

Interregnum: The Walk before the Year That's Coming

Waiting For That Shoe To Drop While Thinking of the Past: Is it '09 or '32?

By [Danny Schechter](#)

Global Research, December 28, 2008
28 December 2008

Region: [USA](#)

Theme: [Global Economy](#)

This is the time of the interregnum, the week between Christmas and the New Year, in the period between the end of the Bush disaster and the beginning of the Obama ascendancy.

It is a quiet time, a slow week (except for wars and coups, of course) and a moment for reflection before we cheer more for the passing of the last year than the coming of the next. The Zogby Poll found, "Americans are overwhelming glad to say goodbye to 2008 but are somewhat unsure of the future. Americans are guardedly optimistic about 2009, but just as many feel that the coming year will be worse or the same as 2008."

Many of us are looking for guidance from the past, perhaps even from the period when Herbert Hoover bid adieu and FDR waited for his turn at bat. The year was 1932. Here's what it looked like:

<http://www.youtube.com/watch?v=8gEszfeUQ5U&eurl=http://www.thepeoplehistory.com/1932.html>

How much things cost in 1932

Average Cost of new house \$6,510.00

Average wages per year \$1,650.00

Cost of a gallon of Gas 10 cents

Average Cost for house rent \$18.00 per month

A loaf of Bread 7 cents

A LB of Hamburger Meat 10 cents

New Car Average Price \$610.00

It was year of famine in Russia, hunger marches in Britain, Nazis emerging in Germany, Gandhi striking for India's independence, and 13 million Americans out of work. A temporary halt to foreclosures had been ordered while working hours and wages were cut.

The worst was still to come.

Clearly, prices have gone up quite a bit since then. Yet Randall Parker who wrote "Reflections on the Depression" sees parallels with today:

"In the 1920s, most everyone was saying that this was a new economy and all the old rules did not apply, Parker says. "We know from economic history — they said the same things in Japan in the 1980s and during the Internet bubble of the 1990s — that when you hear those words it is time to run like hell."

The same is true today, he adds. "People are saying that all the old rules don't apply. That it's a new economy. I say run like hell."

Well, where you gonna run to? As the gospel song has it, you can run to the rock but there is no rock. Will our Great Recession turn into a Greater Depression? What should we expect since everyone knows that if the new President is to fix the economy—a formidable task for any president—it won't happen overnight. It took FDR years, and even then. It is said that it was the war that did ended the depression, not just the New Deal.

Predictions anyone? Here are some that are best forgotten from those years so long ago. Even then, not everyone was willing to admit what was coming.

"... a serious depression seems improbable; [we expect] recovery of business next spring, with further improvement in the fall." - HES, November 10, 1929

"The end of the decline of the Stock Market will probably not be long, only a few more days at most." - Irving Fisher, Professor of Economics at Yale University, November 14, 1929

"In most of the cities and towns of this country, this Wall Street panic will have no effect."- Paul Block (President of the Block newspaper chain), editorial, November 15, 1929

"Financial storm definitely passed."- Bernard Baruch, cablegram to Winston Churchill, November 15, 1929

"I see nothing in the present situation that is either menacing or warrants pessimism... I have every confidence that there will be a revival of activity in the spring, and that during this coming year the country will make steady progress." - Andrew W. Mellon, U.S. Secretary of the Treasury December 31, 1929

"I am convinced that through these measures we have reestablished confidence." - Herbert Hoover, December 1929

"We are now near the end of the declining phase of the depression." - Harvard Economic Society Nov 15, 1930

"Stabilization at [present] levels is clearly possible." - HES Oct 31, 1931

"All safe deposit boxes in banks or financial institutions have been sealed... and may only be opened in the presence of an agent of the I.R.S."- President F.D. Roosevelt, 1933

For more?<http://www.users.dircon.co.uk/~netking>20 June 2001

Flash forward to today:

Have we reached the bottom of this economic depression or is the worse still to come? [Mike Schenk, an economist for Credit Union National Association, expressed his economic concerns.](#) **“This is scary stuff. We are teetering on the brink of a massive downward spiral. Deflation is a threat.”**

[Gasoline prices have seen the sharpest decline](#) as they plunged by 29.5% in November, the greatest drop since the government began keeping records in 1967.

Energy, the airline industry, and commodities have been the hardest hit by plummeting prices. In contrast, medical, food, and housing prices rose slightly last month. The retail sector has been devastated.

I can go on, but I won't. Dire warnings don't seem to move people until their lives are directly impacted. We still haven't reached the point where our media and many in the market realize that much of this was a result of criminality—a point I keep making with little response.

Case in point: James Wood writing on the Seeking Alpha website:

“Bernie Madoff took dishonestly about \$50 billion from investors through a Ponzi scheme. A 20 times greater amount, about a trillion dollars, has been taken from naïve investors (both bank and non bank) who invested in subprime loans in a way which is as dishonest as the Madoff Ponzi scheme, at least in a moral sense. The only big difference between the two scams is that the Madoff scam we can blame on Madoff, but Subprime is the fault of the system. While no one individual is responsible for the Subprime problem, the general greed for profits led all the bankers to deceive themselves and their investors. Government must be held responsible for not having fundamental regulation to protect its banks and investors from the stupidity of the banks that promoted subprime.”

Add to this the millions facing foreclosure because they were sold a bill of goods as part of President Bush's ownership society and you have a human disaster as well as a financial one.

We may not be able to make a citizen's arrest of a whole system but we can do more than we seem to be doing collectively by speaking out against these outrages and pressing the new Administration and anyone who will listen that more has to be done, and done now.

Silence in the face of what's coming is complicity. This is no longer about a political abstraction but a very real threat to our economic survival. Speak now or forever hold your piece of the American dream before it becomes a memory or memorabilia.

News Dissector Danny Schechter is making a film based on his book PLUNDER: Investigating our Economic Calamity (Cosimo Books, at Amazon.com) Comments to Dissector@mediachannel.org To see the promo: <http://www.youtube.com/watch?v=1jj1kjsZg0g> n

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Danny Schechter](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca