Terry Jordan - Opinion Roundtable 2/17/94

4 years ago - Berlin Wall fell
3 " " - Gulf War over
2 " " - Moscow coup failed
1 " " - Charge of Soviet party

Now - Harding - Kerryan
Michael Jordan retiring} not as important as previous events
Sarajevo/Bozano} - so a lot must be right

- bumper sticker result of economic situation
  - inflation lowest in 30 years
  - low mortgage rates
  - affordable?
  - sales up?
  - construction up?
  - auto sales strong
  - domestic stock market up
  - U.S. productivity growth strong
  - "" help us abroad
  - economy growing faster than potential
  - to enjoy current and future for 1990s key last decade
What began to pass one 20th
civil war meant not as cutting logs
now knowledge base gives value added
- lever capital, not raw materials

No more gold man
now economy makes any alliance

3 decades of tested of ideas
democracy and markets won
they separated and divided industries

1980s

19th century of civil liberties
20th " of state
now 21st " of markets

deregulation

tax reduction / tax reform

Result world converging lower inflation
lower price barriers
lower fluctuations in economy
this will aid private financing
- flatter form
Monetary policy is critical

as we \( T \) ended - Breton Woods
- ordered to gold
  collapsed 1973

much inflation, high interest rates, etc.

leads to economic stagnation

false de facto

unfortunately, view on inflation has changed:
inflation is temporary
- interest rate 

need to persuade people to expect persistent price stability
- that would stabilize economy

need to restore credibility

- getting there from financial discipline
  - shifty funds to places in which they have the most confidence
    - markets are linked

price stability expected - we are getting there