

Bankers Without a Clue

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Krugman in the New York Times:

The official Financial Crisis Inquiry Commission began taking testimony on Wednesday. In its first panel, the commission grilled four major financial-industry honchos. What did we learn?

Well, if you were hoping for a Perry Mason moment — a scene in which the witness blurts out: “Yes! I admit it! I did it! And I’m glad!” — the hearing was disappointing. What you got, instead, was witnesses blurting out: “Yes! I admit it! I’m clueless!”

As he continues:

O.K., not in so many words. But the bankers’ testimony showed a stunning failure, even now, to grasp the nature and extent of the current crisis. And that’s important: It tells us that as Congress and the administration try to reform the financial system, they should ignore advice coming from the supposed wise men of Wall Street, who have no wisdom to offer.

The Masters of the Universe are clueless. All they know they want is the power to continue to purloin assets for their own benefit at cost to the rest of it. So long as they can do that, by capturing our savings, our pension funds, our bank accounts and our tax revenues for their own benefit, then they're happy. If they can't, [they'll impose their demands on us](#).

But the politicians still listen to them - so granting them power. And the time has come for bankers to lose that power. They have to lose the power to create money, the power to dictate markets, the power to impose policy, the power to ravish economies.

I think the desire to do that exists. The only hope that a Conservative government offers is that it will expose to people what happens when bankers get unbridled power -

as they will under the Tories. And that might then produce the necessary incentive to create change.

But right now this looks horribly loike us and them, where them is the bankers, and all we can say for sure about them is they're a) clueless and b) out to abuse the rest of us.