.

This, of course, creates a second dependency. We all become dependent on the money-lender: that is to say, the bank or mortgage provider, and the best years of our lives are spent working not to feed and educate ourselves and our children, but to

purchase the property in which we all live.

Meanwhile the power of numbers asserts itself in another way. We all want higher living standards and more material things. This is what led to the economics of mass production – producing all the things we have all been taught to want. But mass production requires high capital inputs and these are out of reach of the ordinary worker on an ordinary wage. So a third dependency is created – the dependency of labour on capital. Mass production needs expensive machines. In the nineteenth century the machines fed on men (and sometimes women and children), but as this became more and more expensive and less and less acceptable, they started to feed on oil and to lay the ground for another of our contemporary crises – peak oil.

But before turning to the question of peak oil, it is necessary that we look more closely at the failures of economics.

I referred briefly to the idea of something for nothing. That is what interest on a loan is. That is what the rent that can be extracted from mere ownership of the essentials of life is. That is what the profit of owning capital and letting others use it is. It is unearned income in the sense that it is not earned by the person who receives it – which means that it must come from the earnings of someone else. Economics has singularly failed to make an issue of this and that has allowed the culture to develop which reached its apotheosis in the now discredited hedge fund culture of the modern era.

Such unearned incomes are collected in defiance of Nature's law and they create imbalance. The balance is restored by the collapse of the system that allowed it, which is what we are seeing now.

The real principle behind this, which again economics has failed to teach effectively or at all, is that all wealth is the result of work and that playing with numbers on commodity markets and stock exchanges is not wealth producing work.

Hand in hand with its failure to learn, or to teach this lesson, is the failure of the economics profession to tell the truth about money. The truth is money is not wealth, and nor is it a store of wealth. Last week someone gave me fifty million dollars but I am no wealthier now than I was before being given them. They were, of course, Zimbabwean dollars. Two pieces of paper proclaiming that they were worth twenty-five million dollars each – and both with an expiry date. On the 30th of June 2008 they were, according to economic theory, and presumably the Reserve Bank of Zimbabwe, a store of wealth: but on the 1st of July the store was empty.

Money is no more than a token represent-

ing a claim on wealth. If no wealth is being produced, money is worthless. The collapse of currencies around the world demonstrates that this is so. A currency collapse does not cause the disappearance of a single atom of wealth, or restrain the availability of willing services. It merely changes the extent to which the holder of the currency can lay claim to these things.

It is one of the tragedies of our money dominated culture that economics has lost sight of these simple principles so that money making and the accumulation of claims on the wealth produced by others have been allowed to appear to be legitimate economic activities.

This has caused more imbalances. In the UK we have become economically so dependent on financial services that we have allowed our economic foundations in primary production – agriculture and manufacturing, to run down. Elsewhere, manufacture almost entirely aims to be of the high capital input, minimal human involvement kind and industrial, mono-cultural agriculture is displacing bio-diverse small holdings and peasant farms the world over.

The Opportunity: A new economic order

The crisis of culture offers us the opportunity, and demands of us, that we reconsider our economic and social arrangements in the light of these principles.

First of all, it provides the opportunity to place justice at the heart of economics where it belongs. Justice implies finding ways to ensure that the abundance of Nature is, and remains, fully available to everyone. Where Nature has to be sequestered and applied for private use to the exclusion of others there is a price to be paid. The price is the obligations that go with ownership or exclusive occupation of land. The first of these is to keep the land in good condition, to ensure that we leave it at least as well as we find it and better if necessary. This principle, incidentally, applies as much to the planet we inhabit as it does to any private landholding.

Another principle, just as important in the sight of justice, is to restore to the surrounding community the special benefit that private ownership and occupation of land confers. In the School, not always helpfully, we have given a great deal of attention to this principle, sometimes assuming that in this consists the whole of economics. Be that as it may, the objective could be achieved by finding ways to collect the economic rent of land for public purposes, perhaps by a system of taxation of land values – or simply of paying rent to the public purse for the privilege of private and exclusive occupation of land.

But collecting the economic rent of land has to be part of an adjustment to our whole approach to taxation. It has to be

recognised that this rent is being collected already – but not, or not much of it, for the public purse. Indeed, it is probably the case that the collapse in values we have seen has been most devastating where people have relied most heavily on collecting it for private use – in the big banks and financial institutions.

Such a move would have to be accompanied by a progressive reduction in taxation in all other spheres, but particularly at the margins of production where industry and enterprise are least able to bear additional costs.

Here too philosophy has an important role. It would seem through the ages that a consistent feature of justice has been to consider all people as equal before the law. This does not mean that we are all the same – or that we all should lead identical lives or aspire to the same things. But what does philosophy say about the aim and purpose of human life in society? She has to say something or economics has no compass.

I venture to suggest that a few things could be offered of general application. The first of these is that the richness of human life is spiritual, not material – and life needs to provide for spiritual and cultural development as much as it does for material subsistence.

This requires a new attitude to work in the daily sense of earning a living. A new economic order would respect the dignity of work by admiring and valuing the quality of products and the quality of the people who produce them. As William Morris once remarked, "Every improvement in the work men do is followed immediately and inexorably by an improvement in the men who do it." But this means a retreat from the world of mass production and an advance of production by the masses. Certainly here in the UK, and probably also in the US and most Westernised economies, there would be a return to the widespread practice of making things or growing things as the foundation of the economy.

Indeed, the present crisis seems to be bringing this about by itself. Only last week the Financial Times reported that US seed merchants report a dramatic surge in sales of seeds of carrots, tomatoes and pepper plants. American households, it seems, are returning en masse to growing their own. The newspaper also foresaw an imminent return to the "Victory gardens" in Britain that helped to sustain the population during the war.

With real wealth production as the aim, attention would focus on the impediments to this kind of economy under present arrangements. The School has worked on this for many years. Why is it that it has become cheaper to manufacture things in the emerging economies of India and Asia?

Many say it is because wages there are lower. But an honest and careful economist would have to question that conclusion, because he, or she, would recognise that wages are what workers produce. The product of work is the natural wage – so there must be some other impediment.

Here in the School, following the tradition of Henry George, we would direct attention particularly to the prevailing tax regime. Research in the School, based on statistics supplied by the National Office of Statistics, showed that no less than sixty-six per cent of the cost to an employer of employing someone is returned to the government through the tax system. In other words, the average worker in the UK enjoys a real standard of living whose real cost is only one third of the cost of employing them. Or in yet other words, that the government takes two thirds of what they actually produce.

The tax reforms mentioned a few moments ago would go some way to alleviating this problem. The economics of the new era would certainly have the application and incidence of taxation as a central part of its studies and not a peripheral interest as it is now if it is studied at all.

Of course, there is more to this than these bare statistics: for example, the tax revenue is used to deliver improved standards of living, health care, pensions, and infrastructure from which everyone benefits and which are part of the wealth we share. But it is worth noting that this too creates an unhealthy dependency as more and more of the population becomes dependent on the bounty, not of Nature, but of the all-powerful State.

This separation of earning from benefit has another effect. It diminishes and weakens people because it diminishes their responsibility and their sense of their own worth and dignity. A new economic order based on a new economics would pay careful regard to these things and restore a proper balance. Justice seems to imply the freedom and dignity of human beings and just economic arrangements would encourage and celebrate these things.

Alongside a renewed conception of the freedom and dignity of human beings would come an enriched and renewed respect for Nature. It would have to be recognised and fully understood that we humans are not mere consumers of Nature, but equal and creative partners in the miracle of life. As such we have responsibilities to Nature herself to ensure that her generosity is not abused and that her laws are honoured.

This revised understanding of our relationship with Nature would have a profound effect on the pending food crisis. Perhaps the most obvious lesson of Nature is diversity and nothing could be more adverse to

diversity than modern practices of agricultural monoculture and industrial farming. More and more studies are already showing that these practices do not increase the production of food – they actively and seriously decrease it. It is true that yields of particular crops, like corn, or rice or beans, can be increased by these methods – but the evidence is that the gains do not compensate for the loss of other forms of food production.

The 'bigger is better' approach also has a debilitating effect on the more general human condition. Only comparatively few of us can join in the economy of big-ness as self-sufficient masters of our own destiny – and that again condemns the rest of humanity to undignified dependency. Small is Beautiful is an idea whose time has come.

Now these considerations also have implications for the world of markets, trade and exchange. Contemporary economics, the economics that have produced the present situation, assume that economic growth will be achieved through the global operation of free trade and that everything finds its level in the market. Of course the economics of the market have a place but there is an urgent need to reconsider what that place is.

Earlier I referred to the deleterious effect of considering people as mere statistics. This shows itself in the idea of a market in labour, as though people can be called into and out of production according to market demand. This is not true, for those very people are their own demand and always have their needs whether a market supplies them or not. Karl Polanyi pioneered the view that market economics has no application to human labour and that the aim of economic policy and practice should be to secure healthy occupation for everyone who needs it. The rebuilding of our economy on just and equitable lines requires careful attention to how this idea can be realised in practice.

One of its implications concerns land, which Polanyi also argues is not the proper subject of market economics. The theory of supply and demand assumes that supply will adjust according to demand. But land does not obey this law. No more land is produced because there is a demand for it. The supply of land in all but the rarest of circumstances, is fixed. The effect of market demand is only to increase the price of desirable land, not to increase its supply. Again, failure to recognise this and take account of it is at the heart of our present problems.

One key to a new economic order will have to be to make unused land freely available for use – and to encourage its optimum sustainable use. This will almost certainly mean a return to smaller scale, highly pro-

ductive farming practices firmly based in principles of organic, or natural, farming.

It is not easy, standing here in the heart of a great modern city to envisage a return to some bucolic rural idyll, if ever there was one to return to. But it is possible and necessary to say that when people stray too far from Nature, Nature will act to restore balance. That is what is happening now and the need to learn the lessons from Nature is more urgent than ever.

A new approach to a simpler and more natural economy also has implications for peak oil and the possible human contribution to climate change. I am simply not qualified to reach a final conclusion on the causes of climate change and decline to foist one on you. But even those who argue that its primary cause is sun-spots, and nothing to do with any human agency, do not seem to dispute that there is climate change and it could affect the way that we live.

Personally, I do not see why human activity should not contribute, if not actually cause, climate change. But even if we are not causing climate change, and even if there is no climate change, it is still the case that human activity is polluting the atmosphere and causing human illness and destruction of species; it is the case that we are destroying forests, which is demonstrably affecting water supplies and weather patterns if not the climate itself; it is the case that we are debasing the soil that our agriculture depends upon; it is the case that we are polluting rivers and even large stretches of ocean so that they no longer support natural eco-systems; and it is the case that we are using up non-renewable parts of the Earth, especially oil and coal, at a phenomenal rate.

All of this is sending clear signals that we have to adjust and re-think our economics and ways of life. That opportunity remains with us, and the need will still be there when the dust of the financial collapse has settled. We can find ways to use less fossil energy and more readily renewable human energy. It may be, as President Obama insists, that we will harness the sun and the winds and the soil to fuel our cars and run our factories. But it may also be that we can learn to be far less dependent on our cars and our factories and in doing so can learn to live much more closely and harmoniously with Nature and her laws.

And it may be that we have to: because cars and factories and their products are using up the resources of Nature wherever the energy to power them is found. We simply cannot insist that unsustainable ways of life are not for negotiation.

Addressing these also brings us to the present disparities of wealth and poverty. The root cause of this is the failure to recognise the impact of the economic rent of

land and the failure to collect it for public purposes combined with the privatisation of land in such a way as to force some people to work to provide wealth for others. It is no accident that China, Africa, India and South America are all suffering troubles over the privatisation and re-allocation of land. Invariably the effect is to transfer the economic rent of land from the place where it is generated to somewhere else, usually a private bank account. There can be no equitable distribution of wealth until this abuse is remedied.

It is not easy to envisage the details of a new, reformed and healthy economic order but it may be possible to discern some of its bolder outlines. It seems to me that such an order would be less dependent on international trade than the present one – especially in the immediate products of the soil. Food security, and probably energy security, would be a much more local affair, with populations relying on local production for their basic needs. Farming would be aimed first at local sufficiency rather than international markets. Manufacture, or at least a large part of it, would be the province of small-scale craftspeople rather than mass production factories. Credit and finance would be directed to supporting these two, rather than to being an end in itself. Mass employment would give way to small or intermediate scale cooperative enterprise where self-employment and self-sufficiency were regarded as the norm. International trade and travel would no doubt continue – we cannot and need not turn the clocks back to some pre-medieval isolation: but perhaps its purpose would be more cultural than commercial.

Education would have to change too – and I have not said much about education which is in fact central to all this. No longer would we speak about educating people for the jobs market. We would educate people for a full and healthy life of responsibility, creativity and personal fulfilment. In doing so, the first concern would be to respect and even revere Nature herself as the bountiful mother that supplies all our needs.

The opportunity presented by the present crises is to make the right choices that will affect the long term future for ourselves, our descendants and our planet. Many of the prescriptions that we read in the newspapers are about how quickly we can return to business as usual. How soon we can return to the myth of sustained economic growth and once more rising house prices. Most of them admit to the need for a more carefully regulated banking and financial system with more controls on the spread and dispersion of toxic assets. But there are not many who dare to contemplate a whole new economic order.

But that is the real choice we face. We can,

if we choose, rebuild the crumbling building of contemporary economics – and it will have the same faults and weaknesses as before with minor variations. But the real opportunity is to rethink the entire architecture of economics and build a new economic order that conforms much more closely to Nature and her laws.

To do this of course, idealism would have to triumph over cynicism, spirituality over materialism, and hope over fear. These are some of the challenges and possibilities before us. I only hope we have the courage and imagination to meet them.

Thank you for your attention. ■