**EVALUATING THE FINANCIAL CRASH**

**EXTRACT 1 (2010 in the Daily Telegraph)**

Gordon Brown admits for the first time on Wednesday that he made mistakes that contributed to the financial crisis. In a television interview, the Prime Minister concedes that he bowed to pressure from the City and failed to regulate the banks properly. The crisis has cost taxpayers tens of billions of pounds. RBS and Lloyds Banking Group came close to collapse and Northern Rock and Bradford & Bingley had to be nationalised.

The Prime Minister has steadfastly blamed the crisis on the failure of American regulators and international watchdogs.

Although Mr Brown has previously admitted "responsibility" for his actions as Chancellor from 1997 to 2007 he has declined to admit mistakes made in this country contributed to the crisis. Only last week, Mr Brown said "the international banks let us down". Last year, he said he was not "sure" Britain's regulatory system could have picked up the problem.

George Osborne, the shadow chancellor, said: "So finally Gordon Brown admits he failed to regulate the bankers and increased taxes on the poor. We've had 13 years of his economic mistakes and an explosion of national debt. Britain can't afford five years more."

***By Robert Winnett, Deputy Political Editor (Apr 2010) IN THE Daily Telegraph***

**EXTRACT 2 (2017 in the Guardian)**

Many political epitaphs have been written about Gordon Brown. Friends have talked about his large mind and formidable will. Foes have focused on his brutishness to colleagues and volcanic temper. Anecdotes have been told about the warm and witty Gordon and the paranoid and bullying Brown.

It is notable that his finest moment came when he could, in effect, go back to being chancellor in 2008 when the financial crash took hold. In fact, he turned out to be chancellor of the world. Colleagues and civil servants who were otherwise in despair with him were dazzled by his response to the financial crisis.

It can be said that he was one of the authors of the crisis, and it’s a point, that he didn’t save the world alone – which is true enough – and that others would have got there in the end, which might be right. But the big point is that he was the first western leader to grasp that a cataclysmic meltdown of the world’s financial system could be prevented only by a massive recapitalisation of the banks (i.e. bailing them out). It required both a brilliant grasp of the detail and the guts to take a huge political risk to lead the way. He was instrumental in persuading the USA, the EU and the IMF to react in similar ways to the UK who acted very swiftly to bail out the banks.

Gordon Brown’s reputation in the UK is controversial. As chancellor he made the Bank of England indepdentn and precsided over the ‘Great Moderation from 1999 to 2007 when growth was strong and inflation under control (‘the end of boom and bust’). However by 2010 he was criticised for leaving office with a very large national debt. For the rest of the world, he is considered to be the main reason as to why we did not have a financial crash similar to the 1930’s.

***By Andrew Rawnsley in the Guardian June 2017 (adapted article)***

**QUESTIONS TO CONSIDER:**

1. What are the conclusions of the two extracts? Why do they disagree with Gordon Brown’s legacy?
2. What happened in the 2010 election and how did George Osborne as the new chancellor approach the UK Economy (which was different from the previous 13 years of Labour Government?)
3. Critics of George Osborne, suggest his approach delayed the recovery of the UK from the ‘Great Recession’ caused by the financial crash. How might you evaluate this view?