

September 26, 2008

Michael Bordo quoted in the Wall Street Journal...

Few Good Scenarios in View as Wall Street's Turmoil Spreads

"The chances are really remote that we get into a bad deflation scenario," says Michael Bordo, a Rutgers University economist. "The danger sign is if the bailout plan doesn't work and banks continue to stop lending and people cut back on their spending and firms go bankrupt and people go bankrupt. In that situation, then prices are going to start to fall."