

# Global Banking Economist Warned of Coming Crisis

## The Man Nobody Wanted to Hear

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William White predicted the approaching financial crisis years before 2007's subprime meltdown. But central bankers preferred to listen to his great rival Alan Greenspan instead, with devastating consequences for the global economy.

William White had a pretty clear idea of what he wanted to do with his life after shedding his pinstriped suit and entering retirement.

White, a Canadian, worked for various central banks for 39 years, most recently serving as chief economist for the central bank for all central bankers, the Bank for International Settlements (BIS), headquartered in Basel, Switzerland.

Then, after 15 years in the world's most secretive gentlemen's club, White decided it was time to step down. The 66-year-old approached retirement in his adopted country the way a true Swiss national would. He took his money to the local bank, bought a piece of property in the Bernese Highlands and began building a chalet. There, in the mountains between cow pastures and ski resorts, he and his wife planned to relax and enjoy their retirement, and to live a peaceful existence punctuated only by the occasional vacation trip. That was the plan in June 2008.

And now this.

White is wearing his pinstriped suits again. He has just returned from California, where he gave a talk at a large mutual fund company. Then he packed his bags again and jetted to London, where he consulted with the Treasury. After that, he returned to Switzerland to speak at the University of Basel, and then went on to Frankfurt to present a paper at the Center for Financial Studies. From there, White traveled to Paris to attend a meeting at the Organization for Economic Cooperation and Development (OECD). Finally, he flew back across the Atlantic to Canada. White is clearly in demand, including in North America.

Since the economy [went up in flames](#), the wiry retiree has been jetting around the globe like a paramedic for the world of high finance. He shows no signs of exhaustion, despite his rigorous schedule. In fact, White, with his gray head of hair, is literally beaming with energy, so much so that he seems to glow.

Perhaps it is because someone, finally, is listening to him.

Listening to him, that is, and not to his rival of many years, the once-powerful former chairman of the US Federal Reserve Bank, Alan Greenspan. Greenspan, who was reverentially known as "The Maestro," was celebrated as the greatest central banker of all

time — until the US real estate bubble burst and the crash began.

Before then, no one in the world of central banks would have dared to openly criticize Greenspan's successful policy of cheap money. No one except White, that is.

#### 'A Disorderly Unwinding of Current Excesses'

White recognized the brewing disaster. The analysis department at the BIS has a collection of data from every bank around the globe, considered the most impressive in the world. It enabled the economists working in this nerve center of high finance to look on, practically in real time, as a poisonous concoction began to brew in the international financial system.

White and his team of experts observed the real estate bubble developing in the United States. They criticized the increasingly impenetrable securitization business, vehemently pointed out the perils of risky loans and provided evidence of the lack of credibility of the rating agencies. In their view, the reason for the lack of restraint in the financial markets was that there was simply too much cheap money available on the market. To give all this money somewhere to go, investment bankers invented new financial products that were increasingly sophisticated, imaginative — and hazardous.

As far back as 2003, White implored central bankers to rethink their strategies, noting that instability in the financial markets had triggered inflation, the "villain" in the global economy. "One hopes that it will not require a disorderly unwinding of current excesses to prove convincingly that we have indeed been on a dangerous path," White wrote in 2006.

In the restrained world of central bankers, it would have been difficult for White to express himself more clearly.

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##### Graphic: The curse of cheap money

Now White has been proved right — to an almost apocalyptic degree. And yet gloating is the last thing on his mind. He, the chief economist at the central bank for central banks, predicted the disaster, and yet not even his own clientele was willing to believe him. It was probably the biggest failure of the world's central bankers since the founding of the BIS in 1930. They knew everything and did nothing. Their gigantic machinery of analysis kept spitting out new scenarios of doom, but they might as well have been transmitted directly into space.

For years, the regulators of the global money supply ignored the advice of their top experts, probably because it would require them to do something unheard of, namely embark on a fundamental change in direction.

The prevailing model was banal: no inflation, no problem. But White wanted central bankers to take things a step further by preventing the development of bubbles and taking corrective action. He believed that interest rates ought to be raised in good times, even when there is no risk of inflation. This, he argued, counteracts bubbles and makes it possible to lower interest rates in bad times. He also advised the banks to beef up their reserves during a recovery so that they would be in a position to lend money in a downturn.

If White's model had been applied, it might have been possible to avoid the collapse of the financial system — or at least soften the fall. But there was simply no support for his ideas in the singular, and highly secretive, world of central bankers.

### Prima Donnas of the Banking World

The BIS is a closed organization owned by the 55 central banks. The heads of these central banks travel to the Basel headquarters once every two months, and the General Meeting, the BIS's supreme executive body, takes place once a year. The central bankers — from Alan Greenspan and his successor Ben Bernanke, to German Bundesbank President Axel Weber and Jean-Claude Trichet, the head of the European Central Bank (ECB) — are fond of the Basel meetings. When they arrive, the BIS's dark office building at Centralbahnhof 2 in Basel suddenly comes alive. Secretaries inhabit the otherwise deserted offices of the governors, stenographers and chauffeurs stand at the ready and dark limousines wait outside.

The penthouse at the top of the building, with its magnificent view of Basel, is decorated for the annual dinner, the nuclear shelter in the basement is swept out and the wine cellar is restocked with the best wines. At the BIS's private country club, gardeners prepare the tennis courts as if a Grand Slam tournament were about to be held there. The losers of matches can find comfort in the clubhouse, where the Indonesian guest chef serves up Asian delicacies à la carte.

"Central bankers can sometimes be prima donnas," says former BIS Secretary General Gunter Baer. He remembers the commotion that erupted at one of the annual events when it became known that a certain vintage of Mouton Rothschild was unavailable.

The corridors of the BIS headquarters buildings are lined with retro white leather chairs and sofas from the 1970s. The round table where the delegates address the problems of the global economy is polished to a high gloss. But the most impressive space of all is the auditorium, with its modern armchairs in white leather and chrome, the thousands of tiny LED lights, the booths in the back where the interpreters sit behind one-way glass, and the console where the financial masters of the world do their work, centrally positioned at the front of the room. The room is evocative of the control room in "Star Trek." It was supposed to be the hub from which the financial world was to be guided through every possible hazard.

Naturally, the building is largely bugproof, the goal being to prevent anything from leaking to the outside and any unauthorized individuals from penetrating into its interior. There are no public minutes of the meetings. Everything that is discussed there is confidential. The word transparency is unknown at the BIS, where nothing is considered more despicable than an indiscreet central banker.

Central bankers, proud of their independence, are intent on holding themselves above all partisan influences while taking all necessary measures to keep the global economy healthy.

These traits make the BIS one of the world's most exclusive and influential clubs, a sort of Vatican of high finance. Formally registered as a stock corporation, it is recognized as an international organization and, therefore, is not subject to any jurisdiction other than

international law.

It does not need to pay tax, and its members and employees enjoy extensive immunity. No other institution regulates the BIS, despite the fact that it manages about 4 percent of the world's total currency reserves, or €217 trillion (\$304 trillion), as well as 120 tons of gold.

"Our strength is that we have no power," says BIS Secretary General Peter Dittus. "Our meetings are generally not oriented toward decision-making. Instead, their value consists in the exchange of views." There are no across-the-board agreements on the order of: "Let's raise the prime rate by a point." Opinions take shape in a much more subtle fashion, through something resembling osmosis.

Central bankers are not elected by the people but are appointed by their governments. Nevertheless, they wield power that exceeds that of many political leaders. Their decisions affect entire economies, and a single word from their lips is capable of moving financial markets. They set interest rates, thereby determining the cost of borrowing and the speed of global financial currents.

Their greatest responsibility is to prevent a bank or market crash from jeopardizing the viability of the financial system and, with it, the real economy. It is no accident that central bankers are also in charge of bank supervision in most countries.

But this time they failed miserably. How could this community of central bankers, despite its access to insider information, have so seriously underestimated the dangers? And why on earth did it not intervene?

"Somehow everybody was hoping that it won't go down as long as you don't look at the downside," William White told SPIEGEL. "Similar to the comic figure Wile E. Coyote, who rushes over a cliff, keeps running and only falls when he looks into the depth. Of course, this is nonsense. One falls, because there is an abyss."

But why did they all refuse to recognize the abyss? Why did the central bankers, of all people — those whose actions are above profit expectations, shareholder pressure and the need to please voters — keep their eyes tightly shut? Did they too succumb to the general herd instinct?

"As long as everything goes well, there is a great reluctance to (make) any kind of change," says White. "This behavior is deeply rooted in the human mind."

White calls it the human factor. And that factor had a name: Alan Greenspan.

### The Killjoy Vs. the Party Animal

Greenspan was long a member of the BIS board of directors and was effectively White's superior. As a fervent champion of the free market, he advocated the model of minimal intervention. In his view, the role of central banks was to control inflation and price stability, as well as to clean up after burst bubbles. Because no one can know when bubbles are about to burst, he argued, it would be impossible to intervene at the right moment.

In his eyes, the instrument of sharply raising interest rates to counteract market excesses

routinely failed. Leaning “into the wind,” he argued, was pointless. He could even cite historical proof for his thesis. Between the beginning of 1988 and the spring of 1989, the Fed raised the prime rate by three percentage points, the goal being to curtail lending by raising the cost of borrowing. The textbook conclusion was that this would be toxic to the markets, but precisely the opposite occurred: Prices continued to rise.

This supposed paradox repeated itself five years later. Once again, the Fed raised interest rates and, again, the market shot up.

These experiences only strengthened Greenspan’s conviction that raising interest rates was an ineffective tool to counteract bubbles. However he never tried raising interest rates to a significantly greater degree than had previously been done, to see what would happen.

The question of who was right, Greenspan or White, didn’t exactly lead to a power struggle in Basel. The forces were too unevenly distributed for that. On the one side was the admonishing chief economist, with his seemingly antiquated model that advocated the establishment of reserves, and on the other side was the glamorous central banker, under whose aegis the economy was booming — the killjoy vs. the party animal.

The central bankers certainly discussed the competing models. But most of them were behind Greenspan, because his system was what they had studied at their elite universities. They refused to accept White’s objections that the economy is not a science. There was no way of verifying his model, they said.

Besides, who was about to question success? Greenspan was their superstar, the inviolable master, a living legend. “Greenspan always demanded respect,” White recalls, referring to the Maestro’s appearances. Hardly anyone dared to contradict the oracular grand master.

And why should they have contradicted Greenspan? “When you are inside the bubble, everybody feels fine. Nobody wants to believe that it can burst,” says White. “Nobody is asking the right questions.”

He even defends his erstwhile rival. “Greenspan is not the only one to blame. We all played the same game. Japan as well as Europe followed the low interest policy, almost everybody did.”

Meanwhile, White noted with concern what the central bankers were triggering as a result. Their policy of cheap money led to the Asian financial crisis in 1997. When the debt that banks had accumulated went into default, the International Monetary Fund (IMF) and other donors had to inject more than \$100 billion (€71 billion) to rescue the world economy.

In describing the failure of the markets as far back as 1998, White wrote that it is naïve to assume that markets behave in a disciplined way.

But Greenspan, the champion of free markets, remained impassive.

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Graphic: The curse of cheap money

A few weeks later, the market demonstrated its destructive power once again, when Russia plunged into a financial crisis, bringing down the New York hedge fund Long Term Capital Management (LTCM) along with it. The New York Fed hurriedly convened a meeting of the heads of international banks, initiating a bailout that remains unprecedented to this day. The global economy was saved from a systemic crisis — at a cost of \$3.6 billion (€2.6 billion).

And what did Greenspan do? He lowered interest rates. Then the next bubble, the so-called New Economy, began to grow in Silicon Valley. It burst in the spring of 2000. What did Greenspan do? He lowered interest rates. This time the reduction was massive, with the benchmark rate dropping from 6 percent to 1 percent within three years. This, according to White, was the cardinal error. “After the 2001 crash, interest rates were lowered very aggressively and left too low for too long,” he says.

While the economy was recovering from the demise of the dotcom sector and from the terrorist attacks of Sept. 11, 2001, cheap money was already on its way to triggering the next excess. This time it took place in the housing market, and this time it would be far more devastating.

White was losing his patience. Was there no other option than to regularly allow the economy to collapse? Didn’t the policy of operating without a safety net border on stupidity? And wasn’t it written, in both the Bible and the Koran, that it was important to provide for seven years of famine during seven good years?

This time, White didn’t just want to discuss his views behind closed doors. This time, he decided to seek a broader audience.

### One Villain Replaced by Another

His destination was Jackson Hole in Wyoming, a kind of Mecca for financial experts. It was August 2003.

Once a year, the Federal Reserve Bank of Kansas City invites leading economists and central bankers to a symposium in Jackson Hole. Against the magnificent backdrop of the Grand Teton National Park, the world’s financial elite spends its time unwinding on hiking trails and in canoes, before retreating into conference rooms to discuss the state of the global economy. Only those who can hold their own in front of this audience are considered important in the industry.

“This is an opportunity we can’t afford to miss,” BIS economist Claudio Borio told his boss, White, as he wrote himself a few last-minute notes in his room at the Jackson Lake Lodge in preparation for his speech to the symposium.

Greenspan was in the audience when Borio and White presented their theories — theories that had absolutely nothing in common with the powerful Fed chairman’s worldview, or that of most of his colleagues.

White and Borio described the dramatic changes that had taken place since deregulation of the financial markets in the 1980s. Price stability was no longer the problem, they argued, but rather the development of imbalances in the financial markets, which were increasingly causing earthquake-like tremors. “It is as if one villain had gradually left the stage only to be



replaced by another,” White and Borio wrote in the paper they presented at Jackson Hole. As it turned out, it was a villain with the ability to unleash devastatingly destructive forces.

It was created by what the two BIS economists called the “inherently procyclical” nature of the financial system. What they meant is that perceptions of value and risk develop in parallel. People suffer from a blindness to future dangers that is intrinsic to the system. The better the economy is doing, the higher the ratings issued by the rating agencies, the laxer the guidelines for approving credit, the easier it becomes to borrow money and the greater the willingness to assume risk.

A bubble develops. When it bursts, the results can be devastating. “In extreme cases, broader financial crises can arise and exacerbate the downturn further,” White wrote in his analysis. The consequences, according to White, are high costs to the real economy: unemployment, a credit crunch and bankruptcies.

All it takes to predict such imbalances, White argued, is to monitor “excessive credit expansion and asset price increases,” and to take corrective action early on, even without a pending threat of inflation.

This task, the authors concluded, must be performed by monetary policy, among other things. The central banks, according to White and Borio, could limit credit expansion and thus avoid adverse effects on the global economy.

The Jackson Hole paper was an assault on everything Greenspan had preached and, as everyone knew, he was not fond of being contradicted. Other members of the audience glanced surreptitiously at the Maestro to gauge his reaction. Greenspan remained impassive, his face expressionless behind his large spectacles, as he listened to White. Later, during a more relaxed get-together, he refused to even look at White.

White suspected he had failed to convince his audience.

“You can lead a horse to water, but you can’t make it drink,” he says.

‘All We Could Do Was to Present our Expertise’

Now that the US prime rate is bobbing up and down between zero and 0.25 percent, and the Fed is pumping hundreds of billions of dollars into the market, White’s words at the 2003 conference have undoubtedly come back to haunt many a central banker.

In that speech, White had prophesied that if the “worst scenario materializes, central banks may need to push policy rates to zero and resort to less conventional measures, whose efficacy is less certain.”

He warned that the money supply could dry up. Markets, he wrote, “can freeze under stress, as liquidity evaporates.” He also identified — a full four years before the bursting of the real estate bubble — the disturbing developments in the US real estate market as a consequence of lax monetary policy.

“Further stimulus has not come free of charge and has raised questions about the sustainability of the recovery,” he warned. From today’s perspective, White’s predictions are almost frightening in their accuracy.

But when push came to shove, he was unable to overturn the prevailing ideology. “We were staff,” he says. “All we could do was to present our expertise. It was not within our power how it was used.”

Despite the disappointment at Jackson Hole, White didn’t give up on supplying data, facts and analyses. Perhaps, he reasoned, this constant flow of information could help to break through mental barriers.

He would repeatedly refer to the “Credit Risk Transfer” report published by the BIS’s Committee on the Global Financial System in 2003. The publication describes how loans were packaged into tranches using so-called collateralized debt obligations and then marketed worldwide. For banks, the experts wrote, “CRT instruments may reduce banks’ incentives to monitor their borrowers and alter their treatment of distressed borrowers.”

That, in a nutshell, was the underlying problem that would eventually trigger the mother of all crises. Many US bankers lowered their guard when it came to issuing subprime mortgages, because they could be repackaged and quickly resold, for example to unsophisticated bankers at German state-owned Landesbanken in places like Dresden, Hamburg and Munich.

The central bankers were also not exactly taken by surprise by the failure of the rating agencies. In their report, the BIS experts derisively described the techniques of rating agencies like Moody’s and Standard & Poor’s as “relatively crude” and noted that “some caution is in order in relation to the reliability of the results.”

But nothing happened.

### A Greek Tragedy in the Making

In the 2004 BIS annual report, White was unusually frank in criticizing the Fed’s lax monetary policy. Although Greenspan sat on the bank’s board of directors at the time, the board never sought to influence the analyses of its experts. But neither did it take them seriously.

In January 2005, the BIS’s Committee on the Global Financial System sounded the alarm once again, noting that the risks associated with structured financial products were not being “fully appreciated by market participants.” Extreme market events, the experts argued, could “have unanticipated systemic consequences.”

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#### Graphic: The curse of cheap money

They also cautioned against putting too much faith in the rating agencies, which suffered from a fatal flaw. Because the rating agencies were being paid by the companies they rated, the committee argued, there was a risk that they might rate some companies too highly and be reluctant to lower the ratings of others that should have been downgraded.

These comments show that the central bankers knew exactly what was going on, a full two-and-a-half years before the big bang. All the ingredients of the looming disaster had been



neatly laid out on the table in front of them: defective rating agencies, loans repackaged to the point of being unrecognizable, dubious practices of American mortgage lenders, the risks of low-interest policies. But no action was taken. Meanwhile, the Fed continued to raise interest rates in nothing more than tiny increments.

“You can see all the ingredients of a Greek tragedy,” says White. The downfall was in sight, and yet no one dared disrupt the party, no one except White, the lone BIS economist, who says: “If returns are too good to be true, then it’s too good to be true.”

And yet the economy was humming along, and billions in bonuses were being handed out like candy on Wall Street. Who would be willing to put an end to the orgy?

Clearly not Greenspan.

‘I Asked Myself: Is This the Big One?’

The Fed chairman was not even impressed by a letter the Mortgage Insurance Companies of America (MICA), a trade association of US mortgage providers, sent to the Fed on Sept. 23, 2005. In the letter, MICA warned that it was “very concerned” about some of the risky lending practices being applied in the US real estate market. The experts even speculated that the Fed might be operating on the basis of incorrect data. Despite a sharp increase in mortgages being approved for low-income borrowers, most banks were reporting to the Fed that they had not lowered their lending standards. According to a study MICA cited entitled “This Powder Keg Is Going to Blow,” there was no secondary market for these “nuclear mortgages.”

Three days later, Greenspan addressed the annual meeting of the American Bankers Association in Palm Desert, California, via satellite. He conceded that there had been “local excesses” in real estate prices, but assured his audience that “the vast majority of homeowners have a sizable equity cushion with which to absorb a potential decline in house prices.”

The Maestro had spoken — and the party could continue.

William White and his Basel team were dumbstruck. The central bankers were simply ignoring their warnings. Didn’t they understand what they were being told? Or was it that they simply didn’t want to understand?

In the March 2006 BIS quarterly report, the Basel analysts described, once again, the grave risks of the subprime market. “Foreign investment in these securities has soared,” they wrote. They also cautioned that there were “signs that the US housing market is cooling” and warned that investors “may be exposed to losses in excess of what they had anticipated.”

A short time later, White argued for his model once again in a working paper titled “Is Price Stability Enough?” Low inflation rates are not a sign of normalcy, he warned, and central banks should not allow themselves to be led astray by low rates. Both the LTCM bankruptcy and the collapse of the stock markets in 2001 occurred “in an environment of effective price stability.”

It was a waste of time and effort. Roger Ferguson, the then-deputy Fed chairman, ironically

started to refer to the BIS's Cassandra-like chief economist as "Merry Sunshine."

"There are limits to pressing your argument," White says. "If you keep repeating your point over and over again, nobody will listen anymore."

### A Loss of Confidence

Ben Bernanke, who succeeded Greenspan as Fed chief in early 2006, was especially deaf to White's warnings. When he presented his biannual report on the state of the economy to the US Congress on July 19, 2006, he made no mention whatsoever of the subprime risk.

A few months later, in December, the BIS reported that the index for securitized US subprime mortgages had fallen sharply in the fourth quarter of the year. A loss of confidence began to take shape.

The first casualties began surfacing a few weeks later. On Feb. 8, 2007, HSBC, the world's third-largest bank at the time, issued the first profit warning in its history. On April 2, the US mortgage lender New Century Financial filed for bankruptcy.

Bernanke remained unimpressed. "The troubles in the subprime sector seem unlikely to seriously spill over to the broader economy or the financial system," he said. It was June 5, 2007.

White made one last, desperate attempt to bring the central bankers to their senses. "Virtually no one foresaw the Great Depression of the 1930s, or the crises which affected Japan and Southeast Asia in the early and late 1990s, respectively. In fact, each downturn was preceded by a period of non-inflationary growth exuberant enough to lead many commentators to suggest that a 'new era' had arrived," he wrote in June 2007 in the BIS annual report.

But even if Bernanke had listened, it would have been too late by then. On June 22, the US investment bank Bear Stearns announced that it needed \$3 billion (€2.1 billion) to bail out two of its hedge funds, which had suffered heavy losses during the course of the US real estate crisis. In Germany, entire banks were soon seeking government bailout funds. Banks increasingly lost trust in one another, and the money markets gradually dried up.

It was the beginning of the end. "When the crisis started, I asked myself: Is this the big one?" White recalls. "The answer was: Yes, this is the big one."

### Just as Predicted

Meanwhile, the global economy is on the brink of disaster, as it faces the most devastating and brutal crisis in a century. The only reason the financial system is still intact is that governments are spending billions to support it. Central bankers have been forced to abandon their air of sophisticated aloofness and to try, together with politicians, to save what can be saved. Nowadays no one is talking about the free market's ability to heal itself.

And everything happened just the way White predicted it would.

This is visibly unpleasant for officials at the BIS. Even though they can pride themselves for having provided the best analyses, they have also been forced to admit that their central

bankers failed miserably. “We had the right nose, but we didn’t know how to use it,” says BIS Secretary General Dittus. “We didn’t manage to portray the global and financial imbalances in a convincing fashion.”

Did White express himself unclearly? No, it was more that he represented a system that only questioned the prevailing view. “Ultimately, an economic model can only be defeated by an opposing model,” says BIS Chief Economist Stephen Cecchetti, White’s successor. “Unfortunately, we don’t have a generally recognized model yet. Perhaps this partly explains why our warnings were less effective than would have been desirable.”

The group of the 20 most important industrialized and emerging nations, which is now left with the task of cleaning up the wreckage of the crisis, apparently faces less academic problems. At the London G-20 summit in April, the group decided to promote a crisis-prevention model based on White’s theories.

They want to introduce what might be called his hoarding model, which calls for banks to build up reserves in good times so that they can be more flexible in bad times. The central banks, according to White, must actively counteract bubbles and exert stronger control over the financial industry, including hedge funds and insurance companies.

As an adviser to German Chancellor Angela Merkel’s group of experts, White helped to shape the basic tenets of the new order. And the 79th annual report of the BIS, published in Basel last week, also reads like pure White. It lists, as the causes of the crisis, extensive global imbalances, a lengthy phase of low real interest rates, distorted incentive systems and underestimated risks. In addition to improved regulation, the BIS argues that “asset prices and credit growth must be more directly integrated into monetary policy frameworks.”

### Simply Part of Life

Even though this is what he has been saying for more than 10 years, White, a passionate financial professional, is the last person to show signs of bitterness. During a conversation in his Paris office at the OECD, he has no harsh words for those who had long dismissed him as an alarmist. For White, the BIS will always be the greatest experience for an economist. The errors made by central bankers, politicians and business executives, he says, are simply part of life.

“Take the Enron example,” he says. “We analyzed the disaster and found that 12 different levels of the government malfunctioned. This is part of human nature.”

He is familiar with human nature, and he knows how to handle it. White is more concerned about the things he doesn’t understand. New Zealand is a case in point. Interest rates were raised early in the crisis there, and yet the central bank was unable to come to grips with the credit bubble. Investors were apparently borrowing cheap money from foreign lenders.

This is the sort of thing that worries him. “That’s when you have to ask yourself: Who exactly is controlling the whole thing anymore?”

Perhaps his model has a flaw in that regard. Could it be possible that central bankers today have far less influence than he assumes?

The thought causes him to wrinkle his brow for a moment. Then he smiles, says his

goodbyes and quickly disappears into a Paris Metro station.

He knows that he is needed.

Translated from the German by Christopher Sultan

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