

# Dissent Inside the System

**Bank of England Governor Mervyn King**, June 24: “Right through this crisis from the very beginning . . . an awful lot of people wanted to believe that it was a crisis of liquidity. It wasn’t, it isn’t. And until we accept that, we will never find an answer to it. It was a crisis based on solvency . . . initially financial institutions and now sovereigns. . . . “Providing liquidity can only be used to buy time. Simply the belief, ‘Oh we can just lend a bit more,’ will never be an answer to a problem which is essentially one about solvency.”

**Andrew Graham, master of Balliol College at Oxford University**, letter to the *Financial Times*, June 22: “I am appalled, indeed terrified, by the lack of understanding of macroeconomics being shown by the European Central Bank and by the German government.” The first bailout with conditionalities has reduced the Greek ability to repay its debt, “and now, the ECB want a second pound of flesh. This is punishment, not macroeconomics. What is more, it is stupid punishment. It risks producing a failed state in Greece, the non-repayment of any Greek debts at all and the collapse of the entire European banking system.”

**Swedish parliamentarians Ulla Andersson and Jonas Sjöstedt (Left Party)**, article in *Aftonbladet*, June 19: “If Greece does not get its own currency with another exchange rate, the country risks being trapped in a very deep crisis. It is time to plan for an organized retreat from the European Monetary Union.”