Index

accumulation via credit creation 4
American International Group (AIG) 79–80
amount of stable funding (ASF) 122, 125, 128
Amsterdam Treaty 17
Argentina 163, 168, 184, 190, 199
Asian countries 150, 151, 196
assets 43–7, 101, 119, 121, 122
austerity policies 4–5, 12–13, 18–20, 192, 225
emerging countries 189–92
fiscal (budget surpluses) 4–5
G20 75
Mexico 161–5, 173, 176
monetary (high real interest rates) 4
Austria 80, 232
‘Austrian’ school of economics 41–2
available amount of stable funding (AASF) 119–20, 122
bailouts 76, 82, 84, 142, 152
austerity policies 190
costs minimization 79–81
debt stabilization policies 188
nationalization of commercial banks 154
Sweden 74
balance of payments 102
balance sheet 114–16, 120
aggregated 125
bank showing financial situation 120
deposit bank 115
deposit bank under metal currency regime 116
industrial firm before profit allocation 114
matrix of economy 212, 218
national accounts 127
balanced growth approach 223
‘ban securitization’ banking policy 142–5
Bank Act (1844) 100
Bank of America 79
bank credit advances 3
Bank for International Settlements (BIS) 77, 105, 182, 207
bankers as circuit’s ‘ephor’ 65–6
banking institutions 134–56
commercial banking phase to financialized phase 136–41
reform 141–56
‘ban securitization’ banking policy 142–5
commercial banks, nationalization of 149–56
narrow banking: monetary system elasticity, reduction of 145–9
Banking School principle 134, 137
banks, role of 57
Basel Agreement on capital adequacy controls 105
Basel Committee on Banking Supervision 112, 118, 122–3, 124
Basel II 119, 121, 123, 129–30
Basel III and capital requirement strengthening 112–32
capital and other debt titles origins 128–30
deposit banks and money creation 114–16
deposit banks reform 131–2
liquidity coverage ratio and net stable funding ratio 119–28
monetary creation by deposit bank 116–18
principal ratios 118–19
Index 265

financial crisis, solution for 45–7
formal versus substantive validity of
money 48–50
mock examination question and
arithmetical answer 42–5
credit default swaps (CDSs) 140–41
credit and money creation 51
creditworthiness 153–4
Czech Republic 232
debt
ceiling 182
government (gilts) 101–2, 212–13
-gross domestic product (GDP) ratio
220–21
growth regime, household 20
long-term sustainability 219
private 222–3
public and private distinction 188–9
securities, domestic and international
207–8
stabilization policies in emerging
countries 186–9
sustainability 220
see also debt stability condition;
public debt
debt stability condition 205–228,
232–4
balance sheet matrix 212, 218
domestic and international debt
securities 208
European Union: public debt as
percentage of total financial
assets 209
extensions into subsequent periods
(continuation analysis) 217–22
Italy: bonds issued by central and
local governments 208–9
loan default in single period of
circuit 215–17
policy implications 222–5
private and public debt in single
period of circuit with no default
risk 210–14
public debt burden (Domar) 220
public debt held in private portfolios
(pre-crisis) 207–10
public and non-financial private debt
(pre-crisis) 205–7

public and private debt shares for
selected countries 232–4
United States: municipal, Treasury
and federal agency securities
208
default 66–7
and money 59–60
risk 63–4
deficit
‘bad’ and ‘good’ 201
and debt ratios in the eurozone 197
government 211–13
-output ratio 189
public 189
reduction policies 185
see also public expenditure and
deficits in emerging countries
demand and supply effects 224
Denmark 150–51, 233
dependency relationships between
employees and employers 26, 28
deposit account 124
deposit banks 131
and money creation 114–18
reform 131–2
see also commercial banks
deposit insurance 62
government 135
deposits 43–7, 100, 101
on bank owners 45–7
of non-bank public 44–7
and titles/shares, difference between
129
discount houses 101–2
Dodd-Frank Wall Street Reform and
Consumer Protection Act (2010) 141
Domar, E.D. 219–21, 223–4
double coincidence of wants problem
24–5
economies of scale and scope 242
Ecuador: Banco del Sur proposal 177
effective demand theory 30
endogeneity of money 13, 15–16, 18
Estonia 233
Europe 182
bailouts 142
nationalization of commercial banks
154
public and non-financial private debt 206–7

see also European Union

European Central Bank (ECB) 18, 21, 198, 201

European Economic and Monetary Union (EMU) 5, 68

European Financial Stability Facility (EFSF) 200–201

European Monetary System (EMS) 200

European Union 19, 54
debt stability condition 209, 225, 228n

public debt as percentage of total financial assets 209

stability pact 226n

systemic financial crises 77

see also eurozone and the euro crisis
eurozone and the euro crisis 5–6, 12, 21, 75, 188, 195–204

‘bad’ deficits and ‘good’ deficits 201

‘common currency’ 200
deficit and debt ratios 197
eurobond solution 201

European Financial Stability Facility (EFSF) 200–201

flawed structure 17–20

inflation 198–9

‘new’ capitalism 196–7, 203n

New Deal 201–2

‘productivity paradox’ 199–200

sovereign debt crisis 197–8

trade imbalances 197
evolutionary theory of endogenous money 13

Exchange Rate Mechanism (ERM) 104

exchange rates, floating 67–8

excludability 236–8

distortion 38–9

export-led growth (ELG) model 187

Fanny Mae 78, 92n

Federal Deposit Insurance Corporation (FDIC) insurance guarantees 79, 129

Federal Reserve (Fed) 16, 60, 87, 187

Fforde, J.S. 108

‘fiat’ currencies 60–61

Financial Accounting Standards Board 80

financial instability hypothesis (FIH) 56

financial liberalization 149–52

Financial Services Authority (FSA) 106, 107

financialization 12, 65, 136–41

Finland 150–51, 233

fiscal vulnerability reduction 184

Fisher plan 145, 147

flux-reflux principle 2, 5, 17, 135, 137–8, 166

foreign direct investment in Latin America 167, 171–4, 175, 176

France 5, 68, 195, 196, 201

bailout and moral hazard 80

Basel III and capital requirement strengthening 113

government ownership of banks 150–51

national accounts balance sheet 126–7

public and private debt 207, 232

franchising 100, 108–9

fraud ‘epidemics’ 145

Freddie Mac 78, 92n

‘free rider’ 242, 246, 326

free trade 262n

full employment 221–2

Geithner, T.F. 78

Germany 68, 75, 79, 90, 195, 196, 197, 201

Commerzbank 80

government-owned banks 150–51, 156n

Great Depression 89–90

hyperinflation 13

nationalizing commercial banks 153–4, 155

public and private debt 207, 232

Special Fund for Market Stabilization 80

Glass-Steagall Act (1933) 113, 138, 142, 146

global financial crisis 14, 66, 106–7

austerity policies 189–90

Basel III 112, 113

Canada 142

credit restriction 135–6
Index

267

debt stability condition 222
emerging countries 181, 182
nationalization of commercial banks 151–2
neo-Chartalist view 16
public and non-financial private debt 206
securitization 143
solutions 45–7
United Kingdom 104, 105
Godley, W. 20
Goodhart, C. 59, 64, 148, 150–51
Gramm-Leach-Bliley Act (1999) 113
Great Depression 88–90
Greece 19, 68, 182, 195, 196, 197–8, 199
government ownership of banks 150–51
public and private debt 232
gross domestic product (GDP) 50, 65, 188, 196, 205–7, 210
Group of Central Bank Governors and Heads of Supervision 112
growth rate 219–21, 223
Growth and Stability Pact 17
guarantee fund 129
Hau, H. 155
Hayek, F. von 6, 14, 20, 41–2, 146, 161–2
Hicks, Sir J. 34
high-powered money (HPM) 62–3
historical perspective of monetary circuit theory 23–31
capitalist economy: Marx 27–31
monetary analysis vs real analysis: Steuart versus Smith 24–7
price and value 39–40
productive and unproductive labor, distinction between 37–8
turnover, crisis and instability 40
turnover time, exploitation rate and value rate of profit 38–9
Hitler, A. 89–90
Hungary 232
hyperinflation 13
Iceland 150–51
income 211
flows 3
increasing financial fragility hypothesis (Minsky) 252
India 151
industrial capital circuit 35
inflation 198–9
information asymmetry 145
intellectual property rights 245
interest rates 102, 103, 106, 219–21, 223, 224
on banking loans and nominal gross domestic product (GDP) 226n
exogeneity 14–15, 16
Keynesian 63–4
long-term 16
International Monetary Fund (IMF) 75, 181, 184–5, 188
austerity policies 189, 190
conditionality 183
data issues 77
debt stability condition 226n
debt stabilization policies 186
economic reforms 182
international speculative flows 174–6
investment 211, 219–21
banks 138
demand curve 55–6
-goods sector 3
increase in potential capacity derived from 221
public 221
rent-seeking 217
social average productivity 221–2
theory of party competition 85
Ireland 19, 68, 195, 196, 198, 199
government ownership of banks 150–51
public and private debt 232
IS/LM framework 21n
Italy 68, 75, 79, 93n
bonds issued by central and local governments 208–9
euro crisis 195, 196, 198, 200
government ownership of banks 150–51
Great Depression 89
public and private debt 232
public spending 182
<table>
<thead>
<tr>
<th>Term</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>78, 79, 90, 92n</td>
</tr>
<tr>
<td>government ownership of banks</td>
<td>150–51</td>
</tr>
<tr>
<td>Ministry of Finance</td>
<td>81</td>
</tr>
<tr>
<td>public and private debt</td>
<td>206–7, 234</td>
</tr>
<tr>
<td>Jones, J.</td>
<td>89</td>
</tr>
<tr>
<td>judgment, standards of</td>
<td>76–7</td>
</tr>
<tr>
<td>Kalecki, M.</td>
<td>20</td>
</tr>
<tr>
<td>Kalecki's identity</td>
<td>211</td>
</tr>
<tr>
<td>Kalecki's profit creation</td>
<td>17</td>
</tr>
<tr>
<td>Kansas City School</td>
<td>132</td>
</tr>
<tr>
<td>Keynes, J.M.</td>
<td>3, 6n</td>
</tr>
<tr>
<td>‘animal spirits’</td>
<td>47</td>
</tr>
<tr>
<td>artificial scarcity of capital</td>
<td>152–3</td>
</tr>
<tr>
<td>austerity</td>
<td>161</td>
</tr>
<tr>
<td>industrial circulation</td>
<td>54</td>
</tr>
<tr>
<td>industry replaced by speculation</td>
<td>136</td>
</tr>
<tr>
<td>labor, money and time</td>
<td>35</td>
</tr>
<tr>
<td>labor theory of value</td>
<td>34</td>
</tr>
<tr>
<td>liquidity preference</td>
<td>67</td>
</tr>
<tr>
<td>monetary economy of production</td>
<td>30</td>
</tr>
<tr>
<td>real exchange economy</td>
<td>26</td>
</tr>
<tr>
<td>role of the State</td>
<td>62</td>
</tr>
<tr>
<td>Keynes-Hayek-Sraffa debate (1930s)</td>
<td>41</td>
</tr>
<tr>
<td>Keynesian disequilibrium theory</td>
<td>12</td>
</tr>
<tr>
<td>Keynesian economics</td>
<td>2</td>
</tr>
<tr>
<td>Keynesian interest rate</td>
<td>63–4</td>
</tr>
<tr>
<td>Keynesian multiplier</td>
<td>213, 227n</td>
</tr>
<tr>
<td>Keynesian theory of money</td>
<td>3</td>
</tr>
<tr>
<td>Keynesianism</td>
<td>201, 202</td>
</tr>
<tr>
<td>Kregel, J.</td>
<td>54–6</td>
</tr>
<tr>
<td>Kumar, D.</td>
<td>36</td>
</tr>
<tr>
<td>La Porta, R.</td>
<td>149</td>
</tr>
<tr>
<td>labor</td>
<td>35</td>
</tr>
<tr>
<td>power</td>
<td>29, 35, 36</td>
</tr>
<tr>
<td>standard</td>
<td>34</td>
</tr>
<tr>
<td>theory of value</td>
<td>34</td>
</tr>
<tr>
<td>unproductive</td>
<td>38</td>
</tr>
<tr>
<td>Latin America</td>
<td>160, 163–9, 175, 177, 195–6, 197</td>
</tr>
<tr>
<td>capital flight</td>
<td>164</td>
</tr>
<tr>
<td>debt stabilization policies</td>
<td>187</td>
</tr>
<tr>
<td>double monetary circuit (DMC)</td>
<td>167–8</td>
</tr>
<tr>
<td>foreign direct investment (FDI)</td>
<td>167, 171–4, 175, 176</td>
</tr>
<tr>
<td>indebtedness</td>
<td>164</td>
</tr>
<tr>
<td>lost decade</td>
<td>164, 183</td>
</tr>
<tr>
<td>narrowness and shallowness of domestic markets</td>
<td>165</td>
</tr>
<tr>
<td>neoliberal stabilization</td>
<td>183–8, 190–91</td>
</tr>
<tr>
<td>net flow of capital and transfer of resources</td>
<td>165</td>
</tr>
<tr>
<td>portfolio investment</td>
<td>167, 174–5, 176</td>
</tr>
<tr>
<td>State disintermediation</td>
<td>167</td>
</tr>
<tr>
<td>transnational corporations (TNCs)</td>
<td>167, 183</td>
</tr>
<tr>
<td>Latvia</td>
<td>233</td>
</tr>
<tr>
<td>Lehman</td>
<td>148</td>
</tr>
<tr>
<td>lender of last resort</td>
<td>101–2, 107, 109, 187</td>
</tr>
<tr>
<td>leverage ratio</td>
<td>213, 227n</td>
</tr>
<tr>
<td>liabilities</td>
<td>43–7, 63, 65</td>
</tr>
<tr>
<td>of commercial banks</td>
<td>217</td>
</tr>
<tr>
<td>of consolidated state sector</td>
<td>213</td>
</tr>
<tr>
<td>liberalization</td>
<td>149–52</td>
</tr>
<tr>
<td>liquidity</td>
<td>3, 6n, 14, 20, 21n, 23, 24, 184</td>
</tr>
<tr>
<td>liquidity coverage ratio (LCR)</td>
<td>118</td>
</tr>
<tr>
<td>liquidity coverage ratio (LCR) and net stable funding ratio (NSFR)</td>
<td></td>
</tr>
<tr>
<td>banks and finance in the economy, lack of understanding of</td>
<td>124–8</td>
</tr>
<tr>
<td>inefficiency</td>
<td>121–4</td>
</tr>
<tr>
<td>transposed from financial analysis of industrial firms</td>
<td>119–21</td>
</tr>
<tr>
<td>liquidity preference</td>
<td>54–6, 57, 62–5, 66–7, 135, 138</td>
</tr>
<tr>
<td>Lithuania</td>
<td>233</td>
</tr>
<tr>
<td>loan</td>
<td>43–7, 213–14</td>
</tr>
<tr>
<td>account</td>
<td>124</td>
</tr>
<tr>
<td>default</td>
<td>214, 215–17</td>
</tr>
<tr>
<td>long-term</td>
<td>126–7</td>
</tr>
<tr>
<td>short-term</td>
<td>126–7</td>
</tr>
<tr>
<td>Luxemburg-Kalecki model</td>
<td>197</td>
</tr>
<tr>
<td>Maastricht Treaty</td>
<td>17, 200, 205–6, 210, 226n</td>
</tr>
<tr>
<td>McDonough ratio</td>
<td>119</td>
</tr>
<tr>
<td>macro-monetary models</td>
<td>223</td>
</tr>
<tr>
<td>macroeconomic logic</td>
<td>4</td>
</tr>
<tr>
<td>macroeconomic policy</td>
<td>102</td>
</tr>
<tr>
<td>marginal efficiency of money (MEM)</td>
<td>55–6, 64, 67</td>
</tr>
</tbody>
</table>
marginal propensity to save 221
mark-up approach 55
market failure 236–8, 242, 248
Marshall, A. 242
Marx, K. 24, 27–31, 33
constant and variable capital 39
crises and instability 40
prices and value 39–40
production and circulation of commodities and money 35–6
productive and unproductive labor 37–8
schemes of reproduction 34
time periods 36–7
turnover, crisis and instability 40
maturity 124–5, 126
means of production 35
Mexico
1994–1995 crisis 172, 175
austerity 161–5, 173, 176
banking system 169–70
Central Bank 171
development banks 170
dollarization 162
domestic firm financing 167, 170–72
double monetary circuit (DMC) 162, 170, 171, 172, 174, 176–7
financial flows 160–77
fiscal responsibility law 164–5
fiscal spending and taxation 166–7
fixed capital formation 174
foreign bank subsidiaries 162, 169
foreign direct investment (FDI) 171–4, 175, 176
Great Crisis 170, 172, 175
import substitution 162–3
internal credit 169–70
international speculative flows 174–6
internationalization 170
monetary circuit development 165–6
neoliberal stabilization 183
portfolio investments 174–5, 176
State finances 166–8
supplier credit 171
tax collection 167
technology transfers 173–4
transnational corporations (TNCs) 160, 162, 164, 167, 169, 172–3, 175, 176
Micco, A. 155
Minsky, H.P. 64, 65–6, 136–41, 148, 202–3
dual aspect to banking 134–5
modern monetary theory (MMT) 16
monetarist phase of monetary policy 104
monetary analysis vs real analysis 24–7
monetary creation by deposit bank 114–18
common characteristics 118
metal currency regime 116–17
non-convertible central money 117–18
monetary economy of production 30
monetary gain, search for 25–6
monetary system elasticity, reduction of 145–9
monetary theory of production 66
money 35
capital 35
-commodities-money (M–C–M) 28, 35
and commodity capital 36
creation 57
creation by the state 17
creation and deposit banks 114–16
as credit-debt relation 57–9
and default 59–60
flow chart 2–3
formal validity see credit creation, monetary circuit and formal validity of money
ideal/symbolical 25
IOUs 57–8, 59–60, 61–2, 63–5, 66, 67
manager phase of capitalism 136–41, 153
marginal efficiency of money (MEM) 55–6, 64, 67
production and circulation 35–6
as social relation 51
substantive validity of 52
moral hazard 79–81, 82–3, 84, 89, 98
nationalization of commercial banks 154, 156
securitization 144
United Kingdom 107
moral suasion 101
mortgage-backed securities (MBSs) 139, 141
Mosler, W. 21n, 143–4
Mussolini, B. 89

narrow banking: monetary system elasticity, reduction of 145–9
national accounts 126
nationalization 152
neo-Chartalist view 16–17, 21
neoclassical Keynesians 4
neoliberal stabilization in emerging countries 183–6
net cash outflows over the next 30 calendar days (NCON30D) 119, 121
net stable funding ratio (NSFR) 118–28, 131
greater than one 125–8
see also liquidity coverage ratio (LCR) and net stable funding ratio (NSFR)
Netherlands 81, 150–51, 233
New Deal 74, 79, 84, 89–90, 145–6, 201–2
New Deal Act 146
non-bank financial intermediaries (NBFIs) 138
non-wage revenues 215
Norway 76, 78, 79, 90, 92n
government ownership of banks 150–51
public and private debt 233

Obama administration 76, 80, 84
‘100 per cent money’ 131, 142, 145
Organisation for Economic Co-operation and Development (OECD) 181–2, 184
‘originate and hold’ banking 143
‘originate to distribute’ model 139–40

Paulson, H. 76, 78
Pigouvian approach 261n
Poland 232
political party parliamentary strength 82–3, 84–7, 98
Ponzi positions 192
Ponzi process/scheme/system 139–41
population changes 262

portfolio investments in Latin America 167, 174–5, 176
Portugal 19, 150–51, 182, 195, 196, 198, 232
post-Keynesian theory of money 12, 13–16, 131, 134
price 39–40
index, ‘correct’ 50
private sector banks 100, 107
and public banks, differences between 153–6
private sector cash flow sustainability condition 211–12
privatization 150, 152, 154
production 245
of commodities and money 35–6
equations 26
prices 39
private 243
sphere 36
time of 36–7, 38, 39
productive services exchange 26
productive and unproductive labor, distinction between 37–8
‘productivity paradox’ 199–200
profits
 corporate 211
 upon alienation 27
 value rate of 38–9
public banks 168
public debt 222–5
-gross domestic product (GDP) ratio 219, 223
growth in line with private debt 224–5
public expenditure and deficits in emerging countries 181–92
austerity policies 189–92
debt stabilization policies 186–9
neoliberal stabilization 183–6
public goods and externalities 235–62
appropriable goods 237
basic subsistence goods 239
categories of goods 236
club goods 236–7, 238, 246
collective goods 238–9, 246–7, 248
common goods 236, 246
corrective or offsetting goods 240–41
costs and benefits balancing 248–54

Louis-Philippe Rochon and Mario Seccareccia - 9781781003954
Downloaded from Elgar Online at 04/30/2019 10:03:34PM via free access
Index

private costs 251
social costs 251
empty world-full world 244–5
examples 245
excludable goods 236–8
innovation 256–7
internal-external distinction 241–2
joint or individual consumption 238
macro model of impact 254–8
macroeconomic externality 246–7
market 259–60
market failure 236–8
negative externalities 245, 251, 254–6
net contribution to growth 252
non-excludable goods 237
non-exhaustible goods 237
non-rivalrous goods 237
output 255–6
positive externalities 242, 243, 245, 247, 254–7
private goods 238, 246
private and public goods balance 247–8
private and public goods, evolution of 243–4
private-public good 245, 246
production externalities 243
rivalrous goods 236–8
role of externalities in the cycle 258–9
third-party or social goods 240–41, 246, 248, 257
public indebtedness, external 186–7
public spending reduction policies 189
public-private partnership investment projects 80, 191
pure credit economy 100
pure quasi-rent 215
pure unit of account 25
pyramid of liabilities concept 63, 65
Quesnay, F. 33–4, 35
rating agencies 181, 188
rational expectations path 224
real analysis 23, 27
Real Bills doctrine 136
real exchange economy 26
recapitalization 76
Reconstruction Finance Corporation (RFC) 79, 89
redistribution through taxes paradox 5
regulation 87–8
repurchase agreements (repos) 106
required amount of stable funding (RASF) 120, 122
required stable funding (RSF) factor 122–3, 128
reserve requirement 143
reserve-creation process 17
risk, systemic 145
Romania 233
Roosevelt, F.D. 8–90
Russian Federation 150–51, 154, 156n, 196, 197
salaries of regulators 87–8
sales value 39–40
saving, paradox of 41
savings 211, 215
households 211, 212, 218
private 211–13
scarcity principle 13, 15, 134, 152–3, 161
Schumpeter, J. 23
securitization 105, 138–9
Senior Executive Service (SES) 87
‘shadow banking’ 141, 143
single period model 223
Slovakia 233
Smith, A. 23, 24–7
social security 191
sovereign default 168, 182
Spain 195, 196, 198, 200
government ownership of banks 150–51
price inflation 13
public and private debt 232
special deposits 101
special purpose entity (SPE) 139
special purpose vehicle (SPV) 105, 139
Sraffa, P. 41–2
stabilization programs 182, 183–9, 190–91
State
absence of 14
consumer debt 48
and local government indebtedness 191–2
theory of  5
see also bulls, bears and States;
central bank, the State and
the monetary circuit; United
Kingdom financial institutions
and the State
Steuart, J.  23–7, 31
stock of high quality liquid assets
(SHQLA)  119, 121
stock-flow consistent model  15
Supplementary Special Deposits  103
surplus value  29, 37, 38
sustainability condition  220
Sweden  76, 78, 79, 90, 92n
bailout  74
government ownership of banks
150–51
public and private debt  233
Switzerland  92n, 150–51
systemic financial crises and Danaid
Jar myth  73–94, 98
bailout costs minimization and
moral hazard  79–81
data  77–8
delays  78–9
Great Depression  88–90
judgment, standards of  76–7
moral hazard  82–3
political parties, importance of  84–7
regulation  87–8
simplification  81–2
taxation  5, 61, 219–20, 221
Taylor reaction function  13
thrift, paradox of  51n, 254
Thum, M.  155
trade imbalances  197
Trade-Related Aspects of Intellectual
Property Rights (TRIPS)  261n
‘tragedy of the commons’  236, 242
transformation problem  29
transversality condition  59
Treasury
United Kingdom  99–100, 102, 104,
105, 107–9
United States  187
Treasury bills  101–2
Trichet, J.-C.  112
Tropeano, D.  141
Troubled Asset Relief Program
(TARP)  76, 79, 81
turnover time  38–9, 40
uncertainty  223, 224
United Kingdom
bailout and moral hazard  80
government ownership of banks
150–51
public and private debt  232
see also United Kingdom financial
institutions and the State
United Kingdom financial institutions
and the State  99–110
1945-1972  101–2
1997  105–6
Bank Act (1844)  100
Bank of England  99–100, 101–2,
103, 104–5, 106, 107–9
Basel I  104–5
Competition and Credit Control
(CCC)  103, 106, 108
Debt Management Office  106
Financial Services Authority (FSA)
  106, 107
global financial crisis  106–7
influx of American banks  103
money supply  107–9
Royal Mint  100
structural issues  102–4
Treasury  99–100, 102, 104, 105,
107–9
United States  5, 19, 75, 92n, 93n, 100,
188, 196, 197
austerity  191
bailout  79–80, 142
continuation analysis  221
data issues  78
debt ceiling  182
debt stability condition  208, 224,
226n
debt stabilization policies  186
Dodd-Frank Wall Street Reform
and Consumer Protection Act
(2010)  141
Federal Reserve  16, 60, 87, 187
Glass Steagall Act (1933)  113, 138,
142, 146
government ownership of banks
150–51
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gramm-Leach-Bliley Act (1999)</td>
<td>113</td>
</tr>
<tr>
<td>housing market bubble</td>
<td>141</td>
</tr>
<tr>
<td>moral hazard</td>
<td>79–80, 83</td>
</tr>
<tr>
<td>municipal, Treasury and federal agency</td>
<td>207–8</td>
</tr>
<tr>
<td>New Deal</td>
<td>74</td>
</tr>
<tr>
<td>non-financial debt</td>
<td>249</td>
</tr>
<tr>
<td>political parties’ parliamentary</td>
<td>84–5</td>
</tr>
<tr>
<td>property rights</td>
<td>245</td>
</tr>
<tr>
<td>public and private debt</td>
<td>206–7, 234</td>
</tr>
<tr>
<td>regulation</td>
<td>87</td>
</tr>
<tr>
<td>securitization</td>
<td>105</td>
</tr>
<tr>
<td>spending cuts</td>
<td>182</td>
</tr>
<tr>
<td>systemic financial crises</td>
<td>77</td>
</tr>
<tr>
<td>Treasury</td>
<td>187</td>
</tr>
<tr>
<td>value</td>
<td>39–40</td>
</tr>
<tr>
<td>theory</td>
<td>49–50</td>
</tr>
<tr>
<td>voting turnout</td>
<td>82–3, 98</td>
</tr>
<tr>
<td>wage costs surplus</td>
<td>215</td>
</tr>
<tr>
<td>Walras, L.</td>
<td>26, 29–30</td>
</tr>
<tr>
<td>Washington Consensus (WC)</td>
<td>160, 163–6, 183</td>
</tr>
<tr>
<td>Weinberg, S.</td>
<td>89</td>
</tr>
<tr>
<td>working time</td>
<td>36–7</td>
</tr>
<tr>
<td>World Bank (WB)</td>
<td>184, 190</td>
</tr>
<tr>
<td>Wray, L.R.</td>
<td>135–6, 148</td>
</tr>
</tbody>
</table>