

BIS: Bailouts contribute to a worsening financial crisis

By [Global Research](#)

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Many economists and financial writers warned about the bailouts making the financial crisis worse. But when BIS (the “Central Banks’ Central Bank”) says it, even the central bankers have to take note.

As BIS writes in their new [report](#) (bottom of page 23):

Increased central bank intermediation may in some cases weaken banks’ incentives to resume their intermediation function. For instance, borrowing from the central bank at close to the policy rate with no counterparty risk may arguably reduce banks’ incentives to raise funds from market sources. And narrow spreads between central bank target rates and the rates paid on excess balances also discourage banks from lending to other banks.

We’ve been trying to tell you that for months .

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