Aug 19 Talk

1. Reconstituting the Financial Structure: The United States

The Project at the Jerome Levy Economics Institute: To raise the question of whether the package of reforms now on the agenda of Congress is deep enough. Of course by raising the question of depth we are also suggesting that it may be superficial.

There is an American joke saying: "If it ain't broke don't fix it." There is an imperative to fix the deposit insurance institutions. The collapse of the S&Ls and loan associations has made it necessary for Congress to put up the money to make good on the prior explicit pledge that the fund was backed.
by the full faith and credit of the United States,

Similarly to imminent bankruptcy of the Bank deposit insurance fund due in good measure to the too big to fail doctrine requires a funding measure by Congress. Something therefore is clearly broke.

The administration must give to modernity has come up with a comprehensive reform act designed to modernize the financial structure of the United States - to bring it into the 21st century. A comprehensive program has therefore

1. Refinance the funds that are running out of money by 1
   a) Treasury money
   b) Allowing the FID to fund in the building of asset by issuing 50% secured debt.

And simultaneously refinance those funds.
2) Changing the balance sheet between the Treasury and the Federal Reserve and the Deposit Insurance Fund:
   (1) ↑ Treasury
   (2) ↓ Deposit Insurance Fund
   (3) ↓ Federal Reserve

At Federal Reserve Lines

Supervisory Powers - Examiners

8) Attorney - the President

of Federal Reserve Banks - Power on open market committee

[Note: Federal Reserve Legitimate banks - examine for demurrage]

3) Waiver - No Fine With Brad Banking

4) Waiver to Gramm-Stiad

Limits

5) Corporations can own banks
   - and banks can own corporations
   [Universal banking model]

Emulate German or Japanese model
1. is obviously necessary and the details are pending. In outline:

2. The separation of the Federal Reserve Board from presidential supervision is strongly desired. U.S. experience shows that the deposit insurance funds can be readily computed by the administrative process and converted in case of "crisis." One parent authority! The chairman or two can stand. The president and two extremism. A centralized bank may not be a

only organization independent enough and substantial enough to oversee

3) \#3, 4, and 5 may well be

A\#3. The, clear facts, A U.S. banking system may well be

the key if the state with it weaknesses. Brief on the 1-5 billion
dealer class have consistently been more profitable than the bigger
banks. They are more involved and
invented than the big banks

1 billion 80 billion in capital
8 -12 million maximum increase
line

Smaller businesses that do not
have access to corporate bond
markets are their clients.

I would relax Glass Steagel
for basic business clients relating
to community banks in 5 billion
maximum or smaller 3 billion

At 1 billion 3 billion dealt with hell
been seen as a small
business development agency

The Treasury's report states

With an issue of condition 1
entry + the "deal" being
exploded upon it characteristic

Entry condition must prevail
Tightly associated with entry
Whenever there is a "big bank"
merger that leads to climbing
branden
In the discussion, several lesser-known firms are mentioned for easier access at the executive level. The paper suggests that this may be a phenomenon of betting on something.

3.7 + 3 = together will shift the weight in the United States from market-based to institutional sales funding. There is always tension between the two. How they get together varies from earning to earning. The Treasury funds a stock in part of this issue. The issue is issued for most of pref-1 development in New issues in the changing market ownership in the United States.
OWNERSHIP PATTERNS:

In a Capitalist Economy
On the one hand there is
the proximate owner
of capital assets in the economy
the capitalist

On the other hand there is
the ultimate owner of wealth:
the household.

In a capitalist society
every individual capitalist
not only owns direct ownership
but also participation

today not only capitalists in U.S.
but also ex- and prospective

It is evident in intermediate exist
between the capitalist owners
proximate owner capital assets
and households.

Today in U.S. under defense of
wealth among the same before best
agents for leasing in form of
interests in funds or pensions
mutual funds (unit trust)
I A + CRET → 135\* belly California et al.

The deficit 'defined benefit plan' has been recently seen to mid 2014.

Huge buy buy ability

The expectation is that more producing land will rise the world to 2015.

Definite of joint lands: most eligible for life insurance and other 'producing' portfolios.

Miles from Day & A deducted

Justice of Jack. Can have more return characteristics that don't risk when in market funds like securities (just deducted).

Persuas Funds as Masters

Justice: Orgen & KJ/BR's all time great.
A largeERGY LEASING

Leasing can be a potentially
destructive element in financing. Despite
conflicting interests
profitable advantage

Payment mechanisms
Electronic Fund Transactions

+ credit cards & checks

yielding payment mechanisms to

foster & leverage

with customers.

Banks cannot compete with
commercial paper financing unless
they set the costs of the payment

limit and limit.

A potential by way of the

% interest differential & variable discount

to achieve this.
What is the model that guides the actions of the agent in the economy? (The economic model is a distillation of the various expectations and norms.)

The Smith vision

The Keynes vision
Keynes vision to a time

dependent, dynamical system where
behavior is not driven by entrepreneurs
and key bankers which can do an
investment development well in economy.

Since, Keynes' days we have
acquired much knowledge about
the behavior of systems, since
Keynes described much of
what I have knowledge gone into
the writing "class theory".

The role of the "intart" characteristics
of the economy encompasses
dynamic instability then the
constitutive economy - the end
economic and financial system,
where the cost is being and
mix it along but those such as
government control loans and
institutions must be from mini-
circle. This role is needed to
contain the monetary relations.

that cannot want the
trust herself closer to
keep the economy within
Acceptable Trends

Not much doubt that US economy has performed better in the end even withoutfaith in the earlier era.

Singapore as a shining example. This conventional but we must accept that this performance can was within its context of a much better performance by the 12 nations in Western Europe.

Two pillars to the recovery story of the U.S. in the post-war era:

1) Central Bank must be strengthened by solid and standard rules as it was in 1929-33
2) The much 1932 role of government must concentrate on few, definite

l
Aggregate profit in a cloud economy under first assumption is given by:

\[ \Pi = I \]

As a second assumption only even it is:

\[ \Pi = I + DB \]

The chapter through profit can be extended.

Aggregate sums relate to profit in U.S. million state in future years than in past decades.

Stability of profit enables business and business environment.

Validity business links. New stability benefit profit in monetary expected values.

The profit to be stable. Sex must be able to run substantial deficit in the future. Sex increase & then

Investment is necessary.
1929 - 37.6% - 167.5

1951 - 25% - 12/14/25

But for few to do this the intensity of the public debt must be maintained.

Arthur D.
Private Deb

Household Deb -- validated by a

p. 115

Debt Deb -- validated by u.s.

law

By Pazi: Time

law of debt decay debt

[24.5 for more i Pazi Oliver]

Need for U.S. to restructure

the debt or the debt will

a verified stolen debt

1946-80 trend decline in

govt. debt relative to SWR

private debt
1880-81 - had reached extreme form of justice, yet

Last year the fiscal problem was in the court. This year it is met. But the situation is much better.

Surely a 'normal' period by 1952. My guess is that if fiscal problems last for his future, it will end here.

[Signature]
W. Churchill's speech about Democracy.

1832: The Reform Act of 1832. The 'Great Reform Act' had been passed.

1831: The failure of the Reform Bill proposed by Sir Robert Peel.

1833: The passage of the Reform Act, which increased the number of parliamentary seats from 675 to 643, with the addition of new boroughs and the disfranchisement of old ones.

The Reform Act had a significant impact on the political landscape of Britain, leading to the rise of the Liberal Party and the decline of the Tory Party. It is often seen as a key moment in the development of modern British democracy.