LECTURE SCHEDULE FOR ECON 590A:

Today’s Bubble Economy: Creating Credit to Finance Asset-Price Inflation

By

Professor Michael Hudson
Distinguished Research Professor, UMKC

February 27–March 2, 2007:

In Rm. 307, Fine Arts Building:

Tuesday, 9–11 am

Wednesday, 1:30–3:30 pm

Thursday, 3:30–5:00 pm

Friday, 9 am–12 noon

In Rm. 104, Royall Hall (public lecture):

Thursday, 7:30 – 9:00 pm

Credit: One credit hour. Auditors are welcome.

The Lecturer:

Michael Hudson has been an advisor to the U.S., Canadian, Mexican, and Latvian governments and the United Nations Institute for Training and Research (UNITAR), and has had a long Wall Street career as a balance-of-payments and flow-of-funds economist.


Course Description:

This course examines the way in which Alan Greenspan and the Fed have flooded the economy with credit and deregulated banking to inflate real estate, stock, and bond prices. The flow of funds and structural institutional changes will be traced as they affect
real estate markets, corporate takeovers, pension funding, and proposed privatization of Social Security. Taking the U.S. dollar off the gold standard in 1971 removed the traditional financial constraint on debt pyramiding and the traditional requirement that economies running trade deficits raise interest rates to stabilize their balance of payments.

Lecture Topics:

1. The U.S. Treasury-bill standard replaces the gold standard, creating dollar hegemony.

2. Inflating the real estate market with mortgage credit at falling interest rates

3. Corporate raiding with leveraged buyouts: the junk-bonding of industry

4. From pension-fund capitalism to privatization of Social Security

5. Has finance capitalism replaced industrial capitalism?

Readings:

*Items 1, 2, 4, and 5 are on Professor Hudson's website, [http://www.michael-hudson.com/](http://www.michael-hudson.com/); item 3 writings are on the economics department website.*


2. “Road to Serfdom: An Illustrated Guide to the Coming Real Estate Collapse,” *Harpers* article from May 2006, with charts

3. Introduction and chapter 3 of *The Fictitious Economy*


5. “Saving, Asset-Price Inflation, and Debt-Induced Deflation,” paper from the 2004 Post Keynesian Conference, published by Elgar this year, with charts