

Carney has been brought here ‘to reflate the debt bubble’, warns wealth manager

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The new Bank of England governor encouraged reckless lending in Canada and is now poised to inflict the same damage on the UK, according to a financial adviser.

Jonathan Davis, managing director of Jonathan Davis Wealth Management, has argued that Mark Carney kept Canada’s economy only superficially strong by bolstering it with debt.



Mark Carney, the new governor of the Bank of England

Carney has been widely feted for steering Canada through the aftermath of 2008’s financial crash, a notable triumph being that no Canadian bank had to be bailed out.

Yet Davis has claimed that this was only because Carney allowed them to keep lending rather than forcing them to shore up their balance sheets.

‘Canadian banks lent just as recklessly into the property bubble as ours did,’ Davis said. The worrying practices he highlighted included the use of credit cards to finance mortgage deposits, and the ability of buyers to self-certify themselves for mortgages worth more than the value of their houses.

‘It now looks as if all Carney really did was keep the debt-fuelled boom running longer than anywhere else,’ commented Davis. ‘There are worrying signs that the Canadian economy is coming off the rails and it looks as if he is getting out before it crashes.’

For Davis, this is particularly alarming because Carney ‘inherited an economy that was in perfectly decent shape and he engineered a property bubble’.

Now, Davis cautioned, Carney has been appointed to the Bank of England as ‘one more desperate attempt to reflate the debt bubble’.