Business Briefs

Bank of England

Deputy Says Crisis May Be 'Worst in History'

Deputy Governor of the Bank of England Charles Bean declared the current financial crisis as the "worst in human history," the London *Guardian* reported on Oct. 25. That the comment comes from the bowels of the Bank of England, makes it all the more extraordinary. Bean made his remarks after the British economy was officially declared in recession, and the pound sterling collapsed 10 pence, to below 1.53 to the dollar, the sharpest one-day decline in 41 years.

"This is a once in a lifetime crisis, and possibly the largest financial crisis of its kind in human history," Bean told the *Scarborough News* during a recent tour of the region. Bean added: "We have had banks crises in the past but what is unique about this event is its sheer scale. It is global. It originated in the United States but its tentacles have spread across the world . . . particularly in the last six weeks when financial markets really ground to a halt, and trust in the financial positions of a whole range of institutions has come into question."

Reflecting widespread fear, Bean said. "In terms of impact on the real economy we are still in early days. . . . No one can escape from the fact that we are facing a recession as it now seems to be everywhere we look."

Federal Reserve

Bernanke Lies That He's Not Mimicking Hoover

Federal Reserve Chairman "Helicopter Ben" Bernanke, lender of nearly $2 trillion this year to a disintegrating banking system, justifies his hyperinflationary policy by claiming to be a scholar of the Great Depression, determined to avoid President Herbert Hoover's "great mistake" of "tightening credit and balancing budgets" after the 1929 stock market crash. He's either a bad scholar, or he's lying.

From the Crash of 1929 to late 1930, Hoover and Fed Chairman Roy A. Young did exactly what Bernanke and Treasury Secretary Hank Paulson are doing now! Young reduced the Fed discount rate 21 times in a year (in small increments), down from 4% to a then-record low of 1.25%. Hoover pushed through tax cuts of $400 million, and then $160 million more, and forced the consolidation of five major (bank-owned) railroad companies with Federal financial support. Federal Reserve lending to banks massively increased in 1930; the government congratulated itself on a major recovery of bond issuance and bank lending, and a record rise of stock prices. But real estate prices, and the real economy, kept falling.

Then the bottom dropped out in late Fall of 1930, the dollar crashed, half of all foreign bank deposits fled the United States, U.S. trade collapsed along with tax revenues. And *then* came the tight money, budget-balancing policy of "scholar" Bernanke's stimulating falsehoods.

Cuba

Castro Endorses London's Global Finance Bailout

In an Oct. 16 article entitled "The Uncommon," Cuban leader Fidel Castro wrote that "On the 14th, [the Spanish daily] *El País* runs an article under the heading, "Gordon [Brown] has done it right, with some ideas that deserve to be literally reproduced.'"

Castro then praises the plan the international financial oligarchy has given Britain to impose on the globe: "The British government has gone directly to the root of the problem, and acted with astonishing speed to solve it. . . . We still don't know if those measures will work. . . . That clear view has had to come from London and not from Washington. . . . Luckily for the world economy, what Gordon Brown and his ministers are doing is sensible. And perhaps they have shown us the way out to overcome this crisis."

This is a cute way for Cuba's Old Man to endorse the British Prime Minister's final solution—not for the global meltdown, but for the destruction of the U.S. republic.

In Congress

Sir Alan Greenspan: 'I'm Still an Idiot'

Sir Alan Greenspan, the fool made a British knight for his role in destroying the economy of the United States, revealed before Congress Oct. 23 that he is still unable to learn from his multitude of mistakes. In his testimony before the House Committee on Oversight and Reform, Sir Alan placed the blame everywhere but on himself and the financial system he helped create, claiming that he is in "a state of shocked disbelief" at the magnitude of the crisis, which he asserted "has turned out to be much broader than anything I could have imagined."

Many who witnessed that statement are in a state of shocked disbelief that Greenspan could be so shameless or clueless.

Sir Greenspin expressed surprise that the "global economic policies that had worked so effectively for nearly four decades" could have come to such an unexpected result, conveniently overlooking the unpleasant reality that these policies have led to four decades of unmitigated disaster. Rather than blame the derivatives/securities-market scams he helped create and nurture, Sir Alan instead blamed the "excess demand from securitizers"—another verse of his "my system was good but some people used it wrong" song he has been singing since his "It's Not My Fault" world tour began.

He also blamed, not the risk-pricing models upon which the derivatives market is based, but the "data inputted into" those models, and said the crisis would end when home prices in the United States stabilized.