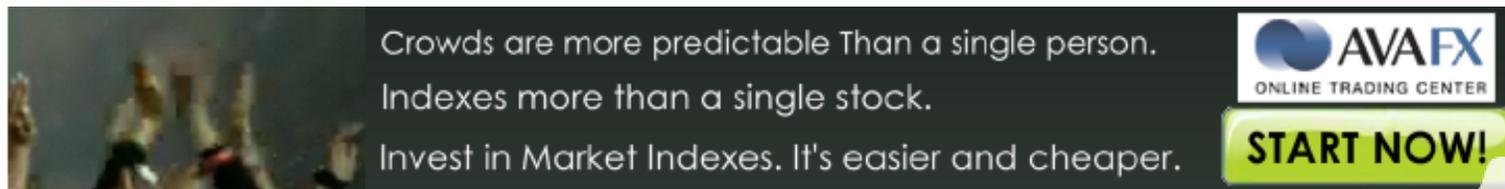


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## [Edmund Conway](#)

**I am Economics Editor of The Telegraph newspapers and website. Come join in as I try to get my head, and hopefully yours, round what on earth is happening in the**

**financial crisis. I also blog occasionally on music, literature and anything else that takes my fancy. I have written a guide to economics - 50 Economics Ideas You Really Need to Know - which you can buy [here](#).**



## US faces same problems as Greece, says Bank of England

By [Edmund Conway](#) [Economics](#) Last updated: May 13th, 2010

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Mervyn King, Governor of the Bank of England, fears that America shares many of the same fiscal problems currently haunting Europe. He also believes that European Union must become a federalised fiscal union (in other words with central power to tax and spend) if it is to survive. Just two of the nuggets from one of the most extraordinary press conferences I have been to at the Bank.

What with all the excitement yesterday over our new Government, I never had time to remark on the Inflation Report press conference. Most of our attention was on what King said about the Government's fiscal plans (a ringing endorsement). But, as Jeremy Warner has [written in today's paper](#), it was as if King had suddenly been unleashed. Bear in mind King is usually one of the most guarded policymakers in both British and central banking circles. Not yesterday.

It isn't often one has the opportunity to get such a blunt and straightforward insight into the thoughts of one of the world's leading economic players. Most of this stuff usually stays behind closed doors, so it's worth taking note of. And I suspect that while George Osborne will have been happy to hear his endorsement of the new Government's policies, Barack Obama and the European leaders will have been far less pleased with his frank comments on their predicament.

The [transcript and video are online at the Bank's website](#), but below are the extended highlights, all emphasis mine. Well worth checking out.

*America, and many other large economies including the UK, share some of the same problems as Greece with its public finances:*

Every country around the world is in a similar position, **even the United States; the world's largest economy has a very large fiscal deficit**. And one of the concerns in financial markets is clearly – how will this enormous stock of public debt be reduced over the next few years? And it's very important that governments, both here and elsewhere, get to grips with this problem, have a clear approach and a very

clear and credible approach to reducing the size of those deficits over, in our case, the lifetime of this parliament, in order to convince markets that they should be willing to continue to finance the very large sums of money that will be needed to be raised from financial markets over the next few years, at reasonable interest rates.

*On why Europe will have to become a federalised fiscal union:*

I do not want to comment on a particular measure by a particular country, but I do want to suggest that **within the Euro Area it's become very clear that there is a need for a fiscal union to make the Monetary Union work.** But if that is to happen there needs to be also a mechanism to enable other countries that have lost competitiveness to regain competitiveness. That requires actions, probably structural reforms, changes in wages and prices, in the countries that need to regain competitiveness. But it also needs a solid and expansionary state of domestic demand in the stronger economies in Europe.

*On the deficit:*

The most important thing now is for the new government to deal with the challenge of the fiscal deficit. It is the **single most pressing problem facing the United Kingdom**; it will take a full parliament to deal with, and it is very important that measures are taken straight away to demonstrate the seriousness and the credibility of the commitment to dealing with that deficit.

*Why it is right that the Government wants to cut spending as soon as this year:*

We see the recovery beginning to take place, and we expect that the pace of that recovery will pick up. But we've also seen the market response in the past two weeks, where major investors around the world are asking themselves questions about the interest rate at which they are prepared to finance trillions of pounds of money that will need to be raised on financial markets in the next two to three years, to finance government requirements around the world. And that I think has been a sobering reflection of what can happen if you don't make very clear at the outset – I think markets were not expecting any action before the election. After the election they need and they want a very clear, strong signal and evidence of the determination to make it work.

And I think that it's quite difficult to make credible a commitment to fiscal consolidation if all the measures are somehow in the future. You need to start and get on with it....

I don't believe that the scale of those measures, the £6bn cuts, is likely to be such as to dramatically change the outlook for growth this year. And as I said earlier in response to answers, I think it does **reduce some of the downside risks** by taking away some of the market risk that might have occurred if there'd been a sharp upward movement in yields.

*On Greece:*

I think the lesson from Greece is that, if the problem had been dealt with three months ago, it would not have become as serious as it subsequently became. And I think the important thing now is that Greece has been dealt with a major IMF and European Union package...

But those measures provide only a window of opportunity. They do not affect the total amount of debt, in themselves which countries around the world have to repay. The markets, which some of our European partners like to describe as speculators causing difficulty, are the very same markets where the public sector

is looking to provide trillions of pounds of support to finance public debt around the major countries in the world over the next few years.

What matters is that those investors are prepared to buy government debt at interest rates which make it tolerable for the countries concerned. And that is why it is important for each and every country to demonstrate that they are on top of a programme for their country to reduce the fiscal deficit to a sustainable path.

That has been the big message, but within the international community I think there is a very clear understanding that the package of financial support which was made available at the weekend is not an underlying solution to the problem. It provides a window of opportunity which gives governments the chance to put their house in order; and it gives the international economic community a chance to talk about what I think – and have always said for some considerable time – to be one of the major issues facing us, which is the need to rebalance demand around the world economy.

*On how worried international leaders are about the economy and Europe's fiscal problems:*

As you know international conversations proceed very slowly – too slowly usually. In 2008 there was an exception.

I think the mood and manner of the G7 meetings at the IMF in October 2008 was very different, and that people did come together and recognise that, unless they worked together, we would all be facing an extraordinarily serious position. That's pretty well documented in Hank Paulson's memoirs of the period.

But I think what I heard on the telephone conversations that I was part of at the weekend, it was slightly reminiscent of that: a recognition that the problems are far too serious for countries not to work together. After all, dealing with a banking crisis was difficult enough, but at least there were public sector balance sheets onto which the problems could be moved.

Once you move into the sphere of concerns about sovereign debt, there is no answer; there's no backstop. And it is very important therefore that we hit these problems on the head now, put in place credible solutions to prevent the problems becoming worse.

And I detected at the weekend, in the conversations that I spent hours listening to on the telephone, that this sense of the need to work together was there again....

**It is absolutely vital, absolutely vital, for governments to get on top of this problem. We cannot afford to allow concerns about sovereign debt to spread into a wider crisis dealing with sovereign debt. Dealing with a banking crisis was bad enough. This would be worse.**

*Why it's too early to start raising UK interest rates, but not too early to be worried about inflation:*

If you mean a tightening of monetary policy, then at some point it certainly will come. And when it comes it will be very welcome because it will be a sign of the strength of the UK economy, and the fact that we feel we will need to tighten monetary policy because we think the prospect for inflation is that it will not be to fall below the target as a result of so much spare capacity. So I think we would look forward to that time when it will come, because it will be a reflection of strength of the economy.

We're not at that point now; I don't know when it will come; that's something we will judge month by month.

I can assure you the MPC is very concerned about what's been happening to inflation. I do think that we have seen a sequence of shocks, price level shocks, which have inevitably raised inflation. We have also seen in the past three years two episodes now in which inflation did go up quite significantly and then came down quite sharply. And I think our judgement is that next year we will see a repeat of that. If these effects are not repeated, if we don't see further increases in indirect taxes, or oil prices, then those shocks will not be there and inflation will start to come back and reflect the extent of spare capacity.

*Fond words on former Chancellor Alistair Darling:*

Perhaps I could take the opportunity of thanking Alistair Darling, and saying that I think that – for someone who became Chancellor and after only a few weeks the world's greatest financial crisis took place – he has brought, not just domestically but internationally, a sense of calm and good humour which has made it much easier to deal with the problems that arose. And indeed, I think we had some rocky times, but we ended up with a very strong working relationship and in large part that's because of the way he handled himself in the job.

*Rather less fond words on former PM Gordon Brown:*

I worked very closely with him late at night, weekends, to deal with the financial crisis. And I think when we both look back on our careers in many years to come, not now, many years to come, we will reflect that we probably had few opportunities to do something as important as the recapitalisation of the banking system in October 2008. It led, I think, the reaction of the rest of the world to that crisis. We worked incredibly closely on that. And I think that will seem a high point. And I very much valued the opportunity to work closely with Gordon Brown over many years as Chancellor and then Prime Minister. He had a remarkable period in office. And I wish him well in what I suspect is a career of which we may yet see more to come.

**Tags:** [America](#), [Bank of England](#), [Barack Obama](#), [deficit](#), [financial crisis](#), [George Osborne](#), [greece](#), [Mervyn King](#), [us](#)

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## COMMENTS

- Ah! Well. That is good then. Much the same as many of us have been saying re the potential for stability in the Euro without some sort of Fed or Treasury governing or having control.

Likewise the other issues.

We'll see what the new government say. Andrew Neil is bound to have some questions arising from these bons mots when he speaks with Itchy and Scratchy tonight..



naomimuse on May 13th, 2010 at 1:15 pm

[Report comment](#)

- It's all good – it's only money :)



coltek on May 13th, 2010 at 1:50 pm

[Report comment](#)

- So, he said that the US and UK face many of the same problems as Greece, but of course, you don't pay much attention to that UK part. In fact, he is speaking of all governments with a deficit.

To sum up, the Governor's words which you quoted are very interesting, and I'll leave it at that.



Bu on U on May 13th, 2010 at 1:55 pm

[Report comment](#)

- Seems to me that all governments have a deficit – someone is owed a shitload. Maybe they should all sit down and say it is all now zero and go back to the gold standard. Oooopsey! I forgot, we don't have any do we! :)



coltek on May 13th, 2010 at 2:10 pm

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- It is surely to be expected that the privately owned Bank of England would go to bat for the undemocratic EU Collective. After all the Bank of England enjoys the same status as the first atypical cell in a certain disease. It is first and foremost a globalist Institution that works with the other tendrils of the Internationalist structures like the WHO/UN/BIS/IMF/EU.  
Mr kings little plug for the EU fiscal union is unwanted and resented by the great majority of Brits.  
Time to take the Bank into Public ownership?



bling on May 13th, 2010 at 2:34 pm

[Report comment](#)

- Our mission must be to service and repay national debt by dint of sustained, aggressive economic growth. The alternative is default and/or printing money ... presumably followed, sooner or later, by (hyper) inflation, socio-economic collapse and a pressing of the big reset button.

So economic growth it is then. Let's make it happen.

Er, hang on a minute. Don't we need "infinite" supplies of cheap energy to fuel aggressive economic growth?

Yep. As is pointed out here by Richard Heinberg:

<http://tinyurl.com/loo3t8>

So, we've reached the end of mankind's era of cheap energy ... just as we've reached the pinnacle of the most massive private and public sector borrowing binge in recorded history ... requiring unprecedented, cheap-energy-fuelled economic growth to get us out of the debt black hole.

In the infamous words of John Swigert, "Houston, we have a problem here ..."



Moraymint on May 13th, 2010 at 2:43 pm

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- I think the problems in the US will be the tip of the iceberg. The Uk is not really in any better shape. It seems there is a loss of god in the government...we are going through some tough times. want to share a site that lets you vote your opinions <http://opinion.ezwingame.com>



barbarasmith1836 on May 13th, 2010 at 2:46 pm

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- Keep Sterling and do everything possible to catalyse the already under way natural disintegration of the EU, no need for UKIP or BNP withdrawal policies.

Seems so obvious to me, that when we, the Germans, Danes and Dutch taxpayers get sick of paying for the invidious subsidies to everyone else, the EU will fall apart very quickly.

Just two strategic considerations, make sure it happens before we give up our fantastic armed services and we still have a nuclear deterrent.

Just remember the ballot box and democracy means nothing to the unelected international socialists of the EC.



geoffthereff on May 13th, 2010 at 3:00 pm

[Report comment](#)

- geoffthereff on May 13th, 2010 at 3:00 pm

“Just remember the ballot box and democracy means nothing to the unelected international socialists of the EC”

Yes, it is astonishing that we put ourselves through the Second World War supposedly to free Europe ... only to discover 65 years later that Europe is now all-but a wholly undemocratic politico-bureaucratic dictatorship using state funds (which don't really exist as such) to prop up an otherwise collapsed banking system, itself propping up, er, bankrupt states. It's perpetual motion madness.

Common sense tells me that this cannot possibly be sustained. Either the whole artifact has to be unwound under control, or it will collapse uncontrollably. My money is on the latter.

These days I have an overwhelming sense that our political elites here, in Europe and the USA are at the absolute limits of their abilities to control economic events. In the end, economics always wins over politics. It must surely now be only a matter of time – say 3 years or so at most – before the EU starts to unravel at a rapid rate of knots.

Goodness knows where all this will end up in terms of the impact on ordinary citizen serfs like me.



Moraymint on May 13th, 2010 at 3:22 pm

[Report comment](#)

- Mr King was, is and remains an idiot the type of which the B of E specialises in producing. There will be a sovereign default, in the Euroland, in the UK, and the US (probably in that order). To reason is because in 2008 those countries – with the approval of Mr King here in the UK – those to transfer private debt to the state. Mr King also said very little whilst this debt was being piled-up in the run-up to the 2008 crash. That horse has bolted.



badnewz on May 13th, 2010 at 3:28 pm

[Report comment](#)

- I thought Gordon Brown had sorted all this out when he “saved the world”. Do we need him back?



clydesider on May 13th, 2010 at 3:56 pm

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- Let's not forget that King was part of the problem: he cooperated with Brown and was in a position to come clean along the way... which he did not and for that should be the target of a full investigation of both his actions (and inactions) along with all the gory details.

He is far more a “legend in his own mind” than an admired leader in the global financial community and instead of “one of the most guarded policymakers” should be characterised more as keeper of

nasty secrets where he has been negligent in his duties to country... and acting in cooperation with NuLabour, Brown and some of the worst and most destructive thugs to ever occupy UK leadership. King is bringing out some of the truth to exonerate himself and to begin to place blame on the US for its policies, actions, outcomes and serious negligence of its leadership.

Yes, King is correct about the mess in the US: it is much larger than the Greek disaster, riddled with corruption, lies, pretense, political deception, self-serving Congressional leadership and a moronic and deceptive White House during the Bush administration and for at least a decade before. The US public opinion polls show that 70+% of the public believe the US is still in a recession, 80+% lack confidence in that nation's leadership and 50+% place blame on the current White House.

Consider where America is today: severe unemployment problems with grim prospects for substantive change; two losing wars in Iraq and Afghanistan at massive financial and human-life cost; near-meaningless overblown legislation for healthcare and financial services regulation that miss all the key concerns/problems of the system and play right into the hands of the worst greed in America; systemic debt problems from on top at the government level right down to the mortgage and credit card burdens at the individual level... bombs that have still not completely exploded; an emergent domestic terrorism problem with no meaningful safeguards over decades and not much better protections now nor on the horizon; and worst of all an arrogant sense of massive entitlement to a "good life without earning it", which is killing America, the global capital of obesity, sloth and insularity.

So King is correct in his observations that the US has more problems to come, and these events may very well have a serious negative effect on the UK... so he's providing a heads-up for bad news to come and where to place the blame, which according to this nice old man should not rest on Brown's and his shoulders but on America's. But people in the UK should be smarter than believing that complicity with the US is the worst problem rather than poor and negligent financial leadership over the past decade who knew exactly the implications of what they were doing along the way... and who let the optics of a sound and healthy economy override the better judgement to be honest about the gravity of the underlying and growing problems.



Henry Cave Devine on May 13th, 2010 at 4:38 pm

[Report comment](#)

- No doubt caused by the same Crooks who brought down Iceland.

[http://www.youtube.com/results?search\\_query=max+keiser+iceland](http://www.youtube.com/results?search_query=max+keiser+iceland)



britishpatriot on May 13th, 2010 at 4:45 pm

[Report comment](#)

- Devastating insight from the Bank of England!

Of course you can't have monetary union without fiscal union, surely that was the entire plot behind the euro in the first place? But what if you have fiscal union, who decides how many Greek bureaucrats get paid compared to German bureaucrats? By analogy, the water will swish from the

deep end (Germany) to the shallow end. Socialist Nirvana! I suppose its outside Mr King's brief to discuss the politics of fiscal union?

When the bankers deficit was being transferred from the private to the public ledger, where was the bank in speaking up for the dangers involved? When the government decided to engage in QE, why was the bank a silent co-conspirator, and why didn't Mr. king speak up on the dangers? It's easy to blame inflationary risk on the price of oil (no one is denying the possibility here), but how about the potential of all those notes sloshing around via the printing press, created from thin air? Presumably the for-profit BofE would like their money back too!



scrambledeggs on May 13th, 2010 at 5:23 pm

[Report comment](#)

- Really he meant “fear” rather than “suspect” in that last line.



InstantSaver on May 13th, 2010 at 5:40 pm

[Report comment](#)

- You cannot have monetary union without a federal bank so the gangsters are merely doing what they intended to do anyway using the credit crunch as an excuse. They will crush the Unions next & slash public sector pay & pensions until we have something resembling modern day Russia. It serves you all right for going along with it & letting the gangsters borrow the future in order to eventually steal it. Let us remember the Germans went along with the Nazis all the time things were going their way.



christy on May 13th, 2010 at 5:52 pm

[Report comment](#)

- A silly question maybe but to whom are all the major nations indebted? What would happen if they defaulted in concert so that no one currency would collapse?



Pragmatist on May 13th, 2010 at 6:11 pm

[Report comment](#)

- Moraymint 3:22

” It must surely now be only a matter of time – say 3 years or so at most – before the EU starts to unravel at a rapid rate of knots.”

Surely one unties at a rate of knots rather than unravels?



alhamilton18 on May 13th, 2010 at 6:36 pm

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- American taxpayers helped pay for the recent European bailout plan for Greece. They contribute about 29 percent of the funds available to the IMF. Meanwhile, their nation's debt is nearly \$13 trillion and who is going to bail-out the USA? China has it's own problems so the only realistic solution is a combination of budget-slashing, tax cuts and an energetic policy to promote jobs and investment in the USA, not Zimbabwe or Iceland.



AcePilot101 on May 13th, 2010 at 7:02 pm

[Report comment](#)

- badnewz on May 13th, 2010 at 3:28 – I think you are wrong about Mr King – I have on my desk the copy of an article by Edmund Conway dated 12 July 2006 and headlined “City faces meltdown if debt crisis hits”. It is based on a report from the Bank of England led by Mervyn King – I think you should read it carefully before passing judgement.



Father Ignatius Brown on May 13th, 2010 at 7:08 pm

[Report comment](#)

- Moraymint 3:22 wrote:

‘These days I have an overwhelming sense that our political elites here, in Europe and the USA are at the absolute limits of their abilities to control economic events.’

Where they ever?

‘ Give me the right to issue and control a nation’s money and I care not who governs the country’  
Meyer Amschal Rothschild, International Banker.

“I have unwittingly ruined my country’ – W. Wilson, upon passage of Federal Reserve Act 1913.



owainglyndwr on May 13th, 2010 at 9:09 pm

[Report comment](#)

- I said 2 years ago that the bank bail out was just part of the problem and that there wasn't (isn't) enough taxpayers' money in the USA , Europe or just the UK to balance the books

What is required is for the vast oil wealth and the Chinese fiscal surpluses to be put into our banking system and money markets

I will say it again :

The solution is Arab (and Iranian) oil wealth and China. The other part is massive public sector cuts. For example : guess what the payroll is just for ‘non-smoking’ enforcement in the UK ? Answers

please and I will announce the winner later.

Multiply by the thousands for all the useless quangos ad you get my drift as to how much money is utterly wasted . We are worse than Greece in that respect

I could go on , but the world is not ready for me yet.....



Man on Waterloo Bridge on May 13th, 2010 at 9:27 pm

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- If there's to be a eurozone fiscal union then that should be created legally and openly through changes to the EU treaties, according to the appropriate procedure laid down in Article 48 TEU, not through EU governments including the UK conniving to assemble the mechanics of a fiscal union by the back door through breaches of the present treaties.

And as participation in a fiscal union would be a fundamental change to the present legal and economic basis for eurozone membership, the treaty amendments should include arrangements for those EU member states who decide that they don't want to take that huge step.

States which joined the eurozone on the basis that it would NOT entail fiscal union, and which do not want to take that step, should be allowed the option of an orderly withdrawal from the eurozone and reversion to their national currencies.

Similarly states which accepted the obligation to eventually join the eurozone as part of their accession treaties, on the basis that it would NOT entail fiscal union, should be allowed the option of shedding that obligation, and any new EU member states should not be required to accept that treaty obligation.

As far as I can see there would be no need to significantly change the legal position of the two EU member states with indefinite "opt-outs" from the euro built into the EU treaties, the UK and Denmark, beyond a clear restatement and reinforcement of the fact that they are under no obligation to directly or indirectly participate in any measures to ensure the integrity of the eurozone or the euro system, or to maintain the external value of the euro, or assist eurozone or other EU member states except through the IMF mechanisms which would apply to any country around the world which found itself in financial difficulties.

I doubt that it would be tenable in the long term for any country to occupy a halfway house of still using the euro as its only legal tender, but not being part of the eurozone fiscal union, and on the whole I don't think that intermediate state should be on offer to EU member states.



Denis Cooper on May 13th, 2010 at 9:27 pm

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- @ bling on May 13th, 2010 at 2:34 pm

"It is surely to be expected that the privately owned Bank of England would go to bat for the

undemocratic EU Collective”

Who does own the BoE and what was the Bank of England Act 1946 all about?



chriscard on May 13th, 2010 at 10:05 pm

[Report comment](#)

- Yeah, we wish we were Greece, that would be a big step up. Greece’s average pension is 90% of their pay. Ours is 37%. I think that’s why Americans don’t seem to give a hoot about Greece.



sarahtx2 on May 13th, 2010 at 10:14 pm

[Report comment](#)

- The banking elite are always ready with a solution to problems they created, and the solution always involves handing them more power.

Although the problems in the USA were long in the making, I knew it was over for us when I heard that Peter Orszag was incoming as the director of the Office of Management and Budget. Sure enough, our deficit is going through the roof.

A little bit of background on Orszag is needed. He is a protege of Robert E. Rubin, the former treasury secretary who recently resigned from his senior position at the woefully mismanaged and nearly bankrupt Citigroup. Orszag was an economic adviser for the Russian Ministry of Finance in Moscow from 1992-93. This was a period of rampant financial criminality during which many Russian mineral assets came under the control of the so-called oligarchs who became instant billionaires. Most of these oligarchs fled Russia when their crimes were exposed and now live in Britain or Israel, where they obtained citizenship.

Orszag’s most recent position before coming to “serve” the USA was with the economic consultancy firm which advised the Central Bank of Iceland – before it went bankrupt. How did Icelandic banks become so indebted? Ask Peter Orszag. He had the foresight to jump ship in Iceland right before the financial situation blew up like Eyjafjallajokull.

I only mention him because he is typical of these types, moving from country to country in the Western world, sowing financial destruction.



charlesgrove on May 13th, 2010 at 10:19 pm

[Report comment](#)

- Mervyn King is a complete hypocrite. He monetized 200 billion worth of UK government debt and then has the audacity to criticize politicians for spending too much and criticises debt levels. The Bank of England now owns 30% of all UK government debt outstanding. That is simply mindboggling. What a fool. He really should keep his mouth shut, rather than open it and prove how hypocritical and sanctimonious he really is. Why anyone takes him seriously is beyond me.

Smarter investors are buying swaptions to bet on higher inflation in the UK. The Bank of England has 80% of its pension money in Inflation Linked Gilts. That is all you need to know.



Cynical economist on May 13th, 2010 at 10:23 pm

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- [...] but below are the extended highlights, all emphasis mine. Well worth checking out. more... US faces same problems as Greece, says Bank of England – Telegraph Blogs Reply With Quote [...]

[\(Open\) US faces same problems as Greece, says Bank of England](#) on May 13th, 2010 at 10:41 pm

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- [...] un espectacular artículo de Edmund Conway, publicado en el Daily Telegraph, a propósito de la conferencia de prensa que dio ayer Mervyn King, Gobernador del Banco de [...]

[Obama, con la mayor deuda del mundo, llamó a Zapatero para decirle que eche a la gente a pedir, para que no le chisquen Wall Street | Escandalera](#) on May 13th, 2010 at 11:08 pm

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- [...] Read more. [...]

[Bank: US Can End Up Like Greece | Be John Galt](#) on May 13th, 2010 at 11:12 pm

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- Do I dare say I sense some brown nosing?

Perhaps a peace offering and prelude to the UK begging for acceptance into the EU.

But lest they forget when they asked for your support your turned your back on them.

Now the shoe is on the other foot, eh?



[alexhiggins732](#) on May 13th, 2010 at 11:26 pm

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- [...] 1 votes vote US faces same problems as Greece, says Bank of England Mervyn King, Governor of the Bank of England, fears that America shares many of the same fiscal [...]

[US faces same problems as Greece, says Bank of England](#) on May 14th, 2010 at 12:01 am

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[What's One Thing Obama Has Done to Help You Personally? - Page 19 - US Message Board - Political Discussion Forum](#) on May 14th, 2010 at 12:04 am

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- Federalizing is the only way for the EU to survive. A no brainer.  
Mervyn should remember that the UK's problems are at least 5 times worse than the USA. So is this a smoke and mirrors exercise or is he unaware of the situation. Hopefully the former.  
Transferring the private sector debts to the public sector was a huge mistake. The systemic problems persist un-challenged. Now we have sovereign debt bubbles that are needing bail-outs. Governments practice off balance sheet accounting by ignoring future social/health dept obligations.  
No-one will fix any of the mess as there is no incentive, in fact quite the opposite.  
The snowball keeps rolling and we are all hoping to make a buck before it collapses.  
The problems facing the UK are epic and I hope Cameron can navigate a safe course for GB.



offpiste on May 14th, 2010 at 12:13 am

[Report comment](#)

- Did Mervyn say anything about the trade deficit?



rinpoche on May 14th, 2010 at 12:34 am

[Report comment](#)

- Of course the U.S. has the same problems as Greece because George Bush and Barack Obama have driven the country into ruin, with a level of profligate spending not seen since the Johnson Administration in the 1960s.

Johnson's policies led to a decade of stagflation, with peak inflation at 17.5%, home mortgage rates at 21% and unemployment over 10%.

There is one difference between the 1960s and today. We are faced with a total collapse of Social Security (pensions) and Medicare (healthcare for the elderly) due to the huge numbers of baby boomers rapidly heading into their retirement years.

For the last 30 years, Social Security (which has a dedicated tax base) was running large surpluses. What did the politicians do? They spent the surpluses on other things. As of this year, Social Security is running a deficit. It's going to get worse.

My advice: buy gold and silver coins because as we've seen in Zimbabwe, those are the only things that people will accept in exchange for food when the currency collapses.



jwpegler on May 14th, 2010 at 12:40 am

[Report comment](#)

- [...] Financial News Update – 05/13/10 Published in May 13th, 2010 Posted by TMH in Financial, Politics, Taxation BANK OF ENGLAND: USA FACES SAME PROBLEMS AS GREECE [...]

» [Financial News Update – 05/13/10 NoisyRoom.net: The Progressive Hunter](#) on May 14th, 2010 at 12:42 am

[Report comment](#)

- [...] [...]

[Troubling Financial Commentary « Dave Foulk News](#) on May 14th, 2010 at 1:05 am

[Report comment](#)

- [...] US faces same problems as Greece, says Bank of England Share This [...]

[America - Are You Ready For Greece Style Austerity Measures? | Alexander Higgins Blog](#) on May 14th, 2010 at 1:06 am

[Report comment](#)

- [...] Full Article [...]

[White Renaissance » Collapse Appears Near: US faces same problems as Greece, says Bank of England](#) on May 14th, 2010 at 1:08 am

[Report comment](#)

- So the answer to too much taxation, too much central planning and too much government is MORE OF THE SAME? Typical liberal/progressive- when one pet project at which you have thrown billions fails, it is because you did not spend TRILLIONS!!  
There are too few private sector workers supporting too many parasites in Greece- you can not sell public debt for countries that operate like that. Eventually even China will stop buying.  
Let them fail- socialism has failed utterly and the US must lead a revival of capitalism, not follow Europe down the drain!!



micktroup on May 14th, 2010 at 1:48 am

[Report comment](#)

- [...] “US faces same problems as Greece, says Bank of England” by Edmund [...]

[osmoothie – Bank of England: US faces same problems as Greece](#) on May 14th, 2010 at 2:21 am

[Report comment](#)

- Seeing that EVERY major (and most minor) countries economies in the world are in deficit – where is all the TRILLIONS of bail-out money coming from ?



britbybirthozbychoice on May 14th, 2010 at 2:21 am

[Report comment](#)

- [...] The Telegraph reported: Mervyn King, Governor of the Bank of England, fears that America shares many of the same fiscal problems currently haunting Europe. He also believes that European Union must become a federalised fiscal union (in other words with central power to tax and spend) if it is to survive. Just two of the nuggets from one of the most extraordinary press conferences I have been to at the Bank. [...]

[Gateway Pundit](#) on May 14th, 2010 at 2:41 am  
[Report comment](#)

- [...] original article here [...]

[US faces same problems as Greece, says Bank of England - Odd News and Conservative Views - Al-Sucks.com](#) on May 14th, 2010 at 2:43 am  
[Report comment](#)

- Take a look at “75 years of funny money” which appeared in the Financial Post. Frankly, that is part of the best course of action.

As long as people, and whatever the entity is called, are holding financial instruments under attack, and they are hoping for a better settling than what they can get today – as long as that is maintained, more heat will be generated.

For, if they think that they can get more than half of what they plowed in, when all is said and done, I have to wonder what colour is the sky in their world.



davidwlincoln on May 14th, 2010 at 3:11 am  
[Report comment](#)

- F the UK and F Greece.



vernondozier on May 14th, 2010 at 3:37 am  
[Report comment](#)

- [...] The Telegraph flags some of the interesting comments he made at a press conference, following the release of the BoE’s latest inflation report. [...]

[Bank Of England Chief: The US Faces The Same Issues As Greece, And Europe Has Only Kicked The Can Down The Road | Finance Blog](#) on May 14th, 2010 at 3:49 am  
[Report comment](#)

- [...] try to wax poetic. Oh yeah, usually they don’t which is why this one is supposed to be interesting, but really, he’s not saying anything really new. Mervyn King, Governor of the Bank of [...]

[US Is Greece... Blah Blah... | Tech and Trading](#) on May 14th, 2010 at 3:53 am  
[Report comment](#)

- [...] Mervyn King, Governor of the Bank of England, made some surprisingly blunt and straightforward comments at at his Inflation Report press conference yesterday, The Telegraph reports. [...]

[Governor of the Bank of England: America Shares Some of the Same Problems as Greece with its](#)

[Public Finances](#) on May 14th, 2010 at 3:54 am

[Report comment](#)

- There are people who will not be happy about this:  
<http://guidoromero.wordpress.com/2010/05/08/the-skinny-on-who-owns-greek-debt/>

Perhaps that is why the US did not want to see Athens default on its debt. Something to make you go, hmmm.



davidwlincoln on May 14th, 2010 at 4:09 am

[Report comment](#)

- Conway, you are either a NWO shill or a dupe. England has greater public debt than the US. The Rothchilds want to monkey with the pound, dollar, and SDRs while the Greeks pull the starch out of the Euro.



darkstar57 on May 14th, 2010 at 5:05 am

[Report comment](#)

- [...] US faces same problems as Greece, says Bank of England May 14, 2010 By CMAC Mervyn King, Governor of the Bank of England, fears that America shares many of the same fiscal prob... [...]

[US faces same problems as Greece, says Bank of England | Pitts Report](#) on May 14th, 2010 at 5:07 am

[Report comment](#)

- US faces same problem as Greece, and the Euro union.  
We all share the disease of fiat currencyitis. It will destroy all of us. As the now dead Milton Friedman wrote in Money Mischief (1995), no nation in history has ever succeeded with fiat currency. Rather, politicians could not help themselves but to print and spend, print and endeavor, and print had hope. Soon we will print and pray. Are we there yet?  
We're forgotten what capitalism was. How it succeeded and how interference into its workings is one of the most unnatural social undertakings any government can perpetrate. But it is the addiction of government to manipulate the whole of a society to gain some specific upper hand. As when Kruschev visited the American midwest I think in the late 50's and was amazed at the utter endless sea of American corn. He decided that was just the ticket for Russia and he promptly laid down the law. From now on Russia would grow American Corn. It was not something the people would have chosen having so little knowledge of that crops cultivation. But how can the wheel of government be turned if government does not act?



picomanning on May 14th, 2010 at 5:57 am

[Report comment](#)

- We in the US face the same problems? All of the West faces the same problems, duh. As if the prodigality of the West was not going to catch up with it. This is no surprise. Taking care of a child is great, to the detriment of one's own health, not so much, though there is some nobility in it. Holding people accountable, making them carry their own weight in society, that too is better than giving one's inheritance to those that would waste it and impoverish both in the process. Control spending and make the children, I mean a good portion of the supposed adults, take care of their own, not just themselves. It is the answer but who's left brave enough to actually do it, and talented enough in politics to pull it off, moderately? That is the only mystery. The problems? We know the solutions. Acting well rather than thinking dreams of perfection is the disease.



berough on May 14th, 2010 at 6:00 am

[Report comment](#)

- [...] Read full article here. [...]

[US faces same problems as Greece, says Bank of England | Paul Thurman](#) on May 14th, 2010 at 6:09 am

[Report comment](#)

- Merv's opening line in you article:

“Every country around the world is in a similar position...”

What world is he living in? The profligate western economies are over-borrowed and overspent, but that hardly constitutes “every country”.

There are plenty of other biased generalisations in his speech, and all I can say is that if these are the deep insights of our ‘leading economic player’, then it is little wonder we are in the very deep hole we find ourselves, and that Sterling remains in the merde. King presided over all the wrong policy decisions in the years leading up to the 2008 debacle, keeping interest rates too low and then too high of too long. Not once did the BoE warn of the impending disaster on its own doorstep, and which was to a large extent of its own making. He may well pat himself and Captain Darling on the back for rescuing the banks at our expense, but ultimately he – like Alan Greenspan and Ben benanke – must shoulder the blame for many of the gross errors which caused the crisis.

In short – King is both arrogant and incompetent, and if he does not have sufficient honour to recognise his mistakes and resign, then he must be fired ASAP, and without ceremony or reward.



hawk on May 14th, 2010 at 6:23 am

[Report comment](#)

- Europe would be more stable with a redundancy of smaller banking systems, each with a degree of regional autonomy. The centralization of monetary authority in large, regional banking systems reflects the consolidation of control by transnational feudal elites with unlimited power to tax labor, create inflation, manipulate economies, create wars for their own profit and commit European peasant classes to lifetimes of unending wage slavery. Same stuff that's been happening for hundreds of years.

Hopefully, one of these days some really intelligent people will be in charge instead of these egotistical and degenerate freaks and we wil live in paradise with un-genetically modified foods, no desease, clean water and free energy from the sun.



craigdc on May 14th, 2010 at 6:54 am

[Report comment](#)

- If Marvyn King is such a freaking genius, why didn't he call the pay before it happened?



craigdc on May 14th, 2010 at 6:58 am

[Report comment](#)

- The truly staggering thing is that the ordinary people of Europe are being swept into fiscal union by self appointed unelected officials without a chance of vote.

When they wake up and find that in spite of their hard earned taxes having failed to save the PIGS (see deflationary spiral) they will realise once and for all that they entrusted their lives to a cabal who cared not one jot for their well being. The penalty will be penury.



richardvine on May 14th, 2010 at 6:58 am

[Report comment](#)

- [...] two guesses as to which nation the Bank of England is comparing America to these days... Filed under: Capitalism, the Unknown Ideal, Liberal Fascism, Oh, That Liberal [...]

[Ed Driscoll » It's Got a Groove, It's Got a Meaning](#) on May 14th, 2010 at 7:13 am

[Report comment](#)

- Bailouts, printing, subsidies and more debt is just prolonging the agony. Many are struggling for work many are just about getting by but for how long I dont know.



forsaken2 on May 14th, 2010 at 8:45 am

[Report comment](#)

- O I forgot, and a rise in interest rates, as reported today charities suggest 5 million home owners could not cope with an increase in mortgage costs.

As I have said before investors, policy makers and commentators, I think often miss the importance of Mr Averages well being, the figure that supports the whole.

Concentrating as they do on company profits, all kinds of statistics and etc. I believed at the time that the trickle down theory was absurd.



forsaken2 on May 14th, 2010 at 8:57 am

[Report comment](#)

- To quote

...within the Euro Area it's become very clear that there is a need for a fiscal union to make the Monetary Union work. But if that is to happen there needs to be also a mechanism to enable other countries that have lost competitiveness to regain competitiveness. That requires actions, probably structural reforms, changes in wages and prices, in the countries that need to regain competitiveness." This is an unattainable pipe dream which economists realise but politicians believe in.

Here in the UK regions in the north have a poor economy after many decades of government action as does Wales and Scotland. In the US there are many states that are very poor. Even Germany has not managed to get East Germany to have a modern economy. In this case people and investment move to west Germany for a better return. See

<http://www.spiegel.de/international/germany/0,1518,645596,00.html>

Greece never has had a modern economy and Portugal and Spain are not much better.

I can see the EU forcing fiscal union as a political play but pigs will fly before it will deliver competitiveness to countries that have never had it. It means Germany will have less money to invest to boost its GDP and since Germany is the powerhouse this means the EU being forever in the slow lane of economic development compared with the rest of the world.



derekemery on May 14th, 2010 at 10:26 am

[Report comment](#)

- From across the pond, I can only chuckle at the suggestion that creating a common fiscal system and Eurobank will solve your problems. We have such a unified federal fiscal system and federal bank – and see what that has wrought?

No, the problem stems, in both our places, from failing to recognize that politics (the fiscal side) and economics (which has been allowed, or forced through deregulation, to devolve to only monetary policy) are inextricably intertwined and that a solution involves tying the two together in a single system with equal priority and that includes structural (re-)regulation (v. interventionist regulation) as well. That is, formally balance social, economic and monetary needs in a formal comprehensive system that allows any to succeed or fail without upsetting the system. As we have it, we're whipsawed back and forth from term to term between the extremes of pro-social and pro-business excesses.

Too obtusely abstract? Start by forcing all academic institutions to rejoin their economics and political science departments into the political economy departments of yore and have them sample often from the psychology departments (separating them was the biggest mistake of 20th-century higher education). Above the subsistence or survival level, economic decisions are rarely ever made in the market, boardroom, or government without extra-economic personal or political consideration and vice versa.

Recognize that Friedmanian Monetarism is, like all isms, an ideology based on testable assumptions that, when tested, fail miserably to reflect realities on the grounds of society and international relations. That is, controlling money supply alone, through the manipulation of the crude control of

interest rates (whether domestically or globally), while assuming away the influence of political fiscal policy, serves only those at the top and does so by sacrificing peoples lives from the bottom up – until the top is satisfied. As with all good ideologues, when the theory fails to fit the data – as in the many smaller failures leading up to the recent U.S. and global meltdown, instead of revising the theory, they force the data to fit the theory through crushing austerity measures – e. g., draconian cost cutting, elimination of public and social services, debt slavery, etc.,. That is, if fiscal policy dares to influence the presumed sacred relationships (and service to the top), reduce it to insignificant proportions so that the theory may be preserved and the relationships proven – even if the vast lot of us, in all nations, is humbled in the process.

Of course, taking power, from those that have it, to do such is another story.



johnsson on May 14th, 2010 at 10:55 am

[Report comment](#)

- [...] <http://blogs.telegraph.co.uk/finance/edmundconway/100005657/us-faces-same-problems-as-greece-says-ba...> [...]

[ForexHedge » US faces same problems as Greece, says BOE](#) on May 14th, 2010 at 11:30 am

[Report comment](#)

- [...] and surprisingly blunt assessment from Mervyn King, Governor of the Bank of England Mervyn King, Governor of the Bank of England, fears that America shares many of the same fiscal [...]

[The Coalition Of The Swilling » UK Central Bank: “US Like Greece...Only Bigger”](#) on May 14th, 2010 at 12:21 pm

[Report comment](#)

- [...] Bank of England’s Governor has called out the United States comparing it to Greece in a speech yesterday. He claimed that the United States shares many of the same fiscal problems of [...]

[10 Things You Need To Know Before The Opening Bell \(GS, YHOO, MS, SPY\) | Finance Blog](#) on May 14th, 2010 at 12:49 pm

[Report comment](#)

- Interest rates, interest rates are the key just as they were with the “housing bubble”. We are about to receive a devastating wake up call. Consumers are accessing cheap “hush” money,. We continue to enjoy low interest rates because Governments need the money right now to keep the balls in the air, not because consumers need it. When “they” are ready all they will need to do is raise rates and it will all come crashing down. The housing bubble was just practice. It is all right there in front of us, they don’t have to be that smart because we are that collectively stupid, gullible and predictable. “Cattle”, and you know how that always ends.



bentree on May 14th, 2010 at 1:33 pm

[Report comment](#)

- Too bad the idiots in Washington DC are so naive. We have a severe intellectual problem in the United States with our substandard education in colleges and universities. Many in congress are crooks and liars and we have a president who is none other than a “Harvard Graduate” community organizer who does not heed the advice of Milton Friedman, Noble Prize economist who outlined all this in his book, “Money Mischief.” Instead they follow the advice of Cloward and Piven, Columbia University Sociology professors, on collapsing the American economy to achieve “social justice” and redistribution. You Englishmen need to teach us something about quality education, particularly in history, the liberal arts, and social sciences. In the mean time we wait with baited breathe for November, when we can throw all the free spending lefties out of congress.



shearwater on May 14th, 2010 at 1:33 pm

[Report comment](#)

- The most important factor in debt is the ability to create wealth(food and natural resorces) and pay it off.Currently, our Socialist global elites are trying to prop up most of the world by shackling our economy.In November this ends and its back to US isolation and ruthless competition.The Kyoto protocols were the last straw and nothing,short of a global rejection of Socialism, can stop the events that will unfold.



geoffyank on May 14th, 2010 at 1:40 pm

[Report comment](#)

- [...] US faces same problems as Greece, says Bank of England – Telegraph Blogs. Share and [...]  
[US faces same problems as Greece, says Bank of England – Telegraph Blogs | Quetag](#) on May 14th, 2010 at 1:56 pm  
[Report comment](#)
- [...] scholarships for students to attend private schools.Mervyn King, Governor of the Bank of England, says the United States shares many of the same fiscal problems currently haunting Europe.Tags: budget [...]  
[Morning Bell: Congress' Historic Decision to Ignore Its Basic Duty | The Foundry: Conservative Policy News.](#) on May 14th, 2010 at 2:05 pm  
[Report comment](#)
- Yes the US is in perilous waters, but sadly so is the UK or so I've read elsewhere. . And who can we thank for all this??? Well besides the stupidity of our elected officials. . Ah the bankers and those who support them. . Carry on



hawkeye53200 on May 14th, 2010 at 2:10 pm

[Report comment](#)

- [...] Telegraph's Econ Editor on the comments of Mervyn King, Governor of the Bank of England,

who commented the US (and other large economies) share the [...]

[Going Greek : Post Politics: Political News and Views in Tennessee](#) on May 14th, 2010 at 2:15 pm  
[Report comment](#)

- @ Shearwater.

I did not know that George Bush was a ‘free spending leftie’ having left you with the biggest Budget debt in your history.

Americans need to be taught a bit more than how to get a quality education.

Lead by example I say. Start paying for Union Carbide pollution before braying for compensation from B.P for the state taxes that may or may not have been lost because the guy at number 19 the Quayside could not fish – thus was unable to pay local taxes for the jeans he may or may not have bought..

Mighty Dollar rules in the land of the free.

I look on in awe on how the mightiest nation on earth have become so Xenophobic and introvert and where their interests always come first even at the expense of those nasty foreign people who are generally labelled in a derogatory way. I know – just nuke em.

Should be able to trace me through my fingerprints/ retina scan or naked photograph (Clothes on – the wonder of technology) which was taken when passing through U.S Airports.

Homeland Security? – Ever read George Orwell?

Phew –Glad I got that off my chest.



Michael on May 14th, 2010 at 2:51 pm

[Report comment](#)

- [...] a member of President Obama’s National Commission on Fiscal Responsibility and Reform). In an interview with The Telegraph, the Bank of England Governor suggests that the US and UK – both sovereign [...]

[Repeat After Me: The USA Does NOT Have a ‘Greece Problem’](#) on May 14th, 2010 at 3:16 pm  
[Report comment](#)

- Pragmatist;

You could all default simultaneously but that would lead to a maaahooosiiive contraction of the money supply and massive mistrust of any investors who lost out (which is all of them.

The banks would collapse along with the insurance companies, the pensionfunds etc and investment for private enterprise would disappear. Every business with an overdraught and inconsistent cashflow would go bust . . . . and I could carry on but basically it would be one giant sh!t storm.

The only answer would then be to print more money, but then how would you get it back to all the investors that had lost it in the first place fairly? In the end you might as well just print the money and pay off the debt that way.....Oh .... damn that little inconvenience called hyperinflation (which is really the same as a partial default) would rear its head and puts a spanner in those mugabesque works.



Rare Breed on May 14th, 2010 at 3:28 pm

[Report comment](#)

- By the way the MOST interesting thing he says is about how he wants to “re-balance demand around the world economy” – which some think is the reason for this crisis.

As a typical bean counter who watches the changes that impact on economies, he will incorrectly assume that the re-balancing of demand is something that can be achieved by direct intervention – just wait for that to be the next wrongheaded economic fallacy to spread like a virus around our political masters and their economic advisors, just like the deficit spending bandwagon that swept the world and kicked all this off.

Who was it that said about economists that they know 69 way to make love but don't know any girls. Never a truer word. . . .



Rare Breed on May 14th, 2010 at 3:35 pm

[Report comment](#)

- [...] King zu lauschen. Nur wenige Journalisten, wie Jeremy Warner, haben die Rede genau analysiert. Und nur einer hat den Kernsatz der Bank of England in dem mehrere Hundert Seiten dicken Stapel des Inflationsberichts und der Rede des [...]

[Bank von England prognostiziert Dollar-Crash | TX19](#) on May 14th, 2010 at 3:39 pm

[Report comment](#)

- [...] 15) U.S. Faces Same Problems As Greece, Says Bank of England [...]

[May 14, 2010 - Now The Odds of Double-dip Recession surge! « InvestmentWatch](#) on May 14th, 2010 at 4:00 pm

[Report comment](#)

- Brown and Obama are brothers under the skin. Keeping in mind the the dictum of FDR, nothing is politics happens by accident, the destruction of our economies has not been done by accident.

Maurice Strong, along with other Obama advisers, have indicated that the sure way to stop global warming is to destroy the economies of the world's industrial countries. As a corollary, the dedicated Marxists that are (were?) in our respective governments have the core belief that a capitalist system must be destroyed before a communist economy can begin.

Greece is our future.



rightofrush on May 14th, 2010 at 4:16 pm

[Report comment](#)

- Perhaps we all need to learn that when we prop people up they become weak. Obama's health care program at this time is a national disaster. We needed reform but giving 40 million people overnight everything that the rest of us have been paying for for years is 'stupid' and disastrous. The decline of the U.S. is inevitable with the attitude displayed now by so many of the voters. Tax the 'rich' and give it to me to spend. It is no longer a country where hard work and saving and investing is worthwhile.



canistercook on May 14th, 2010 at 4:17 pm

[Report comment](#)

- [...] Conway London Telegraph Friday, May 14th, [...]

[US faces same problems as Greece, says Bank of England – Dark Politricks](#) on May 14th, 2010 at 4:34 pm

[Report comment](#)

- [...] Click here for the full report. [...]

[Bank of England Claims USA Faces Same Problems As Greece : Kevin Trudeau Show](#) on May 14th, 2010 at 4:44 pm

[Report comment](#)

- [...] a member of President Obama's National Commission on Fiscal Responsibility and Reform). In an interview with The Telegraph, the Bank of England Governor suggests that the US and UK — both sovereign [...]

[Repeat After Me: the USA Does Not Have a 'Greece Problem' » New Deal 2.0](#) on May 14th, 2010 at 5:13 pm

[Report comment](#)

- [...] BANK OF ENGLAND: USA FACES SAME PROBLEMS AS GREECE [...]

[» Financial News Update – 05/14/10 NoisyRoom.net: The Progressive Hunter](#) on May 14th, 2010 at 5:27 pm

[Report comment](#)

- I am impressed with your work ... all infamous and famous people do things so that the memory of their listeners is improved. The subject of remembering is not as recognized as it should be. Memorization doesn't work either. So include the teaching of how we all remember and your readers will succeed beyond their fondest dreams.  
A better memory like a computer with more ram is always preferred in any business, family, or group. "I forgot" ruins futures. Like the Bible quotes Isiah, "have you forgotten?". Today we must too often answer, "Yes, we have!". Hope you can help us all by telling memorable stories when you know you

are right.



wyette on May 14th, 2010 at 5:54 pm

[Report comment](#)

- [...] for much debate. Duke can debate Greece, Iceland, the Baltics, the Euro and European Union. US faces same problems as Greece, says Bank of England – Telegraph Blogs "US faces same problems as Greece, says Bank of England" Bank of England | About the [...]

[David Duke should debate Hitler with Henry Makow - Stormfront](#) on May 14th, 2010 at 5:57 pm

[Report comment](#)

- [...] [...]

[US faces same problems as Greece, says Bank of England - Benzworld.org - Mercedes-Benz Discussion Forum](#) on May 14th, 2010 at 6:26 pm

[Report comment](#)

- [...] Bank of England head says Greece's problems are coming to America [...]

[This Is Hell!](#) on May 14th, 2010 at 7:37 pm

[Report comment](#)

- [...] Bank of England head says Greece's problems are coming to America [...]
- Whatever...I've been to London and it blows. We kicked your butts once, and won a world war for you...go blow it our your pie-hole.



zingaromom on May 14th, 2010 at 7:59 pm

[Report comment](#)

- [...] the question of Greece=America? today the Governor of the Bank of England had disturbing facts to lay on the table: "Mervyn King, Governor of the Bank of England, fears that America shares many of the same [...]"

[The Reality Based Community Versus The Hopium Delusional Nests — Hillary Is 44](#) on May 14th, 2010 at 8:08 pm

[Report comment](#)

- [...] explains why the U.S. does not have a 'Greece Problem' (TOH <http://www.pragcap.com>): In an interview with The Telegraph, the Bank of England Governor suggests that the US and UK — both sovereign [...]

[Anonymous](#) on May 14th, 2010 at 8:51 pm

[Report comment](#)

- [...] of the Brits, Colour me surprised! (I was had to type that with a straight face). According to the UK Telegraph, Mervyn King, Governor of the Bank of England, fears that America shares many of

the same fiscal [...]

[US faces same problems as Greece, says Bank of England : Fire Andrea Mitchell!](#) on May 14th, 2010 at 10:28 pm  
[Report comment](#)

- [...] [...]

[A few thoughts on Socialism - Page 2 - U.S. Politics Online: A Political Discussion Forum](#) on May 14th, 2010 at 11:58 pm  
[Report comment](#)

- [...] least, a member of President Obama's National Commission on Fiscal Responsibility and Reform). In an interview with The Telegraph, the Bank of England Governor suggests that the US and UK – both sovereign [...]

[Marshall Auerback: REPEAT AFTER ME: THE USA DOES NOT HAVE A 'GREECE PROBLEM' | economy eyes](#) on May 15th, 2010 at 1:29 am  
[Report comment](#)

- Here in the USA, we don't have to be concerned about money. Our government just prints more money when we need it.



highandmighty on May 15th, 2010 at 6:51 am  
[Report comment](#)

- [...] [...]

[Get Ready To Taste The Bitter Side Of Keynesian Economics |](#) on May 15th, 2010 at 8:46 am  
[Report comment](#)

- The smartest thing that the UK did was never join the EURO. It was a foolish thing to try and create a single currency with various underlying government fiscal and social policies. It just does not work. Currencies are valued by underlying interest rates, what is a good interest rate for one country is not necessarily the best for another. Socialism or communism in one country is not the best for another country. Therefore it is only a matter of time before the EURO falls apart and the EU countries start pulling OUT of the single currency. The US faces similar issues with state and local governments, who are currently held hostage by Unions and their corresponding lobbies who have created a time bomb by approving their own raises and even worse benefits that are not sustainable. When you are firing teachers and giving school heads 300,000 per year retirement benefits for life, you have a disaster scenario. During good times no one thinks or cares, during bad times its every man for themselves. Greece is a perfect example of stupidity and that scenario of social unrest over benefits that are not feasible is just the tip of the iceberg. If China sneezes, the US will get the FLU. We in the US cannot continue to print and spend money as if it is water. Everyone will have to take a haircut, unfortunately no one wants to. Obama is making it even worse by forcing healthcare down our throats. The US was always know as having the best doctors in the world, that to my friend will change with socialist policies. The US has to go back to being fiscally responsibly and not be controlled by large corporations who pay for lobbying and get what they want. Our country was made great by providing

loans to small businesses who hire and spend locally. Unfortunately it is being destroyed by big unions who only look out for their own self interests.



georgiebest on May 15th, 2010 at 3:35 pm

[Report comment](#)

- smartest way to solve financial crisis is to charge the central bankers under racketeering laws and take everything they have and redistribute it back to everyone else.

its time we give the bankers what they deserve, a shovel and a kick in the ass



rxgary on May 15th, 2010 at 9:30 pm

[Report comment](#)

- [...] Earlier in the week, the Bank of England reported its concerns, likening the US situation to Greece, [...]

[The Fairfacts Media Show » Blog Archive » Now the IMF warns the USA of a budget crunch](#) on May 16th, 2010 at 5:50 am

[Report comment](#)

- [...] [...]

[The New World Order... - Political Wrinkles](#) on May 16th, 2010 at 6:47 am

[Report comment](#)

- [...] [...]

[Daily Digest: May 14, 2010 « Daily News](#) on May 16th, 2010 at 1:23 pm

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- [...] <http://blogs.telegraph.co.uk/finance/edmundconway/100005657/us-faces-same-problems-as-greece-says-ba...> [...]

[US faces same problems as Greece, says Bank of England – Telegraph Blogs | The news interpreted and unfiltered](#) on May 16th, 2010 at 2:06 pm

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- [...] US faces same problems as Greece, says Bank of England [...]

[» Financial News Update – 05/16/10 NoisyRoom.net: The Progressive Hunter](#) on May 16th, 2010 at 5:22 pm

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- It is quite amusing to read all these comments on financial matters. Money, of course, has a big impact on the decisions made by people at all levels, even to the top. However, natural forces always determine what subsequently happens. Unfortunately our costing methods do not take into account the

divestment of natural material wealth by the activities of our civilization. Natural capital, including oil, will continue to be used up at a rate of about 2.6% per annum even as financial chaos reigns. But it is getting scarcer so economic growth is over in many countries and investors will have to get used to a declining return. The public expect the top level of government and banking to have a better understanding of reality. They seem, however, to be too absorbed in abstractions.



[denisaf](#) on May 17th, 2010 at 9:17 am

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- [...] scholarships for students to attend private schools. Mervyn King, Governor of the Bank of England, says the United States shares many of the same fiscal problems currently haunting [...]

[Morning Bell: Congress' Historic Decision to Ignore Its Basic Duty | Conservative Principles Now](#) on May 17th, 2010 at 2:17 pm

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- [...] Mervyn King, irked US authorities by pointing out that even the world's economic superpower has a major fiscal problem - "even the United States, the world's largest economy, has a very large fiscal deficit" were [...]

[US faces one of biggest budget crunches in world – IMF](#) on May 17th, 2010 at 3:29 pm

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- [...] Bank of England: U.S. faces same problems as Greece. [...]

[Notable and Quotable | John Goodman | NCPA](#) on May 17th, 2010 at 9:29 pm

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- [...] Greece's problem coming to America [...]

[Things – Market, Economic, Social, Political and Life Commentary by Peter Grandich](#) on May 17th, 2010 at 10:06 pm

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