

Welcome to this week's presentation & conversation hosted by the **Canadian Association for the Club of Rome**, a Club dedicated to intelligent debate & action on global issues.

The views and opinions expressed in this presentation are those of the speaker & do not necessarily reflect the views or positions of CACOR.

The Real Economy Doesn't Need Growth.

Our speaker today is John Meyer, a semi-retired small business owner with a degree in economics. He has newspaper articles on population, immigration, & the environment. He has written '*The Renewable Energy Transition, Realities for Canada and the World*' & '*The Post-Pandemic World, Sustainable Living on a Wounded Planet.*' He is President of Canadians for a Sustainable Society & is renovating a house in Yarmouth, NS, to be nearly energy neutral. He'll be building a small new house to be energy positive & weather resilient. His interests are in a sustainable society, population cycles, & the reasons for failed human social structures throughout history.

DESCRIPTION: All commercial groups would like economic growth to continue, but few need that. The few that depend on growth are the very ones that the real economy can do very well without. It is no longer enough to offer ever more alarming studies & to repeat the message that we need to act to avoid a losing showdown with Mother Earth. We need to identify the reasons for our inaction to date & the interests which are slow-walking & derailing the transition to a de-carbonized & sustainable society. We need to make social policy biophysically coherent & separate from the commercial economy. Within the commercial economy we need to distinguish between the real economy & the money economy. We need to recognize that inflation is being used as a wealth transfer mechanism. That will allow us to identify better the interests which are absolutely reliant on growth to support the existence of their business model.

The presentation will be followed by a conversation, questions, & observations from the participants.

CACOR acknowledges that we all benefit from sharing the traditional territories of local Indigenous peoples (First Nations, Métis, & Inuit in Canada) and their descendants.



Website: canadiancor.com

Twitter: [@cacor1968](https://twitter.com/cacor1968)

YouTube: [Canadian Association for the Club of Rome](https://www.youtube.com/channel/UC...)

2024 Jan 31 Zoom #182

The Real Economy Doesn't Need Growth

John Erik Meyer

Scientists Need to Change Their Approach

- We are losing on almost all fronts, environmentally, democratically and socially.
- What is the worst possible environmental and social policy we could implement?
 - Building a bigger version of what is already failing.
- Do you remember a single day in which the mainstream media did not call for growth?
- Neither people nor the environment have benefited from a larger commercial economy for over 50 years.

- So who is benefitting? Identify information blockers and why they derail the sustainability conversation.
- Scientists need to identify the interests who are actively countering the impact of scientific work.
- Stop just making appeals to reason and start to identify promoters of the “The Great Inertia”.
- In order for a useful conversation to take place, the media are simply going to have to be agitated or shamed into being more biophysically and socially literate and broad based.

A Scientific Call to Action

(and we do need action)

- **Strength Out of Weakness:**
- **Rethinking Scientific Engagement with the Ecological Crisis as Strategic Action**
- **Sebastián Ureta, Javiera Barandiaran, Maite Salazar, Camila Torralbo**
- **[Elementa: Science of the Anthropocene](#), 25 September 2023**
- Faced with the ecological crisis, environmental scientists are asking what else besides providing evidence can they do to steer needed processes of substantive change. We argue that such an exploration should start by recognizing their weakness regarding the forces aiming at slowing down the pace of change. Recognizing this weakness should lead scientists to a change of tactics, embracing forms of strategic action used for centuries by groups on the weaker side of power struggles: that is, guerrilla strategies.

Questions to Clarify

- The media and politicians relentlessly promote the idea that “the economy” represents the national welfare.
- What does the phrase “good for the economy” mean?
- More importantly who does it mean?
 - Whose stake in the economy makes it into media consciousness?
 - Break down the growth lobby into identifiable elements.
 - Differentiate between public interest and growth-lobby interest.

\$Growth (inflation)
Population Growth
Consumption Growth

- Most businesses benefit from consumption growth
 - Many benefit from population growth
 - Few benefit from \$ growth

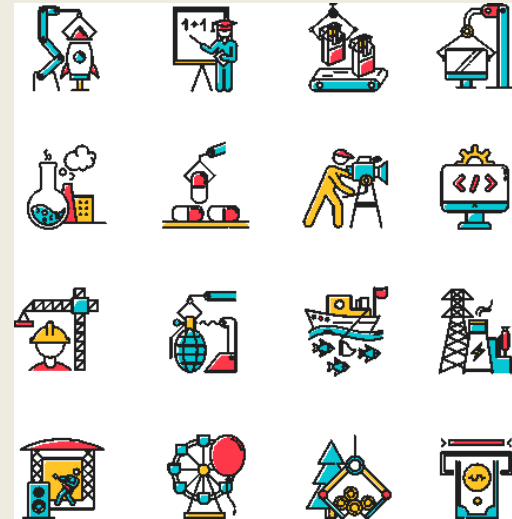
Real Economy

vs

Money Economy



Society
benefits from
wealth
creation, not
wealth
transfer.

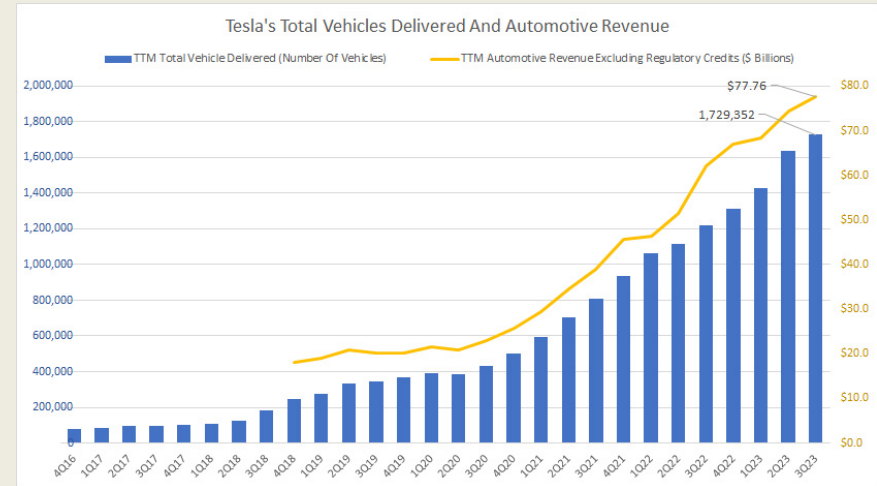
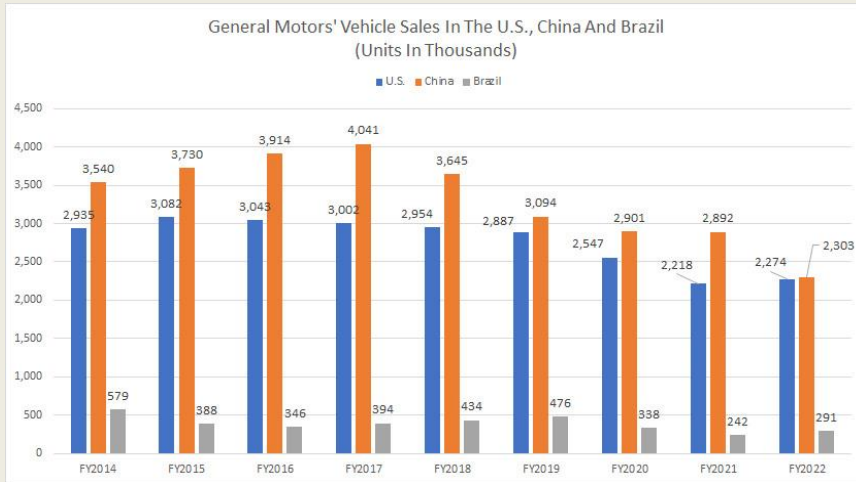


And yes, the real economy does include productive, legitimate financial services.

It does not include money printing or leveraging activities which produce no real wealth but rather transfers wealth from one group to another.

Typically, inflation transfers wealth from productive middle and lower income people to wealthy, unproductive people.

Stable Market Demand does not mean a Stagnant Market



Mary Barra, GM's CEO made a total of \$28,979,570 in 2022 .
GM is still operating and developing new products.

Disruptive and breakthrough companies can still thrive.

A stable population brings a shift in consumption, not an end to it.
This new consumption will likely be, and needs to be, far less energy and resource intensive.
A stable population though is Armageddon for some types of businesses.

Want Doesn't Equal Need

- We need to identify the interests which push the growth agenda. The “business community” is a broad group with very different amounts of skin in the growth game.
- The Real Economy Doesn't Need Growth, in fact growth is the anti-progress.
 - Farmers don't need to produce 4% more food every year.
 - Teachers don't need to educate 5% more students or dentists fill 6% more cavities.
 - Factories don't need to produce 2% more widgets annually.
- All groups would like the growth of the commercial economy to continue but few actually need it to survive or prosper.
- The few that are absolutely dependent on growth are the very players that the real economy can do very well without.
- The difference between growth of real output and inflation.
 - All businesses enjoy growth but very few enjoy inflation.
 - But some groups are 100% dependent on inflation which is disguised as growth.

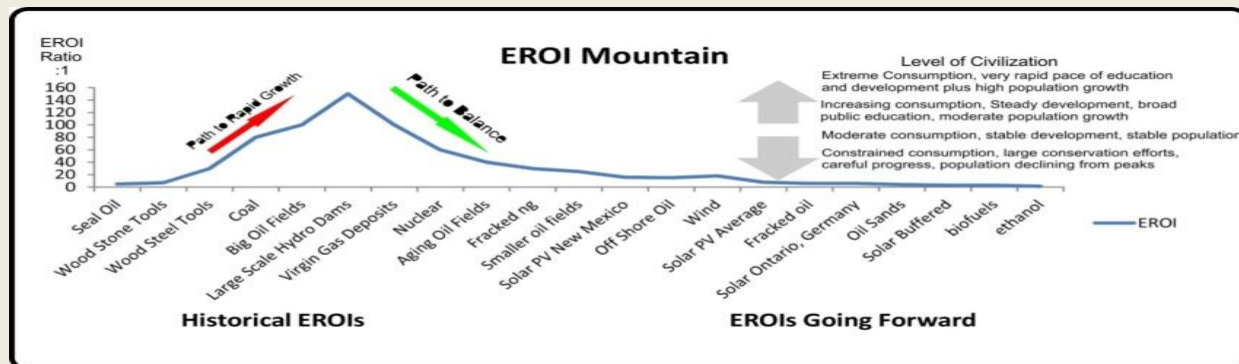
Inflation:

What proportion is real and how much is printed?

- Higher real cost driven inflation causes.
 - Depletion of resources.
 - Declining EROIs are an ongoing source of real inflation. But how much?
 - Supply chain interruptions cause real cost increases. Red Sea conflict, Covid
 - Damage and mitigation costs of increasing extreme weather.
 - Repatriation of manufacturing looks more expensive but we will be paying the full environmental and social costs which are not included in most cheap labour/carbon intensive countries.

We need to understand what the source of inflation is.

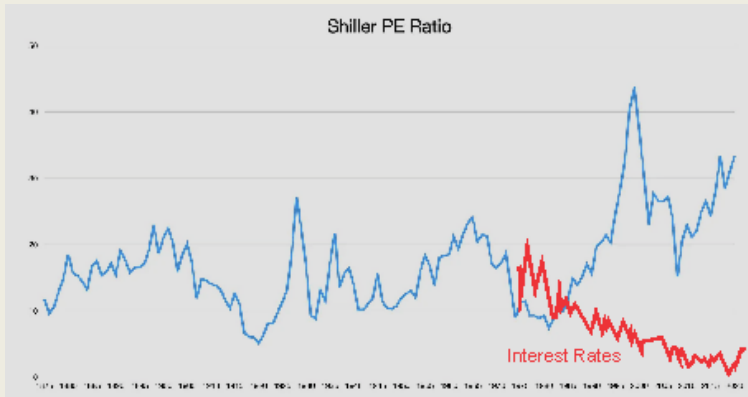
The sticker price must be the full, all-in price in order for the commercial market to be environmentally and socially rational.



Inflation: Oh So Predictable

(but where did the money go?)

Dow Jones price/earnings ratio from 1875 to 2020



The Fed pumped “liquidity” into the economy i.e. demand notes, rather seeking to increase production capacity. It takes a long time to increase production.

Asset inflation ensued. Is this a surprise?

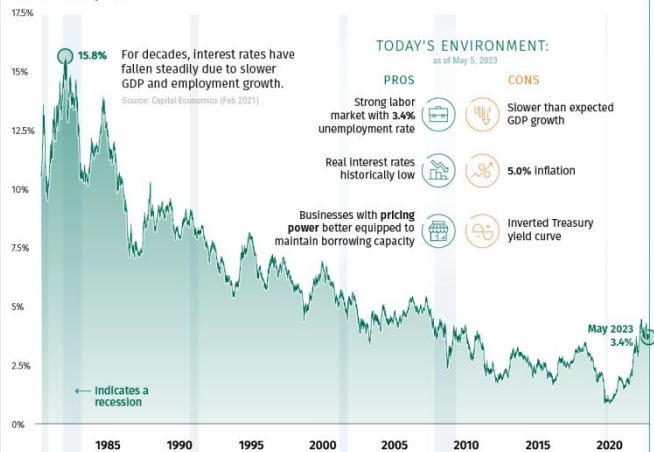
Inflation is The Great Scam, too big to see.

And inflation is counter-productive as raising interest rates increases the cost of real investments which would offset some of the real cost increases.

40 Years of U.S. Interest Rates

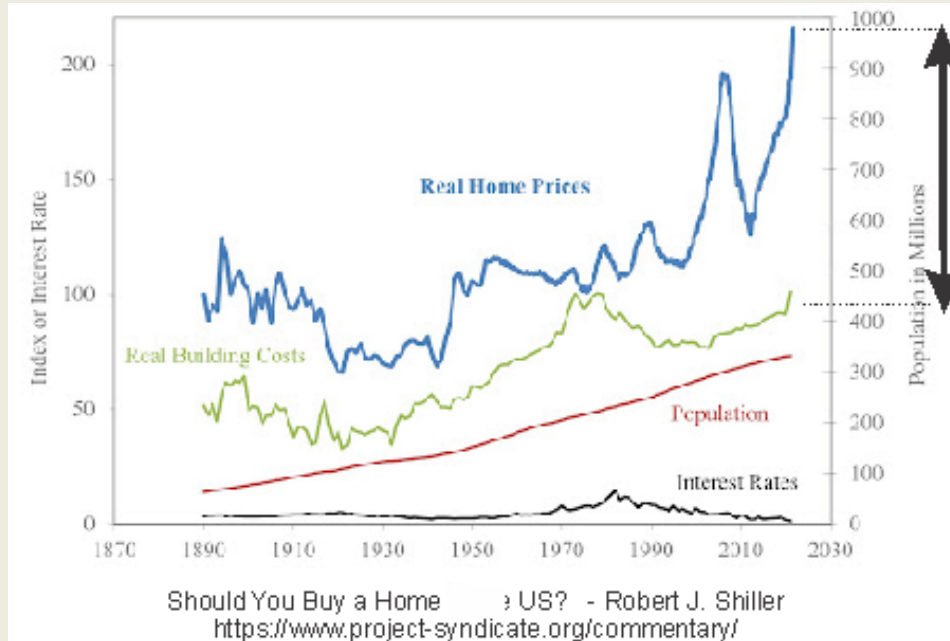
Interest rates are still low by historical standards—despite their recent increases.

THE BIG PICTURE: U.S. INTEREST RATES 1980-2023
10-Year Treasury Yield



Inflation vs Real Cost

Who Profits?



\$ Trillions of Inflation ("asset enhancement" "the wealth effect" "asset appreciation")

Into the pockets of the wealthy



If this trend is allowed to continue, many of the young won't have pockets.



Thank you Robert Shiller for putting real costs and inflated prices on the same page!

Money printing inflation contributes no real wealth yet the businesses which promote inflationary policies acquire huge amounts of real wealth.

Predictions and Outcomes - 1

What the Canadian government predicted in 1986

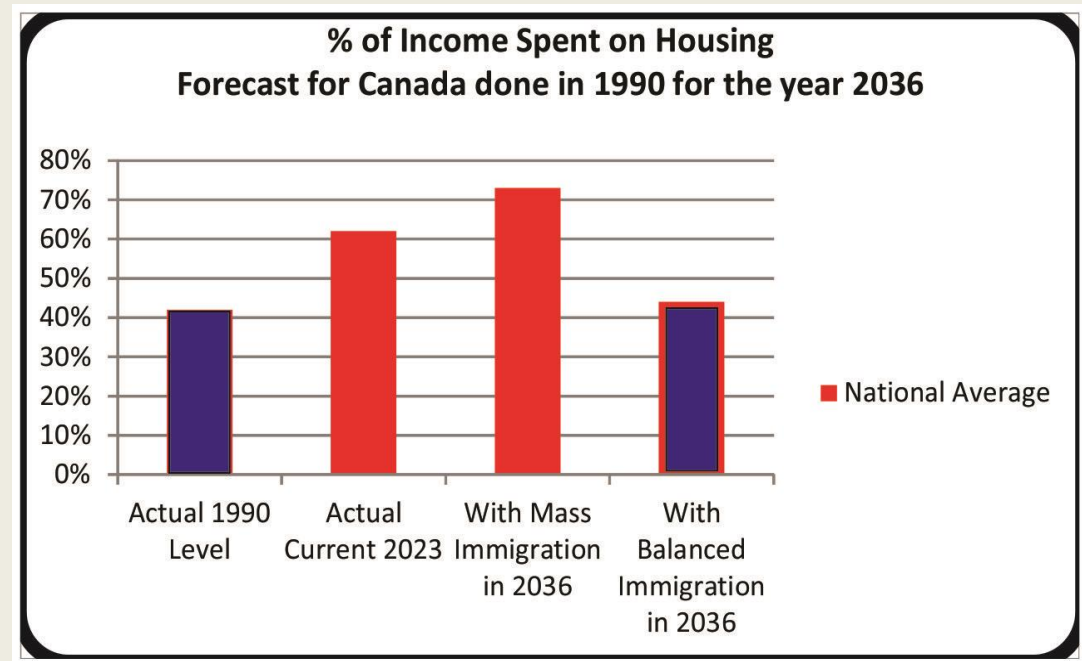
TABLE 9. AVERAGE ANNUAL DEMAND FOR NEW HOUSING CANADA, 1981-2001 DWELLING UNITS (000s)^a

	Low Immigration Constant Headship Rates	High Immigration Constant Headship Rates	Low Immigration Rising Headship Rates	High Immigration Rising Headship Rates
Actual^b	1981-86 ----- 156.5 -----			
Projected				
1986-91	170.5	182.5	194.5	205.5
1991-96	146.0	173.0	162.0	195.0
1998-2001	127.5	160.5	144.5	198.5

Source: Census of Canada and projections by Clayton Research Associates.

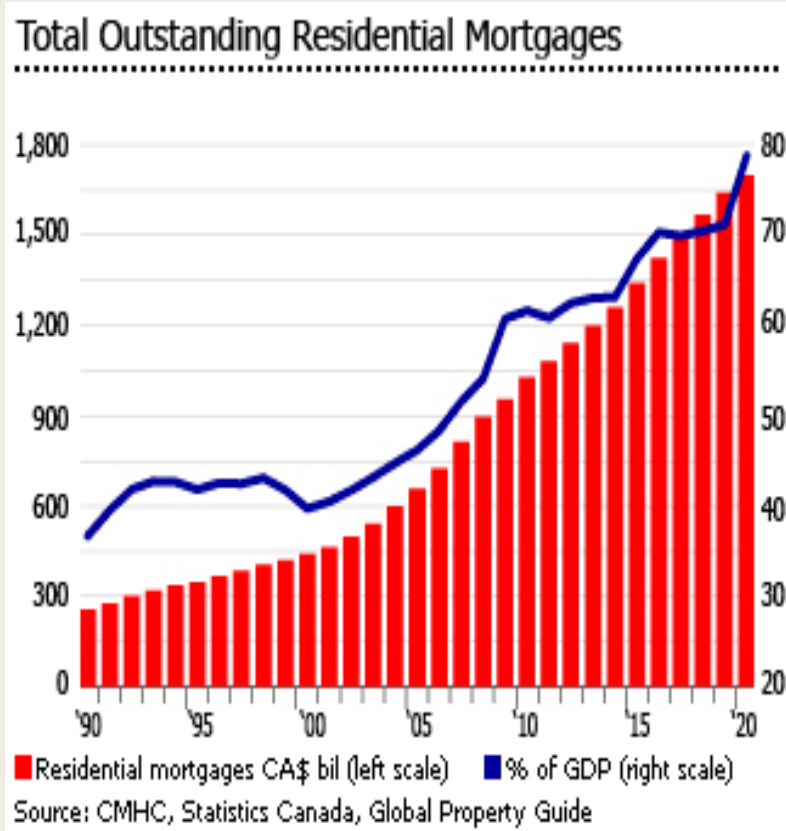
^a Includes mobile homes.
^b Approximated by housing completions and estimated mobile home increments.

What We Predicted in the early 1990s



Predictions and Outcomes - 2

What Actually Happened



Why It Happened

Scale of Profit Potential of the Asset Inflation Scam in \$B (in Canada 2020)

Newspaper corporation revenue = \$0.94

Defense Industrial revenue = \$7.0

Tobacco Industry sales = \$19.0

Oil and gas company gross revenue = \$94.0

Residential housing asset inflation = \$280.0

(valuation of \$2.8 trillion 2020, with 10% inflation)

Fractional Banking and Inflation

- If a bank prints money for a regenerative investment like new machinery, then although the effect will be inflationary in the short term, the added future production will substantiate the money created.
- If a bank prints money for a consumer loan/mortgage or stock purchase, this is inflationary as there is no increase in production to substantiate the money printed.
- Banks should only make consumer loans from money deposited with them.
- If there is too much money printed for non-productive use (real estate etc.) and interest rates consequently rise, this is the monetary equivalent of Dutch disease.
- Dutch disease example:
 - Exporting a huge amount of oil forming 30% of Canada's total exports propped up the Cdn \$ and made travel, manufacturing sectors, etc. far less competitive with high job losses.
 - Real estate inflation is felt in prices of every good and service we consume. (Margit Kennedy study)

Inflation is the increase in claims on wealth with no increase in the stock of wealth. Pumping up asset valuations and printing money on the basis of their increased market value is counterfeiting.

Real Costs Allow Good Decisions to be Made

- What we need to know:
 - Real costs
 - The sticker price has to be the full price.
 - Sources of inflation:
 - Real inflation.
 - Cost increase due to depleting resources, supply interruption i.e. loss of efficiency.
 - Monetary inflation:
 - Demand driven price increases for real estate, stocks.
 - Trade deficit paid for in part by printed currency sent to foreign suppliers which then returns as money on domestic assets i.e. real estate, farmland etc.
 - » Basically you pay for the goods you receive with the goods you produce plus the assets you own. The seller gets paid whatever the method.

Through the Real Economy Lens

- Needed: (a small selection from a long list)
 - Non-inflationary Banking
 - Banks staying out of public policy
 - Big pharma not controlling public research
 - Developers and Cheap labour employers not dictating immigration policy
 - Fast food industry not dictating childrens' diets.
 - Strong scientific review processes.
- The sources of inflation are broken down, clearly identified and scaled.
- Fractional banking should be used only for regenerative investments which increase real goods production/efficiency.
- All real costs are built into final costs.
- The goal is not bigger but better with:
 - High levels of equality
 - High job quality and productivity
 - Very little debt
 - Stable housing costs.
 - Declining environmental footprint

An End to Growth puts an end to parasitic business models

- An end to population growth will deliver:
 - healthy, stable communities with affordable housing, minimal debt,
 - Higher per capita incomes and high equality levels.
 - Lower consumption.
- In other words an apocalypse for speculators, cheap labour employers, debt mongers and developers.
 - And politicians looking for fat campaign donations and post-public office contracts.
- Effectively, many non-contributing business models will cease to exist.

Two Views of the Same Event

Population stabilization, the end of growth

This for people

= This for developers, speculators and debt mongers



Impact on people, community and planet:
- sustainable high quality of life.

Impact on parasitic overhead:
- smoking ruins of once towering money grabbing operations.

Pick Your Spots

- It is tough to pick a target out of chaos and the commercial market is highly conflicted and full of false signals.
- Bank economists are criticizing immigration levels while the banks finance the Century Initiative mass immigration lobby.
- Subsidizing cheap labour to support outdated business models, thus increasing government deficits.
- It is tough to know where to start.
- But the key fact is that politicians and media have no clear idea of what is actually happening and might be able to absorb simple clear points on why their priorities are wrong.
- How many signatures from experts on a letter does it take to generate a response from media or politicians? (that is a question)
- What we see as chaos is actually a galaxy of conflicts, wrong assumptions and mistakes that deserve mention.
 - For the numerate, real economy based commenter though, public policy and media coverage are what can be referred to as a target rich environment.

Putting a Face on the Growth Lobby

- The growth lobby has very good reason to want to keep all metrics in the money-economy spectrum as biophysical or real economy indicators will completely undermine their narrative.
- That narrative is now an unchallenged monologue in mainstream media.
- Identifying them and their connection to media and politicians exposes institutional corruption.
- This makes it easier for people to demand institutions do the job they were created to do.
 - Environmental reviews
 - Journalistic integrity
 - Social responsibility
- Experts and scientists need to provide the larger biophysical context necessary for a well-informed national conversation.
- The media have a responsibility to give access to all well-informed opinions.**

** this assertion might draw laughter in media boardrooms.

GDP

Using a Tool designed to provide a basis for taxation for deciding national policy;
what could we have possibly missed?

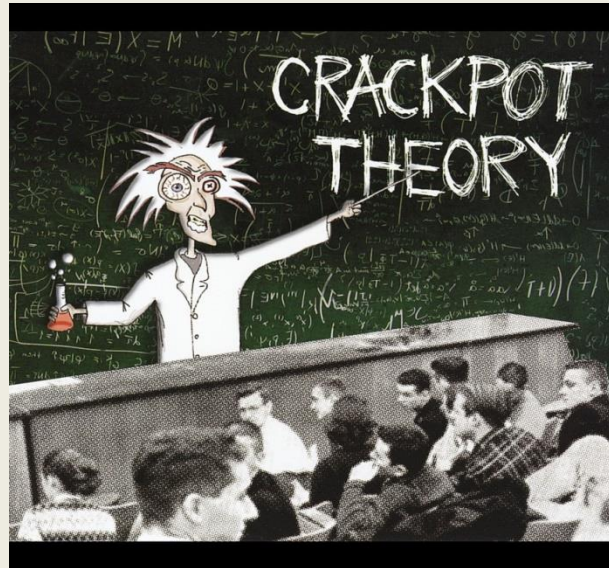
- GDP is a cashflow metric which captures all of the transactions in the commercial marketplace.
- It does not deal with assets, well-being, environmental health - only paid activity.
- It does not distinguish between productive activity and unproductive activity.
- Nor between good activity and bad activity. Just cash that changes hands.
- The creators of the national accounts system explicitly and emphatically stated that GDP/GNP should not be used for the formation of national policy.

The Course We Are Now On:

Well defined by the Century Initiative and the Crave More Promotion

Humanity can have 1% annual population growth for 7 million years is a theory hatched by crackpot commercial economists 4 or 5 decades ago.

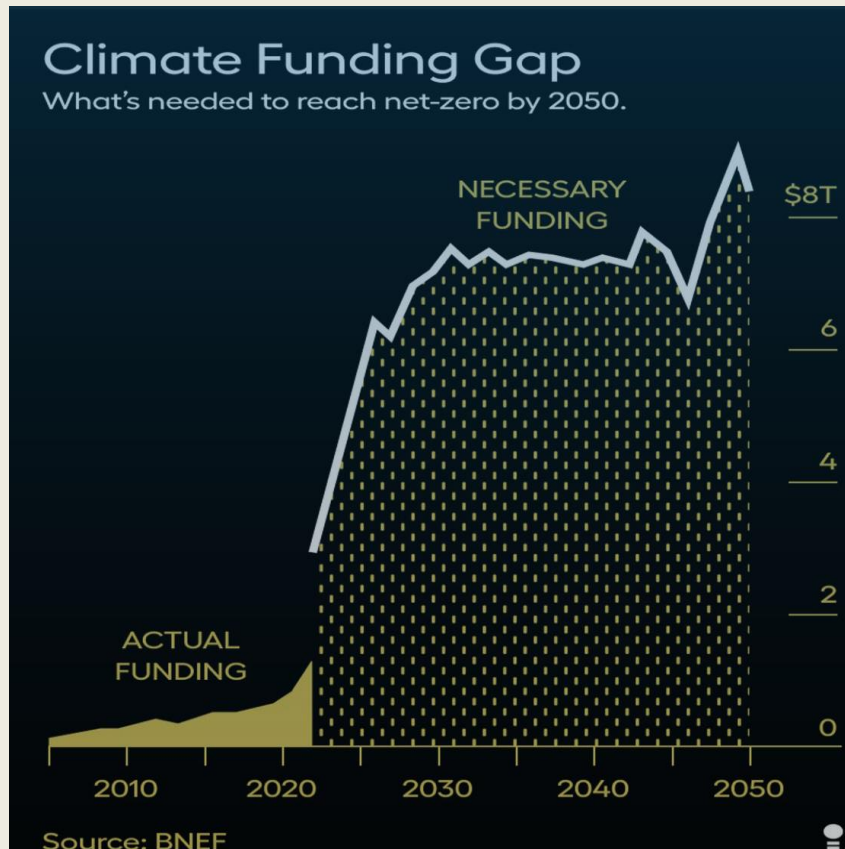
Humans would outnumber atoms in the universe after 25,000 years of 1% growth.
We need a course change.



[Crackpot Theory](#) (Artist), [Dan Karlsberg](#) (Composer)

The Transition to Sustainability is not Economically Viable

- Slow money i.e. low return
- In the world of money, saving the planet makes no economic sense



The market, based on current energy prices and carbon prices, simply will not deliver a sufficient and timely response on its own.

We need to illuminate the interests which oppose structural change in the market.

Paul Beckwith
youtube

Things which need to be tossed onto the trash heap of history

- Endless growth
 - Loblaw's "Crave More" campaign
 - 9000 pound SUV style EVs
 - Vain-glorious conspicuous consumption
- Inflationary fractional banking scam
 - Cheap labour
 - Mass immigration / population growth
- Energy negative buildings
- Misleading metrics and inappropriate, self-serving tools
- Political corruption
 - Developer/oil industry/bank financed politicians
 - Lobby owned media corporations
 - Lobby funded university research
- Cowed academics and scientists sticking to their lanes and clutching their desks.

Change of Plan

The Role of Scientists has to Expand

- It is no longer enough for earth scientists to offer up ever more alarming studies and for activists to repeat the message that we need to act to avoid a losing showdown with Mother Earth.
- We need to identify the interests which are slow-walking and derailing the transition to a de-carbonized and sustainable society.
- Democracy and informed conversation are failing and they won't fix themselves.
- Push the media into a new zone by forcing them to consider new metrics and policy alternatives. They will never connect the dots if scientists in small groups don't approach them.
- We need to make social policy biophysically coherent and separate from the commercial economy.

Thank You

- **Strength Out of Weakness: Rethinking Scientific Engagement with the Ecological Crisis as Strategic Action**
 - Sebastián Ureta, Javiera Barandiaran, Maite Salazar, Camila Torralbo
 - [Elementa: Science of the Anthropocene](#), 25 September 2023
 - Faced with the ecological crisis, environmental scientists are asking what else besides providing evidence can they do to steer needed processes of substantive change. We argue that such an exploration should start by recognizing their weakness regarding the forces aiming at slowing down the pace of change. Recognizing this weakness should lead scientists to a change of tactics, embracing forms of strategic action used for centuries by groups on the weaker side of power struggles: that is, guerrilla strategies.

Even if AI could solve climate change, would we believe and implement it?

What more evidence can AI provide?

Should AI be used to illuminate roadblocks and denial networks?

AI won't pick up the shovels, turn down the thermostats,

drive fewer km or smaller vehicles or make up for the enormous profits growth generates.

What did AI have to say about this topic?