

Ben Bernanke vs. Greg Hunter

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As the 2007-2009 global financial crisis unfolded, the mainstream media outlets tended to emphasize the resilience of the United States financial system, more often than not downplaying the seriousness of the crisis that was unfolding. Among the experts being relied on was Federal Reserve Bank Chairman, Dr. Ben Bernanke. Here, I document what was reported on by the media regarding Bernanke juxtaposed against investigative reporter Greg Hunter who at the time was working for CNN.

Background

[Ben Bernanke](#)—Harvard trained with MIT Ph.D., Professor at Stanford and Princeton Universities, transition to public service as a member of the Federal Reserve Bank Board of Governors, President Bush’s Council of Economic Advisors, and then Chairman of the Fed (2006-2014).

[Greg Hunter](#)—Trained at the University of Missouri, well-respected investigative reporter for ABC News and CNN.

Quotes from Bernanke and Hunter During that Time

Bernanke—

[May 17, 2007](#): “...we believe the effect of the troubles in the subprime sector on the broader housing market will likely be limited, and **we do not expect significant spillovers from the subprime market to the rest of the economy or to the financial system.**”

[Jan. 18, 2008](#): “[The U.S. economy] has a strong labor force, excellent productivity and technology, and a deep and liquid financial market that is in the process of repairing itself.”

[Hunter—CNN Transcript Dec. 30, 2007](#):

...when is the last time you heard people describe the housing market as a melt down? That's what happens to a nuclear reactor before it blows sky high. About two and a half months ago I talked to Yale economist Robert Schiller (phd) who says we are in the first inning of a nine-inning baseball game.

Let's say we're in the second inning, he says prices may decline by as much as 50 percent in some parts of the country and experts believe this won't be over until 2009. I'm talking about people like Bill Gross and he has a better description of the housing market.

He has written that the housing market will grind lower until 2009. Some people say it will be 2011, and there is some historical precedents for that. Because Robert Schiller says, "Hey listen most housing lost eight to ten years. This is the biggest housing boom in history. He says the biggest housing debacle, the biggest housing bust in history, as well, not just in America."

But this was a worldwide phenomenon. That has never happened before.

Finally, autos, car sales way down. They're down 3 percent in November alone and remember that mortgage debacle, the home equity extraction game. That's just about over. You know what people are doing they are buying stocks and they were going to Hawaii and they're buying SUVs and writing them off on their taxes. A great idea.

But you know what, that little game is over and that is going to affect car prices. Hey, listen, I hope I'm all wet about this and I'm all wrong but people ought to spend less on their credit cards in the New Years and saving more money. If I'm wrong, you end up with less debt and more money and what's wrong with that?

Bernanke--

[June 3, 2009](#): (When asked directly during a congressional hearing if the Federal Reserve would monetize U.S. government debt) "**The Federal Reserve will not monetize the debt.**"

We now know that the Fed monetized the federal debt. Quantitative easing enabled the Fed to purchase ~4.5 trillion in debt (bank debt, mortgage-backed securities, and \$1.2 trillion in treasury notes)

[Dec. 5, 2010](#): "I wished I'd seen been omniscient and seen the crisis coming."

Hunter—

[Feb. 8, 2008](#): Without question, [we are going] into recession. The Fed is going to fight and scream to lower rates. We just had a 1 point and a 25 rate lowering. We had a \$160 [billion] dollar stimulus package. That doesn't include all the injection of liquidity by the Fed. We are down what, 400, 500 points on the Dow.

The banks are in big trouble. What is familiar with the banks being in trouble is that is the same thing that happened in the great depression.

What Happened to Bernanke and Hunter after the Crisis?

The historical record makes it clear that Bernanke was either incompetent/unaware or he was lying. As a fellow economist who has read some of Bernanke's academic research, I think he is brilliant; I do not believe him to be incompetent. He also had access to the most comprehensive financial and economic data available; I do not believe that he was uninformed.

Further, I think it is fair to say that at the time the media did not highlight the incongruity between what was happening and what people like Bernanke said. The evidence suggests that they were complicit in promoting the narrative that “everything is going to be ok.” At the time, I had a pretty high level of trust in Bernanke and media reporting; that faith resulted in significant loss for me and my family. Despite Bernanke’s above recorded track record, he was rewarded with a prestigious position the Brookings Institution, he was elected the President of the American Economic Association, and serves as senior advisor for The Citadel, a hedge fund that manages \$25 billion.

One bright spot in the media at the time was Greg Hunter who was reporting for CNN. Though history proved him to be right in his assessment and warnings, CNN did not renew his contract. Hunter decided to strike out on his own by establishing the independent news website USAWatchdog. While I do not always agree with the views of Hunter’s guests, I believe him to be an honest person who is trying to help people.

“It is difficult to get a man to understand something when his salary depends upon his not understanding it.” Upton Sinclair