

Economists and Military Strategists: This Crisis Was Foreseeable ... Thousands of Years Ago

By [Washington's Blog](#)

Theme: [Global Economy](#), [History](#)

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Economists, Military Strategists and Others Warned Us ... Long Ago

We've known for [5,000 years](#) that mass spying on one's own people is always aimed at grabbing power and crushing dissent, not protecting us from bad guys.

We've known for [4,000 years](#) that debts need to be periodically written down, or the entire economy will collapse. And see [this](#).

We've known for [2,500 years](#) that prolonged war [bankrupts an economy](#).

We've known for [2,000 years](#) that wars are [based on lies](#).

We've known for [1,900 years](#) that runaway inequality [destroys societies](#).

We've known for [thousands of years](#) that debasing currencies leads to economic collapse.

We've known for [millennia](#) that torture is a form of terrorism.

We've known for [thousands of years](#) that – when criminals are not punished – crime spreads.

We've known for [hundreds of years](#) that the [failure to punish](#) financial fraud destroys economies, as it destroys all trust in the financial system.

We've known for [centuries](#) that monopolies and the political influence which accompanies too much power in too few hands are dangerous for free markets.

We've known for [hundreds of years](#) that companies will try to pawn their debts off on governments, and that it is a huge mistake for governments to allow corporate debt to be backstopped by government.

We've known for [centuries](#) that powerful people – unless held to account – will get together and steal from everyone else.

We've known for [hundreds of years](#) that standing armies and warmongering harm Western civilization.

We've known for over [300 years](#) that going into debt to pay for war ruins [any nation](#).

We've known for [200 years](#) that allowing private banks to control credit creation eventually

destroys the nation's prosperity.

We've known for [two centuries](#) that a fiat money system – where the money supply is not pegged to anything real – is harmful in the long-run.

We've known for [200 years](#) that a two-party system quickly becomes corrupted.

We've known for [over a century](#) that torture produces false and useless information.

We've known since the 1930s Great Depression that separating depository banking from speculative investment banking is key to economic stability. See [this](#), [this](#), [this](#) and [this](#).

We've known for [80 years](#) that inflation is a hidden tax.

We've known for [79 years](#) that [war is a racket](#) that [benefits the elites](#) but harms everyone else.

We've known since [1988](#) that quantitative easing doesn't work to rescue an ailing economy.

We've known since [1993](#) that derivatives such as credit default swaps – if not reined in – could take down the economy. And [see this](#).

We've known since [1998](#) that crony capitalism destroys even the strongest economies, and that economies that are capitalist in name only need major reforms to create accountability and competitive markets.

We've known since [2007](#) or earlier that lax oversight of hedge funds could blow up the economy.

And we knew [before the 2008 financial crash](#) and subsequent bailouts that:

- The easy credit policy of the Fed and other central banks, the failure to regulate the shadow banking system, and “the use of gimmicks and palliatives” by central banks hurt the economy
- Anything other than (1) letting asset prices fall to their true market value, (2) increasing savings rates, and (3) forcing companies to write off bad debts “will only make things worse”
- Bailouts of big banks harm the economy
- The Fed and other central banks were simply transferring risk from private banks to governments, which could lead to a sovereign debt crisis

Postscript: Those who fail to learn from history are doomed to repeat it ... and we've known *that* for [a long time](#).

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