

WORKSHOP AGENDA

Federal Credit in Historical Perspective Workshop

Joint Center for History and Economics, Harvard University, May 7, 2012

Welcome Remarks (2:00 – 2:15pm) - Emma Rothschild and Kate Harris

Panel 1 (2:15 – 3:15pm) - Historical Perspective: Federal Credit and Public Sector Risk

Harold James, Claude and Lore Kelly Professor in European Studies, Princeton University and Professor of International Affairs in the Woodrow Wilson School.

Emma Rothschild, Jeremy and Jane Knowles Professor of History at Harvard University.

Deborah Lucas, Sloan Distinguished Professor of Finance at MIT Sloan School of Management.

Coffee & Tea (3:15 – 3:30pm)

Panel 2 (3:30 – 4:30pm) - Contemporary Perspective: Considering Federal Financial Exposures Following the Financial Crisis

Cyrus Amir-Mokri, Assistant Secretary for Financial Institutions at the U.S. Department of the Treasury.

Lee Sachs, Former Counselor to Secretary Geithner and Assistant Secretary for Financial Markets at the U.S. Department of the Treasury.

Benjamin Friedman, William Joseph Maier Professor of Political Economy at Harvard University.

Concluding Remarks (4:30 - 4:45pm)

Reception (5:00 - 6:00pm)

The reception will be held in Robinson Hall.

PANEL INFORMATION

Federal Credit in Historical Perspective Workshop

The panels will be open discussions among all of the participants.

Panel 1: Historical Perspective: Federal Credit and Public Sector Risk

The aim of the first panel is to discuss the growth of federal credit and insurance programs from a historical perspective, and how the concept of public risk changed overtime.

- Why have certain periods seen the dramatic expansion in the provision of federal credit?
- How do expansions and contractions in federal lending fit within our broader understanding of macro-economic cycles?
- How have federal authorities represented the size and composition of the U.S. balance sheet, and how have they managed its assets and liabilities, actual and contingent?
- How should the contingent liabilities of the government and taxpayers be defined, particularly as it relates to insurance and other “lender of last resort” functions?

Panel 2: Contemporary Perspective: Federal Financial Exposures Following the Financial Crisis

The aim of the second panel is to discuss the growth of federal exposures during the financial crisis, and the implications from a public sector risk perspective.

- How should we contrast the role of the central bank and the role of the U.S. Government during the recent financial crisis?
- How was the U.S. balance sheet used in response to the financial crisis, and what were the implications from the perspective of public risk?
- How do we understand the government’s role as the lender of last resort in contrast to the government’s ongoing role in addressing financing gaps in certain sectors of the economy and for certain portions of the population?
- What is the appropriate and sustainable role of the state going forward?

PAPERS FOR DISCUSSION

Federal Credit in Historical Perspective Workshop

Historical Perspective: Federal Credit and Public Sector Risk

- Douglas Criscitello, *Government Trends in U.S. Government Lending: Understanding role of traditional Federal credit programs, options of improving administration, and considerations for continued government involvement*, December 2009.
- Douglas Elliott, *Uncle Sam in Pinstripes: Evaluating U.S. Federal Credit Programs*, (Brookings Institution Press, 2011), excerpts.
- Deborah Lucas and Marvin Phaup, "The Cost of Risk to the Government and Its Implications for Federal Budgeting," *Measuring and Managing Federal Financial Risk* (University of Chicago Press, 2007), 29 - 54.
- R.J. Saulnier, Harold G. Halcrow and Neil J. Jacoby, *Federal Lending and Loan Insurance* (Princeton, 1958), excerpts.
- Thomas Staton, "Instrumentalities of Government," Chap. 2 in *Government-Sponsored Enterprises: Mercantilist Companies in the Modern World* (American Enterprise Institute, 2002).
- Murray Weidenbaum, "The Growing Federal Credit Programs: A National Policy Issue?," *Financial Analysts Journal*, Vol. 27, No. 1 (January - February, 1971).

Contemporary Perspective: Federal Financial Exposures Following the Financial Crisis

- Michael Bordo and Harold James, *The Great Depression Analogy*, The National Bureau of Economic Research, December 2009.
- Tom Baker and David Moss, *Government as Risk Manager*," Chap. 2 in *New Perspectives on Regulation*, edited by David Moss and John Cisternino, 87 - 109. (The Tobin Project, 2009).
- Benjamin Friedman, *Learning from the Crisis: What can Central Banks Do?*, January 2010.
- Peter Stella, *The Federal Reserve System Balance Sheet: What Happened and Why it Matters*, May 2009.
- *FY2013 OMB Supplement on Federal Lending activities*