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The effects of the economic crisis triggered in the United States are the theme of this issue. The main differences between our country and the US as we deal with the crisis are two: the Brazilian financial system is healthy, and it has room for a conventional policy of reducing the interest rate. In the US, repair of the financial system has required unconventional measures, and a more effective policy is yet to come: The interest rate of the interbank market, the Fed funds rate, has reached the bottom — there is no way to reduce it further.

The crisis is, however, an opportunity to correct some persistent problems of Brazilian economic policy. For instance, in Brazil bank spreads are an anomaly. After almost 15 years of stabilization, little has been done to correct the disparity between bank deposit and lending rates.

Niall Ferguson, professor of history at Harvard who specializes in financial history, says that the current financial crisis marks the end of both easy credit for consumption and undercapitalized banks. It will also be the end of the Asian growth model based on exports, because the American consumption engine is dead. He believes that for political reasons a global bailout will be very difficult. He also argues that US Keynesian policy will not be very effective and will cause volatility in financial markets. For him the crisis is essentially a problem of excessive debt. Solving it will require a major restructuring of both household mortgages and banks.