

BEYOND BRETTON WOODS:
IMPLICATIONS OF THE PRESENT CRISIS

1 Originally, I was asked by Dr Ugarteche to speak on Basel 2.

Remember Basel 2? It used to be important. While it was being formulated, sceptics (like me) used to worry:

- whether it was excessively pro-cyclical;
- whether it was behind the curve, as far as risk management techniques were concerned;
- whether it would lead to a new kind of model risk, as far as convergence on a single regulator-endorsed approach to risk management was concerned;
- whether it would reduce competition in the global banking system by favouring incumbents, and by favouring the big over the small...

And so on.

How remote that all sounds now. Then, we used to worry about fine-tuning the risk management function in banks. Now, we worry about the survival of the financial system itself. Then, we used to worry about whether VAR was too primitive a measure of risk, and whether (as Hank Paulson himself suggested to the US Congress, when he was Chairman of Goldman Sachs) investment bankers are so far ahead of regulators intellectually that they should essentially be permitted to regulate themselves.

Just think about that. Five or six years ago, a group of US investment bankers – including Merrill, Lehman and Bear Stearns, as well as Goldman and Morgan Stanley – made a perfectly serious proposal to the Fed and the Treasury that they were too complex to regulate. And, therefore, that they should be permitted what was essentially a free hand as far as self-regulation is concerned.

And we took them seriously. They didn't get what they asked for. But no one laughed in their face. No one said what he or she *should* have said – that, if a financial institution benefits from the umbrella of regulation, it must be regulatable. **2**

That's my first law. We have all heard a lot recently about banks being too big to fail, too complex to fail, or too interconnected to fail – and there is some truth to that, as the Fed and Treasury found when they let Lehman Bros go under and discovered millions of badly documented (or completely undocumented) derivative transactions that may take into 2009 to resolve. Even with the 24/7 help of ISDA. But the big lesson that we all must take away from the crisis we face today is that banking is special – and, because it is special (in the sense that it is crucial to the functioning of a modern economy), those who enjoy its privileges must accept its obligations. And that, in my view, means both being regulated and being regulatable.

That's new. In the past, it has been – either explicitly or implicitly – the job of a banker (investment or commercial) to stay one step ahead of the regulators, as a result of size, complexity or just sheer brainpower. Indeed, one could argue (as I have done) that, from the point of view of shareholder value, it was the *duty* of bankers to make their institutions essentially impossible to regulate, so that the regulators would have to defer on issues that related to profitability. How crazy that sounds now; but, for a long time, we all tended to think that excessive regulation was a drag on profits.

But that is jumping ahead of myself.

What I want to do first of all, in my presentation, is to look at the warning signs – those signs that we missed that should have alerted us to the coming crisis. For warning signs there undoubtedly were.

To some extent, I acknowledge that this is a pointless exercise – and, worse a pointless exercise with an element of *schadenfreude* attached. But there were signs out there.

Let me turn first to our own *Banana Skins* surveys. My little think-tank has published an (almost) annual survey since 1996 which purports to analyse where bankers, regulators journalists etc actually think the next crisis is coming from. The latest survey was published in May 2008 – on the basis of a multinational survey carried out in January-February. In other words, well after the interbank market had started to seize up last August, but when most of us felt that the situation was still manageable.

What did our 376 respondents (almost all of whom were pretty senior) see as the big threats facing their business then? **3**

As can be seen from the slide, fears about liquidity had come from nowhere to top of the list – followed by credit risk, unchanged from 2006. It is hard to disagree with either of these, but neither of them really captures the magnitude of what has happened since. It isn't just the seizing up of interbank markets; in a real sense, what we are seeing is a failure of capitalism itself.

The same problem is there when we look at the big movers **4**. Yes, the picture is correct as far as it goes – but it doesn't go very far:

- Risers included liquidity, credit spreads and the macro-economy; while
- Fallers included the perennial complaint by bankers about over-regulation.

Whatever, there was an obvious problem with what we were doing in this latest survey, in that the horse had already very definitely bolted. So let us ask ourselves: What did our respondents worry about a few years ago?

This slide **5** looks at the top 10 perceived risks in five more or less random years from 1996 to 2006. What do we learn? Two thoughts:

- First, the survey results show that, in recent years, bankers became obsessed with what they saw as over-regulation – excessively prescriptive micro-prudential rules that (they felt) seriously cramped their style. And they convinced lots of others to see it their way. What hubris! Though of course, it is worth emphasising even now that regulation is far from costless – and that the cost is passed on to the consumer, reducing the ultimate returns that he can expect. That can become extremely painful in a low-inflation world when what we are asking the financial system to provide is a 30-year life assurance policy or a pension, where the reduction in yield erodes the final pot in a deeply dispiriting way. But, even so, we shouldn't have been so gullible.
- Second, repeated Banana Skins surveys show that derivatives have never been far from the top of the list – either as derivatives themselves or, more broadly, as complex financial instruments. Everyone knew they were a potential problem – and everyone

knew that one of the problems with them was that knowledge about them was only patchy at the level of senior management. Unfortunately, everyone also knew that they were profitable. And those who sliced and diced them always had a good story to tell – and often a physics PhD to back that story up. It is hard to argue numbers with a quant – and many of us gave up trying. (I should perhaps make the point here that we were too easily bedazzled; by and large, Wall St. quants tended to be second-rate mathematicians. After all, or so I am told, the Black-Scholes options pricing model is just the reverse of a heat diffusion model in an MA-level physics course.)

Beyond that, I suppose, the message one takes away is that of smugness. After all, if you treat someone for long enough as though he or she really is a Master of the Universe, that person would need a heroic degree of humility to avoid having his or her head turned. And bankers, traders, analysts were indeed treated as Masters of the Universe – as though they were the best and brightest of their generation. And maybe they were.

But, to continue... By early 2008, our BBS survey showed that the financial sector on both sides of the Atlantic had certainly understood that liquidity could seize up, even in interbank markets which had long seemed immune to any kind of credit risk. But there wasn't much sign, if any, of prescience on this score. Even this year, there was very little awareness of just how close we were to a systemic meltdown. Yes, there was (belated) awareness of the danger of a collapse in trust, and there were plenty of respondents who worried about valuing assets at a time of market discontinuity. But virtually no one foresaw just how much worse things would get.

And, yet, there were pointers... Remember Warren Buffett getting General Re out of derivatives, and damning them as “weapons of financial mass destruction”? I remember myself being told (maybe five or six years ago) by Henry Kaufman that no one had grasped the true danger of derivatives. At that time, the conventional wisdom was that we could safely ignore the astonishingly huge gross derivatives positions that banks were building up – billions of dollars in some cases. The only number that mattered was the net number. And when a bank netted out its derivative exposure, it tended

to come up with a comfortingly small number – just US \$20 million or so.

The problem, as Kaufman put it, is ‘when does net become gross?’.

I didn’t really understand what he was getting at, so I just nodded. But the fact is that when counterparties start to fail, there comes a point where net does indeed become gross – when the number that matters is the one at the top, not the one at the bottom. And – as the regulators try to unravel the unholy mess that was Lehman Bros.’s trading book – that’s where we are today. We are suddenly in a world where the numbers being bandied about have shifted by a factor of 50 or 100. We are in the land of gross, not net.

Should we have spotted the danger sooner?

Of course we should. At the most basic level, the law of large numbers should have told us that what was going on was utterly unsustainable; positions (gross or net) were simply getting too big. The edifice of derivatives was getting to be such an incomprehensibly huge multiple of the so-called underlyings that someone ought to have had the courage to shout ‘Stop’!

But no one in a position to control the markets did. Despite the lessons that we all insisted we had drawn from LTCM about the limitations of mathematical modelling and the capacity for self-delusion among the self-certified very clever. Despite the lessons that, equally, we all insisted we had drawn from Enron, Global Crossing etc etc about off-balance sheet vehicles and corporate governance.

We were astonishingly wilful in our refusal to see what was in front of us.

Why?

I think the first reason is that, for every dyed-in-the-wool Cassandra like Kaufman (or, to his credit, Paul Volcker) there was an equally convinced Pollyanna – and most of the time, it was Alan Greenspan.

Greenspan has already been hailed by many, many commentators as the villain of this particular piece – and not without justification. I have made the joke before, but no one in my memory has seen his reputation fall further or faster, with the possible exception of Rock Hudson. It now seems

absolutely astonishing that, only a few years ago, our own dear Queen should have awarded Dr Greenspan an honorary knighthood.

In retrospect, Greenspan was clearly a man of massive vanity, who simply could not bear the idea that economic chickens would come home to roost on his watch. Hence, when (as bubbles do) the tech bubble – something that he had spent so much intellectual energy insisting was not a bubble, but rather a revolution akin to the discovery of printing – burst, he was all too quick to cover up the wreckage by promoting another bubble: the housing boom.

In the end, of course, all bubbles burst. Despite Greenspan's best efforts, economists have still not repealed the business cycle. As he demonstrated, the levers of monetary policy can stretch the cycle out. But, in the end, the distortions within the economy that build up over the course of a cycle jump up and bite one – and, if the cycle is artificially prolonged, the bite may be all the more vicious. Indeed, it seems to me that one lesson of the Greenspan era is that policymakers have an unenviable choice:

- fairly frequent low intensity recessions, which enable economic imbalances within an economy to be worked off fairly painlessly; or
- less frequent, but higher intensity recessions, which became necessary if monetary policy is used aggressively to thwart the natural corrective mechanics of the business cycle.

Just to summarise where we are **6**: I believe that we ought to have been far more aware of what was in the pipeline. When bankers start to think they are God, *sell bank shares*. When senior bankers don't have a clue about the complex products on which their banks' profits are based, *sell all stocks*. When regulators start to ape the language of traders, but without even their level of knowledge and at the expense of commonsense, *weep*. And when policymakers believe that they have repealed the business cycle, *emigrate*.

Of course, there is a facetious argument which I have made before (and I stress that it is facetious, well mostly) that it is really Paul Volcker who is to blame, and that Greenspan gets a bum rap.

There is a smidgen of truth in this. After all, it was Volcker who effectively killed inflationary expectations in the US. In the bad old days of double-digit

inflation, the average American (or Brit) suffered the joys of money illusion, and thought that a nominal investment return of 12% or 15% was pretty nifty. When inflation came down to 2-3%, he wasn't thrilled to be getting 3-3½% and he leaned on his investment managers to squeeze every basis point of return out of his 401K or whatever. And that led those investment managers to invent a raft of new high-octane products designed to do precisely what the investors wanted – squeeze a few more basis points of return at the cost of a quantum increase in risk. So, damn you Mr Volcker; it's all your fault...

On a slightly more serious note, one could also blame Bill Clinton – and, indeed, the McCain/Palin campaign is already doing so.

The argument (which you have probably heard) is that, under the controversial Roberta Aschenbach, HUD required US banks to meet increasingly stringent lending targets to low income groups. The result was that the sub-prime mortgage sector expanded exponentially as FICO scores of borrowers fell. Given this new toy to play with, bankers were only too keen to keep the profits – but to offload a product that even they could see

was 'toxic'. Hence, the growth of the originate-and-distribute model – which put an increasing distance between a bank and the loans made in its name.

There is again some truth in this – though the quality of the US mortgage book, in aggregate, didn't really start to deteriorate appreciably until well into the Bush Presidency. Nevertheless, it is fair to say:

- that US mortgage lending (often arranged through unlicensed brokers with little familiarity with the truth) became increasingly reckless as politicians fell hook-line-and-sinker for the Thatcherite mantra that homeowners tend not to shoot passers-by dead; and
- that the originate-and-distribute model was also a natural reaction to the reluctance of banks to keep what they knew to be garbage on their books.

The O&D model is important – both in understanding how we got where we are and in explaining the fundamental change in banking that changed the image of the friendly banker from Jimmy Stewart to Jimmy Hoffa.

There are other reasons. The ultimately successful lobbying effort to repeal Depression-era banking legislation like Glass-Steagall and the McFadden Act was undoubtedly important – undermining the impressive network of community banks which anchored so much of America’s rural society. And, of course, the S&L crisis, which cost the US taxpayer well over US \$1 trillion – and which gave us such legendary figures as the “Keating Five”.

Of course, it also contributed both to the myth of Drexel Burnham, and to the bank’s ultimate collapse.

That is something I am not going to pursue too far. But Mike Milken was the first US investment banker who achieved something close to hero status – and then got banged up for his sins. There were certainly plenty of villains in the investment banking world before Milken – just read the history of Lazard Freres. But Milken was different – and, I fear, he set the tone for several generations of MBA. (I should declare an interest: he and I were contemporaries at Wharton, though I scarcely remember him since both of us had more hair then.) That tone was pernicious. Essentially, it established:

- that the only metric for investment bankers' success was money;
and
- that investment banking is essentially a transactional business, not a relationship business.

Since a huge amount of money washes through the markets every day, it wasn't difficult to convince investment bankers that they were entitled to a very modest share of it. And a very modest share of a very big number is still a big number.

This was a big difference – one that we easily forget. The head of First Boston's international operations in the 1970s, who chairs my think-tank's trustees, tells me with glee that, often, there was so little in the bank's kitty that it had to kite its salary checks. Investment banking in those days was a whole lot more precarious and penurious. Now, even if you are a well-known basket-case like Lehman, you can still expect a multi-million severance package just a couple of weeks before the bank goes under. Why? Because its fitting, that's why. That's what investment bankers expect – and (in their eyes) deserve.

Anyway, there is no doubt that, today, we are at – perhaps even beyond – a tipping point.

A few months ago, I was talking about writing a book (I only ever *talk* about writing books) about what I called 'late stage capitalism'. What I meant by this is that, imperceptibly, we in the West have shifted from an economic model in which pride of place goes to entrepreneurial risk-takers who *make* things – either physical things or intellectual property – to a model in which a massively increased share of the national economic pie is taken, essentially, by parasites who risk little or nothing but who insist on being remunerated as though they were railroad magnates or the inventor of penicillin. No one really objects to Bill Gates or Steve Jobs making billions – or even Carlos Slim. I think there is a little bit more ambivalence towards Buffett's US \$65 billion, but we can probably stomach it politically because he is clearly best-of-breed – and, by and large, what he does is *useful*.

But Dick Fuld, with the US \$500 million he took out of Lehman Bros? Ace Greenberg at Bear Stearns? Dick Grasso with his US \$125 million package at the NYSE? And what about those corporate lifers at moribund old economy firms like GM and Exxon? Any reason they should be taking

home US \$10-15 million a year – and building up pension pots that are as big as the GDP of a small African country?

Something has gone wrong. Obviously, it has a lot to do with greed. My first job was at the World Bank – and, despite the fact that I was notionally in the business of helping the poor, for five years I didn't know you *could* turn right in a plane. And then we had an 'independent' salary review. There we were, hundreds of bright young development specialists, most with doctorates in economics, or IR – so who did these 'independent' experts decide were our 'comparators'? The economics department at the University of Maryland – or Mexico City, perhaps? Oxfam? No: a mix of Wall St. law firms and Goldman Sachs.

We should have been so lucky. Most of my colleagues – nice but most of them lazy to a fault – would have been hard-pressed on their merits to get tenure at Kansas State.

On a bigger (and more abusive) scale, that is what has happened in late-stage capitalism. A system based on interlocking remuneration committees, venal boards of like-minded egotists who really believe they are 'special',

'independent' consultants who provide the answer that their paymasters want and institutional shareholders who, in their own firms, are subject to exactly the same conflicts of interest – all of these have conspired to corrupt what used to be the most efficient machine for generating an ever-increasing standard of living on the planet. No wonder that, in the last 30 years, the average US CEO's pay has risen from 15 times the median to nearly 300 times. No wonder that, in the US, the top 1% of the population is now getting more than 12% of national income – up from 6% in 1980.

And then, of course, there is the public sector...

I may be down on late-stage capitalism, but I am no socialist – and one of the things that bugs me most about my own country is how civil servants have managed to convince the electorate that they should be paid on a par with the private sector – despite the fact that they would die if they had to do the same amount of work, that they have (and take) seven weeks holiday a year and that they enjoy complete security of tenure and an index-linked final salary pension, guaranteed by the government, that usually kicks in at 60. Does anyone have a clue what that pension is worth in NPV? Not a chance. But even a middling bureaucrat who hasn't done an honest

day's work in his 35-year career will end up with a pension that (if he had to buy it in the annuity market) would set him back US \$3-3.5 million.

For some reason, I am reminded of the Indian time-server at the World Bank, who wrote to the *FT* to protest a brief and futile effort by Bank management to get staff to fly economy. If they had to fly at the back of the bus, he said, there would be many deaths...

Well, that was a digression. I am still minded to write the book on late-stage capitalism, but I think the story line would now be a bit different.

Something fundamental has happened. Sarkozy went OTT when he said this week: "laisser-faire, c'est fini". But I kind of know what he meant. There is a *fin de siecle* feeling about what's happening.

But how is it going to shake down?

One would be on a hiding to nothing to make firm predictions at this stage. At the end of last week, we appeared to be in terminal meltdown, with no bank safe and the fickle finger of fate pointing at the life assurance

companies. By this Tuesday, the willingness of Paulson to ditch his crazy plan to buy troubled debt direct off the banks (what debt? from whom? and, most important, at what price?) had won plaudits from all and sundry – from Paul Krugman on down. As an economist, I can say with confidence that partial nationalisation of troubled banks makes more sense than buying the debt – and the market seems to agree. For now.

But markets are fickle. And whatever one might think about the morality of short-selling (and I have some sympathy with the SEC's old 'uptick rule'), it is awfully easy for sentiment to change.

Then, of course, there is the macroeconomic impact of what has been going on.

So far, we have only been coping with a financial crisis. But financial crises generate real economic crises – and, to me, it is inconceivable that anyone outside the public sector is going to be buying a car or a new washing machine. That is going to mean a recession. The latest IMF economic forecasts predict that the world as a whole will just escape recession (defined as 3% growth); but I think that is fantasy. In my view, we have

grossly overestimated just how much emerging markets have really ‘decoupled’ from the US, Europe and Japan. Look at Mexico: has it decoupled? The US has, for too long, been the importer of last resort for the rest of the world – and the rest of the world will now pay for that dependence.

And it is likely to be a pretty long recession. After all, look at Japan. Its banking crisis was nothing like as severe as the one we face – and it still resulted in a ‘lost decade’. Given that the Japanese are smarter than we, and less greedy, why should we be confident that we can do better?

Plus, looking forward, the ‘reforms’ to the financial system that are almost inevitable will, in my view, go a long way to lower the capacity for sustained growth of the Western economies as a whole.

Let’s look at the changes to financial regulation that are likely to come out of this – and at the impact they are likely to have. **7**

The first thing one can say with confidence is that there will be more regulation. Not necessarily *better* regulation, or *smarter* regulation – but

more of it. In the US, we already saw the outline in the Treasury plan that Paulson submitted earlier in the year, coupled with the authorities' response to Bear Stearns and the issue of access to the discount window. At the very least, it will mean:

- A regulatory hierarchy with the Fed much more clearly top dog than it is now – and with the SEC, in particular, relegated to the second tier. I notice that, earlier this week Goldman decided (in its new role as a licensed bank) to opt for NY State supervision, rather than the OCC – which I accept is a step in the other direction. But, in the end, the Fed will rule – which is ironic because it has to take responsibility for much of the mess we find ourselves in.
- Much more political oversight of the regulators. Both Barney Frank and Chris Dodd are going to ride a populist wave – and both are going to require much greater accountability of regulators and bankers to Congress. Will it mean much in practical terms? In the longer term, probably not. But over the next few years, US bankers are going to be the butt of politicians' rage every time something goes wrong – anywhere. Bankers may well circumvent the Treasury's rules on 'excessive' compensation or golden

parachutes, but Barney's boys will be on the case (at least for a few years).

- A push for 'meat-and-potatoes' banking. Linked to this, and to the disappearance of stand-alone investment banking, there will be enormous political pressure for banks to cut back prop trading, to reduce derivatives activity and to beef up their lending to homeowners and SMEs. The regulators will have enough leeway to 'steer' banks in this direction – again at least for a few years.
- Much lower bank profitability. We have already seen moves to push banks' Tier 1 capital up to or beyond 10%. At the same time, they will be given less leeway on what assets will qualify for that Tier 1 capital. Together, that will ensure sharply lower profits – and, if they are not allowed to pump up their higher risk trading activities, profits will be under even greater pressure.

I could go on. Anyone in this room could make up a similar list, I am sure.

Perhaps it is actually more interesting to observe that this new regulatory environment is almost certain to be unstable.

In the first place, any banker who grew up in the fat years before the crisis is going to try to game the system. After all, someone who was making (or aspiring to make) millions is not going to be happy with less than half what he was encouraged to think was the *appropriate* remuneration for a banker. Bankers will look for loopholes, for the interstices between the rules – and they will exploit them to the hilt.

Second, political pressures are going to cut two ways:

True, bankers are going to be political whipping boys for a while. But, at the same time, politicians are going to be keen:

- to steer bank lending to their key constituencies – small businesses, construction, mortgages, whatever; and
- to ensure that banks offer decent returns to savers, particularly on longer-term savings products.

This is an age-old conflict – and it is what, in the end, broke down Glass-Steagall. There is no reason to believe it will not re-emerge once the immediate sense of crisis is over – and it might re-emerge with even more

virulence because politicians are going to find themselves a lot closer to the heart of the banking system.

I am tempted to add a third area of instability – but I am not a good enough economist to see which way it is going to break.

What we have seen over the last couple of months is, essentially, a drop in the velocity of circulation of money close to zero. Banks have been hoarding cash, not lending it – because trust has disappeared. The best example is that they have been borrowing from central banks at penal interest rates – and then depositing funds overnight with those some central banks at much lower rates. Madness.

To counter this, CBs have essentially (to use Bernanke's metaphor) been loading up the helicopters with dollar bills – and tipping them out over our major capitals. In other words, if we cannot restore V at least we can boost M .

The problem is what happens down the line. If V picks up, we have the makings of a massive inflation problem. If it doesn't, we have a depression. In either case, the banks are probably going to take the rap.

So far, I have been talking primarily about the US. But most of what I say applies equally to Europe – albeit with a couple of add-ons.

The first is that this crisis presents both an opportunity and, more important, a threat to the EU. It is an opportunity because (even speaking as an unreconstructed eurosceptic) it would clearly make more sense for the crisis to be tackled in a *communautaire* way – either at the eurozone or EU-27 level. Indeed, Italian PM Berlusconi put an interesting proposal on the table – suggesting each EU member should contribute 3% of its GDP to a communal bail-out pot.

... and was laughed out of court. As German FM Steinbrück put it, Germany has no intention of contributing to any pot it doesn't have control of. And that's the threat. There was loose talk earlier in the week about a 'common EU approach' having been agreed either in Paris at the emergency EU Summit or subsequently at Ecofin. But the truth is that

every country has gone his (or her) own way. Even those that have followed the UK's lead on partial nationalisations have not followed a common model – and Spain, for instance, still seems wedded to Paulson's original proposal for simply buying troubled assets off its banks.

Plus, those very ambitious 100% deposit 'guarantees' that smaller EU countries like Ireland, Greece and Austria have been so casually promising – what about them? They certainly sound good, but they actually have the potential to rip the eurozone (and, indeed, the EU) apart. After all, the liabilities of Irish banks are several times the GDP of Ireland – and Ireland, as a eurozone member, has no independent ability to create credit to meet its obligations under the guarantee if it were called. The same is true in Greece – but *a fortiori*.

No wonder spreads on government debt within the eurozone (which had effectively been close to zero for years) have widened to 90 bp or more.

One other thing – and that is the *schadenfreude* to which I referred at the beginning.

There is no doubt that, in Europe, there are plenty of politicians and rabble-rousers of both left and right who glory in what they see as the death of 'Anglo-Saxon' capitalism. And – as I hope I have made clear – I was not too keen myself on some of the abuses that had crept into it in recent years. But the fact remains that a retreat by Europe into socialist-style directed lending by state-controlled institutions (which, I suppose, is where Venezuela and its friends are today) would be an unmitigated catastrophe. It is still a long way off, but it is certainly worth watching the political fortunes of Oskar Lafontaine's 'Left' party in Germany – and even of buffoons like Jean Bové in France. If the macroeconomic environment continues to deteriorate, as seems all too likely, the political environment is likely to throw up the same kind of dangerous loonies as it has always tended to in times of economic stress.

On that score, I have to say I am not optimistic. I do think we might be close to a solution of the banking crisis. And that will certainly help calm markets – though it is always worth reminding oneself that, even in the midst of the Great Crash in 1929, there were several 'dead cat' bounces. But we haven't even begun to cope with the inevitable contraction of the real economy. A warning: look at the Baltic Dry index (an indicator of

freight rates). It has collapsed. Exporters simply aren't exporting – in part because they see weak demand ahead, but in part because a collateral victim of the financial crisis is that it is much harder to get trade credit insurance, and even letters of credit.

I could go on (and on), but let me finish – with a couple of jokes:

- What's the capital of Iceland? Five bucks.
- Why shouldn't I just cut out administrative costs and give all my money to random rich guys?
- What's the difference between an investment banker and a large pizza? A pizza can feed a family of four.

And, of course, what's the difference between a pigeon and an investment banker? A pigeon can still make a deposit on a Ferrari... Finally, owing to the price of fuel and electricity, the light at the end of the tunnel has been switched off. Ah well, the old ones are the best ones.

Thank you.