

Appendix 1: Major Debt Crises and Bail-outs, 1973–2009

- 1973–75** *Property market crash in US and UK, fiscal crises of federal, state and local governments in the US (New York City's near bankruptcy), oil price hike and recession*
- 1979–82** *Inflationary surge and Volcker interest rate shock forces Reagan Recession, with unemployment rising above 10 per cent in the US and knock-on effects elsewhere*
- 1982–90** *Developing Countries Debt Crisis (Mexico, Brazil, Chile, Argentina, Poland, etc.) sparked by 'Volcker shock' of high interest rates. US investment bankers rescued by aid to indebted countries organised by the US Treasury and a revitalised IMF (purged of Keynesians and armed with 'structural adjustment' programmes)*
- 1984** *Continental Illinois Bank rescued by Fed, Treasury and FDIC*
- 1984–92** *Failures of US savings and loan institutions investing in real estate. Closure and FDIC rescue of 3,260 financial institutions. Recession in UK property market after 1987*
- 1987** *Hurricane in stock markets, October 1987, met with massive liquidity injections by the Fed and Bank of England*
- 1990–92** *Property market-led Nordic and Japanese bank crises. Bail-outs of City Bank and Bank of New England in the US*
- 1994–95** *Mexican peso rescue to protect US investors holding high-risk Mexican debt. Heavy losses in derivatives culminating in Orange County bankruptcy and serious losses for other municipal governments with similar high-risk investments*
- 1997–98** *Asian Currency Crisis (partly property based). Lack of liquidity forces massive bankruptcies and unemployment, providing opportunities for predatory institutions to make quick profits after punitive IMF bail-outs (South Korea, Indonesia, Thailand, etc.)*
- 1998** *Long Term Capital Management bail-out by the Fed in the US*
- 1998–2001** *Capital flight crises from Russia (which goes bankrupt in 1998), Brazil (1999), culminating in Argentina Debt Crisis (2000–2002), devaluation of peso, followed by mass unemployment and political unrest*
- 2001–02** *Dot-com bubble and stock market crashes, Enron and WorldCom bankruptcies. Fed cuts interest rates to prop up asset values (real estate bubble begins)*
- 2007–10** *Property-led crises in the US, UK, Ireland and Spain, followed by forced mergers, bankruptcies and nationalisations of financial institutions. Bail-outs worldwide of institutions that invested in CDOs, hedge funds, etc., followed by recession, unemployment and collapses in foreign trade met by various Keynesian-style stimulus packages and liquidity injections by central banks*

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