

NEVILLE WAS SUCH AN ALARMIST



Neville Bennett was our economics editor. The things he used to write.

■ “The yield curve is rather flat and appears to be flattening ... Every recession has been preceded by a flat curve. There is a massive credit crunch taking place.” JUNE 2, 2006.

■ “Ideally, Asian exporters’ currency would appreciate and the US exporters’ currency would depreciate, gradually bringing US trade closer to a balance. But Japan keeps its currency weak with its zero interest policy and China has pegged its currency. This serious imbalance cannot be solved by market forces. It threatens to create mayhem.” JUNE 16, 2006

■ “The most important fact is that the US interest rate yield is inverted ... this is a product of massive market forces which create a structure that is too vast to be affected by the actions of treasuries and central banks. It inclines the world toward a recession.” JULY 28, 2006

■ “Those US investors who see light at the end of the tunnel are increasingly worried that it is a freight train named subprime loans, headed straight at them ... the more you go into the topic the more it reminds you of the great property crash that dragged Japan into recession in the 1990’s (that) destroyed huge mortgage companies.” MARCH, 2007

■ “The market seizes the good news and runs with it. Sometimes there is somewhat negative news but that is overlooked. (The Dow) now surges every day. So did the Nikkei ... it rose to 28,000 in early 1998. It was convinced it was inspired by infinite expansion ... there is a disconnect between the finance and the real world...I have looked up other bubbles and it always ends in tears.” MAY 11, 2007

■ “The game of pass-the-parcel has stopped in a number of credit markets. The days of easy credit are over and perhaps the end of trust. It is the moment of truth for the credit-rating agencies.” AUGUST 31, 2007

■ “There is something compelling about euphoria. The public is fed the good news. Caution is shunned. I know, I have an absolute approach. I want to conserve money and continually conflict with financial advisers, who are relativists ... at present the equity markets are in denial.” SEPTEMBER 7, 2007

Neville is still The National Business Review’s economics editor. He’s still alarming everybody – but he keeps getting it right. That’s why he’s on our team. That’s why you read us.