

Neither A Lender Nor A Borrower Be

by Theodore Dalrymple (Oct. 2008)

The day after I arrived in New York, Lehman Brothers, the investment bank that had been in business for 158 years, collapsed. By the time I left a few days later, Merrill Lynch had undergone a distress sale and the American government, given the choice between apocalyptic financial panic and the bottomless pit, had chosen the bottomless pit and bailed out (and taken over) the giant insurance company, AIG.

I arrived back in Britain, the land of my residence for six months of the year, to learn that one of the largest banks in the country, Halifax Bank of Scotland, had been taken over by Lloyds Bank to prevent an undignified and potentially catastrophic run on HBOS, which would otherwise almost certainly have happened. It seemed as if my arrival in countries was a bad augury for the financial markets, and I decided to stay put for a while, just in case there really was a causative relationship.

Canvassing the opinion of friends and acquaintances as to the meaning of all this financial turmoil, I began to feel like a share in one of those vulnerable companies that would seesaw wildly in value on the stock exchange, according to the latest rumour, the day before it either collapsed completely or was rescued by one expedient or another. Some would say that the crisis was at most an epiphenomenon, and that the real economy, the one that baked bread and made nuts and bolts, would continue unaffected. Others would say that this was the beginning of the end, that we should all spend the rest of our lives struggling to make ends meet, eking out a bare subsistence, and that we should never feel secure and

prosperous again. I swung between complacency and terror, until I finally took refuge in the thought, implanted in my mind by a scribbler of my acquaintance some time during the last episode of financial panic, that during recessions and depressions the demand for journalism and other forms of writing goes up rather than down, reading being a comparatively cheap form of entertainment. Wishful thinking easily attains the status of truth, and so I concluded, on the basis of what was no more than an obiter dictum, that at any rate I should be all right. This conclusion, of course, did not take into account the epidemic of education-induced illiteracy since the last panic.