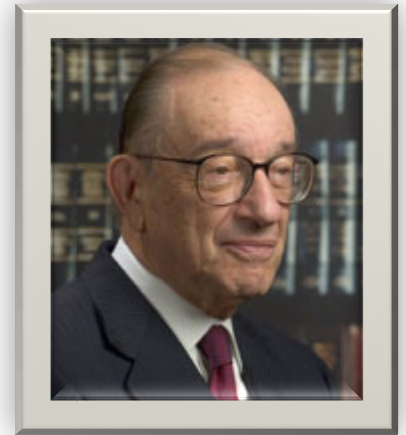


Persons, their backgrounds and solutions in regard to the financial crisis / debt deflation

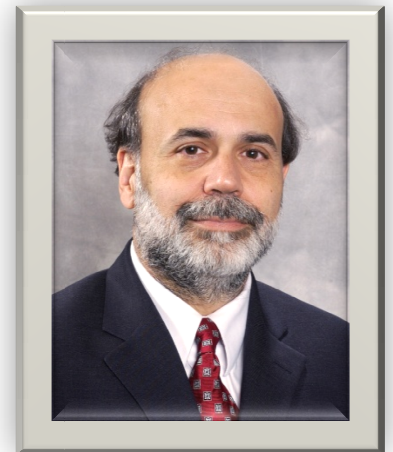
Alan Greenspan

- US American Economist
- 1987 – 2006 chairman of the Federal Reserve Bank
- Managed the US Economy through various crisis
- The theory of money is not sciences; it's an art!
- Did expansive monetary policy to push economy
- Hedonistic approach to evaluate the price index
- Criticism: quantity of money m_3 in the US went from 3,614 Trillion USD to 10,250 Trillion, e.g. 283.6 %.



Ben Shalom Bernanke

- US American Economist
- Since 2006 chairman of the Federal Reserve Bank
- Inflation-Targeting-Strategy & Price stability have high priority
- Deflation is not a threat, because the Fed owns a technology called printing press
- Nick-name: Helicopter Ben
- Cut down the federal funds rate to 0.25% in December 2008
- Fiscal stimulus measures alone would not be enough to overcome the economic crisis
- Managing the crisis:



- Advises B. Obama to decide to supplement injections of capital by removing troubled assets from institutions' balance sheets (doing this could be done by three options):
 - public purchases of troubled assets
 - government provides asset guarantees in return for warrants
 - set up and capitalise so-called bad banks, which would purchase assets from financial institutions in exchange for cash and equity in the bad bank

Barack Hussein Obama

- Bachelor in Politics focusing international relationships & Juris Doctor with an overall performance of magna cum laude
- Since yesterday 20th January 2009 President of the United States of America
- Economic policies:
 - balanced national budget
 - welfare state approaches
 - improve middle and working class through tax incentives; financed by budget reductions in other departments/areas
 - while government has an underling role within that
 - Pay-As-You-Go-Principle
 - Investments into renewable energy
 - Education for the working inhabitants
 - His most important advisor for economics is Austan Goolsbee



- Managing the crisis:
 - Economic recovery program has the highest priority
 - 775 bn USD for tax cuts and increased government spending within the next two years
 - Bonus depreciation – allows profitable companies to write off investments more quickly
 - A one year tax credit for companies that hire workers
 - 20 – 30 bn USD tax breaks for companies that extent the availability of broadband internet → 40 – 60% tax savings for these companies

- He and his advisers may –according to Business Week:
 - Put money into healthier banks and shutting down the sickest ones to provide confidence among investors
 - Auditing books of the major institutions
 - Even follow Japans approach to put more money in the banks and buying loans from them, building bridges to nowhere, and adopting the Takenaka Plan

Heizo Takenaka

- Japanese economist
- Head of the governments financial reform efforts in Japan
- Creator of the Takenaka Plan:
 - Toughened audits to banks
 - Forcing banks to write off bad loans and raise capital
 - Merge weak banks into stronger ones

