Fundamental Disagreement

Fiscal policy is getting better
fiscal policy multiplier has been revised in minds of public
Tobin: restructure fiscal policy vs stimulatory
Visualize price stability
Hawks vs Doves is false dichotomy
WSJ articles opposite of edibles

1994 Keynes quote "debouch the economy"
2 frameworks:

1. AD - IS
   - adjust AD to match IS
   - adjust demand to match supply

2. Supply and demand for money balance
   - adjust supply to match demand

Demand my is a mistake - it is a stagnation. Hence - it leads to
pump priming → leads to false cause of inflation → leads to false dichotomy.

Growth doesn't lead to inflation. Care from demand my framework.
Japan
- problems are its institutions
- need institutional reform
- need to restructuring away from agent problem
- need political reform
- need reform of distribution system

Illusions
How close does it work with others?
- better than we think

Rescue from Congress
- choose between unpleasant options
- reject that premise, so reject that criterion
- what would be defeat of me, forget the institution
If people expect sustainable, peso-stable, of currency -- this maximizes real growth.

Ken Dayland - Feb 4 FFR
- worst answer

Mexico
Nafta - improving the rules of law

Russia
- study Europe and don't repeat their mistakes