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FOR IMMEDIATE RELEASE

**LEADING ECONOMISTS AND POLICYMAKERS TO DISCUSS CREDIT CRISIS
AT 17TH ANNUAL HYMAN P. MINSKY CONFERENCE AT
THE LEVY ECONOMICS INSTITUTE, APRIL 17–18**

Participants Include U.S. Congressman Maurice Hinchey; Richard Berner, Chief U.S. Economist, Morgan Stanley; Robert J. Barbera, Chief Economist, ITG; James W. Paulsen, Chief Investment Strategist, Wells Capital Management; and Paul McCulley, Managing Director, PIMCO

ANNANDALE-ON-HUDSON, N.Y.—As major global financial institutions buckle and personal bankruptcies soar, it is clear that the U.S. subprime collapse has triggered a worldwide economic crisis, one that many economists are describing as a “Minsky moment.” The term—essentially a credit crunch triggered by a period of highly speculative or “Ponzi” finance—refers to the late U.S. economist Hyman P. Minsky’s financial instability hypothesis. The Federal Reserve’s dramatic interest rate cuts and massive credit injections have, thus far, failed to bolster the confidence of financial markets. The dollar is plummeting, consumer confidence is slipping, and the latest economic reports show job losses and near-stagnant growth in the U.S. economy. On **April 17 and 18, The Levy Economics Institute of Bard College** will gather top policymakers, economists, and analysts to explore the implications of the current economic and financial crisis at the 17th Annual Hyman P. Minsky Conference on the State of the U.S. and World Economies.

The conference, “**Credit, Markets, and the Real Economy: Is the Financial System Working?**” will take place on Thursday and Friday, April 17 and 18, **at The Levy Economics Institute of Bard College in Annandale-on-Hudson, New York, U.S.** Congressman Maurice Hinchey (D-New York) will give the keynote address on Friday, April 18. Confirmed participants include **Richard Berner**, chief U.S. economist, Morgan Stanley; **Robert J. Barbera**, chief economist, ITG; **James W. Paulsen**, chief investment strategist, Wells Capital Management; and **Paul McCulley**, managing director, PIMCO. In addition, invitees include **Alan S. Blinder**, Gordon S. Rentschler Memorial Professor of Economics and Public Affairs, Princeton University, and former vice chairman, Federal Reserve Board of Governors; and **Bruce Kasman**, chief economist, JP Morgan Chase. The conference will

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address, among other topics, the causes and consequences of the “Minsky moment”; the impact of the credit crunch on the economic and financial market outlook; dislocations and policy options; the rehabilitation of fiscal policy; margins of safety, systemic risk, and the U.S. subprime mortgage market; past efforts to rehabilitate mortgage financing and the banks; financial markets regulation and reregulation; the inefficiency of computer-driven markets; currency markets fluctuations; and exchange rate misalignment.

The conference will include presentations by **Edward Chancellor**, Grantham, Mayo, van Otterloo, LLC; **Dimitri B. Papadimitriou**, president, Levy Institute; and **James K. Galbraith**, senior scholar, Levy Institute, and Lloyd M. Bentsen Jr. Chair in Government/Business Relations and professor of government, University of Texas at Austin; **Martin Mayer**, guest scholar, Brookings Institution; **Jane D’Arista**, director of programs, Financial Markets Center; **Thomas Ferguson**, professor of political science, University of Massachusetts Boston; **L. Randall Wray**, senior scholar, Levy Institute, and professor of economics and senior research associate, Center for Full Employment and Price Stability, University of Missouri–Kansas City; **Alex J. Pollock**, resident fellow, American Enterprise Institute; **Walker F. Todd**, research fellow, American Institute for Economic Research; **Robert W. Parenteau**, MacroStrategy Edge; **Jan Kregel**, senior scholar, Levy Institute, and distinguished visiting research professor at the Center for Full Employment and Price Stability at the University of Missouri–Kansas City; **Frank Veneroso**, president, Veneroso Associates, LLC; **William Kurt Black**, associate professor of economics and law, University of Missouri–Kansas City; **Ajit Zacharias**, senior scholar, Levy Institute; **Greg Hannsgen**, research scholar, Levy Institute; and **W. Ray Towle**, research associate and editor, Levy Institute.

Preliminary Program:

17th Annual Hyman P. Minsky Conference on the State of the U.S. and World Economies
The Levy Economics Institute of Bard College

Thursday, April 17

9:00–10:00 a.m.

BREAKFAST AND REGISTRATION

10:00–10:45 a.m.

WELCOME AND INTRODUCTION

Dimitri B. Papadimitriou, President, *The Levy Economics Institute*

11:00 a.m. – 12:45 p.m.

SESSION 1. **Historical Precedent and Solutions to the Mortgage Market Crisis**

MODERATOR: **Dimitri B. Papadimitriou**, President, *The Levy Economics Institute*

SPEAKERS: **Jane D’Arista**, Director of Programs, *Financial Markets Center*: “Broken Systems: Agendas for Financial and Monetary Reform”

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Thomas Ferguson, Professor of Political Science, *University of Massachusetts Boston*: “Wizards of Oz? The Politics and Economics of Bailouts in the New Deal and Now”

Alex J. Pollock, Resident Fellow, *American Enterprise Institute*: “The Logic of the Bubble, the Logic of the Bust”

Walker F. Todd, Research Fellow, *American Institute for Economic Research*: “Plans from the 1930s to Rehabilitate Both Mortgage Financing and the Banks”

12:45–2:30 p.m.

LUNCH

SPEAKER: **Paul McCulley**, Managing Director, *PIMCO*: “A Reverse Minsky Journey”

2:45–4:15 p.m.

SESSION 2. **Minsky and the Crisis**

MODERATOR: **Greg Hannsgen**, Research Scholar, *The Levy Economics Institute*

SPEAKERS: **Jan Kregel**, Senior Scholar, *The Levy Economics Institute*, and Visiting Distinguished Research Professor, *University of Missouri–Kansas City*: “Using Tools from the Financial Instability Hypothesis to Understand the Subprime Crisis”

Robert W. Parenteau, *MacroStrategy Edge*: “Minsky for More Than a Moment: Why You Can’t Get There from Here”

L. Randall Wray, Senior Scholar, *The Levy Economics Institute* and Professor of Economics and Senior Research Associate, *University of Missouri–Kansas City*: “Financial Markets Meltdown: What Can We Learn from Minsky?”

4:45–6:15 p.m.

SESSION 3. **Impact of the Crisis on the Economic Outlook**

MODERATOR: **W. Ray Towle**, Research Associate and Editor, *The Levy Economics Institute*

SPEAKERS: **Richard Berner**, Managing Director and Chief U.S. Economist, *Morgan Stanley*: “Money and Credit Markets: Dislocations and Policy Options”

Bruce Kasman, Chief Economist, *JPMorgan Chase**

James W. Paulsen, Chief Investment Strategist, *Wells Capital Management*: “Economic and Financial Market Outlook”

Frank Veneroso, President, *Veneroso Associates, LLC*: “Financial Crisis: Prospect of a Second Wave”

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- 6:30–7:15 p.m.** RECEPTION
- 7:15 p.m.** DINNER
 SPEAKER: **Edward Chancellor**, *Grantham, Mayo, van Otterloo, LLC*: “Hyman Minsky and the Great Moderation”
- Friday, April 18**
9:00–9:30 a.m. BREAKFAST
- 9:30–10:15 a.m.** SPEAKER: **James K. Galbraith**, Senior Scholar, *The Levy Economics Institute*, and Lloyd M. Bentsen Jr. Chair in Government/Business Relations and Professor of Government, *University of Texas at Austin*: “The Generalized Minsky Moment”
- 10:15–11:00 a.m.** SPEAKER: **Robert J. Barbera**, Chief Economist, *ITG*: “Has Greenspan's Conundrum Morphed into Bernanke's Calamity?”
- 11:15 a.m. – 12:45 p.m.** SESSION 4. **Financial Market Regulation-Reregulation**
 MODERATOR: **Ajit Zacharias**, Senior Scholar, *The Levy Economics Institute*
 SPEAKERS: **William Kurt Black**, Associate Professor of Economics and Law, *University of Missouri–Kansas City*: “Minsky's ‘Ponzi’ Phase Is Descriptive, Not Metaphorical: The Epidemic of ‘Control Fraud’ That Hyperinflated the Housing and Mortgage Finance Bubbles”
Alan S. Blinder, Gordon S. Rentschler Memorial Professor of Economics and Public Affairs, *Princeton University*, and Co-director, *Princeton University Center for Economic Policy Studies**
Martin Mayer, Guest Scholar, *Brookings Institution*: “Unintended Consequences: The Inefficiency of Computer-driven Markets”
- 12:45–2:00 p.m.** LUNCH
 SPEAKER: **Maurice Hinchey**, *U.S. House of Representatives (New York)*: “Weapons of Mass Economic Destruction”

*Invited

PRESS REGISTRATIONS SHOULD BE MADE BY CALLING MARK PRIMOFF AT 845-758-7412 OR BY SENDING AN E-MAIL TO primoff@levy.org.

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(3.26.08)