



On last night's NBC Nightly News, CNBC's Maria Bartiromo fatuously assured Brian Williams that even though the sub-prime mortgage crisis has had a heavy impact here in our markets, banking system, etc., that one ray of hope lay in the fact that it has not spread to other nations.

Hello! Has she been paying any attention to the screaming headlines coming out of Great Britain the last week or so? There is a crisis in sub-prime lending there as well, and it has led to an old fashioned run on the bank. Northern Rock, a consumer bank which has built its business on mortgage lending is in a crunch, and the government just yesterday took the extraordinary step of guarantying all deposits.

This from *The Independent Online*:

The Government made an unprecedented intervention in the Northern Rock crisis yesterday by publicly guaranteeing all the bank's deposits. The intervention, by the Chancellor, Alistair Darling, capped a dramatic day that had seen further mass queuing outside Northern Rock branches and billions wiped off banks' shares on fears of contagion.

The worst hit of the other banks was Alliance & Leicester, which tried to stem fears that it would be the next bank to seek emergency funding. Bradford & Bingley was another to feel the pain.

The slump in Alliance & Leicester's shares raised fears of its customers making mass withdrawals of their savings in a second run on a British bank, and the Leicester-based mortgage lender had to act quickly.

But it was the Northern Rock crisis that continued to cause the most concern. The bank's shares fell by 35.4 per cent, and mass withdrawals continued, bringing the total withdrawn in the past week to Â£2bn.

[Banking Crisis: The Fear Spreads | Independent Online Edition](#)