



## Worst Economy In 5,000 Years?

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Thème: [Global Economy](#)

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### *Lowest Interest Rate In 5,000 Years*

According to Bank of England economist [Andy Haldane](#), Bank of America Merrill Lynch economist [Michael Hartnett](#) and others, we've got the lowest interest rates in 5,000 years:



The inventor of quantitative easing – economics professor Richard Werner – says that it's a myth that interest rates drive the level of economic activity. According to Werner, the data shows that [rates lag the economy](#).

In other words, interest rates respond to what's already happened in the economy. So does having the lowest interest rates in 5,000 years imply that we've had the worst economy in 5,000 years?

We don't know, but there are quite a few signs that something is very wrong with the world economy ...

### Other Depression Indicators

We noted in 2009 that [more Americans will be unemployed than during the Great Depression](#).

We [noted](#) in 2010:

The following experts have – at some point during the last 2 years – said that the economic crisis could be worse than the Great Depression:

- Fed Chairman [Ben Bernanke](#) (and [see this](#))
- Former Fed Chairman [Alan Greenspan](#) (and see [this](#) and [this](#))
- Former Fed Chairman [Paul Volcker](#)
- Economics scholar and former Federal Reserve Governor [Frederic Mishkin](#)

- The head of the Bank of England [Mervyn King](#)
  
- Nobel prize winning economist [Joseph Stiglitz](#)
- Nobel prize winning economist [Paul Krugman](#)
- Former Goldman Sachs chairman [John Whitehead](#)
- Economics professors [Barry Eichengreen and and Kevin H. O'Rourke](#) (updated [here](#))
- Investment advisor, risk expert and “Black Swan” author [Nassim Nicholas Taleb](#)
- Well-known PhD economist [Marc Faber](#)
- Morgan Stanley’s UK equity strategist [Graham Secker](#)
- Former chief credit officer at Fannie Mae [Edward J. Pinto](#)
- Billionaire investor [George Soros](#)
- Senior British minister [Ed Balls](#)

We [explained](#) in 2011 that many economists agree we’re in a depression ... and they only argue about whether we’re facing the “Great” depression of the 1930s or the “Long” depression of the 1870s. We also noted that [housing prices fell farther](#) than during the Great Depression.

In 2012, we [wrote](#):

We’ve repeatedly pointed out that there are many indicators which show that the last 5 years have been worse than the Great Depression of the 1930s, including:

- The [housing slump](#)
- The [bank charge off rate](#)
- The [collapse in world trade](#)
- The [withdrawal of short-term credit](#)
- The level of [inequality between rich and poor](#) (too much inequality [destroys economies](#))
- The [interconnectedness of financial systems and economies](#) worldwide (interconnectedness [leads to financial](#)

[instability](#))

- Runaway [spending and greed](#)

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Indeed, the [number of Americans relying on government assistance to obtain basic food](#) may be higher now than during the Great Depression. The [only reason we don't see](#) "soup lines" like we did in the 30s is because of the massive food stamp program.

We noted in 2013 that the [British economy is worse](#) than during the Great Depression, and [more Americans are committing suicide](#) than during the Great Depression.

We pointed out in 2014 that Europe is stuck in an economic malaise [worse than a depression](#), and [cited](#) charts showing that Europe's GDP is recovering much slower than after the Great Depression:



We also noted that Americans [fared better after the Great Depression than the 2008 crisis](#) and that [U.S. foreclosure rates are comparable](#) to the Great Depression.

Last year, we noted that an important economic indicator - [the velocity of money - has crashed far worse](#) than during the Great Depression, and that the howling [winds of deflation are hammering the U.S. just as much as Europe](#).

We noted that last year was the [first pre-election year stock market loss since the Great Depression](#).

In January, we [pointed out](#) that a prominent economist said:

Future economic historians may not call the period that began in 2007 the "Greatest Depression." But as of now, it is highly and increasingly probable that they will call it the "Longest Depression."

In March, the Federal Reserve Bank of St. Louis [noted](#) that - as with Europe - America's GDP is recovering much slower than after the Great Depression:

And last month, Pew [reported](#):

More young adults in the U.S. are living with their parents than at any time since around 1940, according to a [new Pew Research Center analysis](#) of census data.

Across the European Union's 28 member nations, nearly half (48.1%) of 18- to 34-year-olds were living with their parents in 2014 ....

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Similar long-term trends have been observed elsewhere. Canada's most recent

census, in 2011, found that [42.3% of adults ages 20 to 29](#) lived in their parents' homes, up from 32.1% in 1991 and 26.9% in 1981. In Australia, about [29% of 18- to 34-year-olds](#) were living with one or both of their parents (but without a partner or child) in 2011, up from 21% in 1976. And in Japan, the share of 20- to 34-year-olds living with their parents grew from 29.5% in 1980 to [48.9% in 2012](#).

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