The Economic Club of New York
436th Meeting
107th Year

The Honorable Alan Greenspan
Former Chairman, Board of Governors
Federal Reserve System

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Questioners: Jane Hartley
CEO, Observatory Group, LLC
Former Vice-Chairman, The Economic Club of New York

Glenn Hubbard
Dean, Columbia University School of Business
Former Chairman, The Economic Club of New York

Roger Ferguson: Well, good afternoon. Good afternoon and welcome. Welcome to the 436th meeting of the Economic Club of New York. I'm Roger Ferguson. I'm the chairman of the club which is now in its 107th year as the nation's leading nonpartisan forum for economic policy speeches. Throughout the long history of the Economic Club of New York we've had more than 1,000 guest speakers appear before us establishing a strong tradition of excellence which we obviously continue today. I would like to begin by recognizing the 212 members of our Centennial Society who have contributed their support to ensure the sound future for the club. Thank you for helping the club continue to fulfill its mission well into our second century. I would also like to thank the members who make it possible for students to attend our events. Today we welcome students from Salisbury School, Manhattan College, Hunter College, Hofstra University, Barnard College, and Fairleigh Dickinson University. It is now my honor to introduce today's speaker and my former colleague, former Fed Chairman Alan Greenspan. As all of you know, he served as Fed Chair from 1987 to 2006, the second longest tenure in Fed history. Before that he was chairman and president of Townsend-Greenspan and Co., an economic consulting firm here in New York City. He also served as chairman of President Ford's Council of Economic Advisers and as chairman of the National Commission on Social Security Reform. Chairman Greenspan has received numerous awards. Among them, the French Legion of Honour, an Honorary Knighthood from Great Britain, and the Presidential Medal of Freedom, our nation's highest civilian award. Currently he heads the consulting firm Greenspan Associates and he's authored two books in recent years: *The Map and the Territory,* and *The Age of Turbulence.* Last, but certainly not least, Chairman Greenspan is a former vice-

chairman of this club and he has graced our stage more times than any other speaker – more than 20 times. We are happy to have him back today. After Chairman Greenspan speaks, two designated club members will lead a question and answer session with him. If you have a question, or think of one during his talk, please email it to questions@econclubny.org. That's questions@econclubny.org. Chairman Greenspan, we are pleased to welcome you back to the Economic Club of New York. The floor is yours.

The Honorable Alan Greenspan

Thank you very much Roger. It's always a pleasure to come before this group. And I must say, one of the qualms which I had about accepting the Federal Reserve Chairman's job in 1987 is that I would forego being chairman of this organization because being vice-chairman back then, even though there was allegedly democratic elections, assured that you would become chairman. So I stand here in awe of my old colleague, Mr. Chairman.

What I'd like to do is to first give a very brief description of what I think is going on in the world and then say what's going on in the world which isn't working and why. I don't know whether it's good news or bad news but the trillion dollars, trillions of dollars of quantitative easing, Fed expansion, is finally I think accelerating loan demand. And the reason I say finally is that we have gone through an extraordinary rise in the balance sheet of the Federal Reserve without any real significant evidence that net, that those funds are moving out of individual banks who hold them as claims, who hold them as assets on their balance sheet of deposits at the Federal

Reserve, the excess reserves, so to speak.

If you take a look at the data you find that the usual measures of what happens subsequent to a large expansion in a commercial bank is eventually the money multiplier begins to work and those monies flow into the private financial sector and help galvanize economic activity. To date this has not happened. And one of the reasons of course is the fact that the demand for funds has been so extraordinarily weak, and besides the fact, when the Federal Reserve started paying 25 basis points for reserve balances, it actually out-competed the competition. And the issue of moving those funds into commercial and industrial loans, for example, was pretty much off the table other obviously replacing those which were being repaid.

What seems to have happened in the last four or five weeks is a spike in C&I loan expansion. I don't know whether or not this is something significant in the sense that I often look at C&I loans as the canary in a coal mine about what's happening in the market even though it's not a very large part of the total financial system. But we're getting other indications as well that the economy is showing signs of picking up. Industrial production clearly is moving. And on a weekly basis, you're seeing that that is continuing in one of the proxies that I use which is a re-weighted of the commercial, of freight car loadings which tends to move reasonably closely with industrial production over time. Moreover, we're seeing very tentative moves in the European area led largely by the United Kingdom and Germany for a pickup from what is an extraordinarily sub-normal rate of expansion that the European community has exhibited

throughout to something a little better.

If all of this is in the process of happening, the question is what is going to happen to interest rates? Historically the answer is very simple, namely, that they will rise. And the only question is by how much and when? We have almost no really useful historical experience in the current period to make a particular forecast.

A key question I think we do have to ask ourselves, however, is this little recovery we are now experiencing another false dawn like so many of those we've seen since the economy turned in March of 2009? To understand why this is so difficult a question we need to understand why the past five years has produced the slowest recovery since World War II.

What do we know about the recent years that some are rightfully calling it a period of secular stagnation echoing the remarks of Harvard professor Alvin Hansen who was very well-renowned in my youth? What is difficult in the recovery of the past five years, that should say why is it so difficult to figure out what it is that's happening in the economy and then specifically in the last five years? I think one answer is essentially seen if we re-calculate the gross national product not by the usual sense of personal consumption expenditures, capital investment, government expenditures and the like, but rather ask yourself how long does a particular expenditure last?

We have a whole body of information from the Bureau of Economic Analysis of the Department

of Commerce on the average life expectancies of all of the capital investment calculations they use. And they show, for example, software, it's 3 to 5 years, industrial buildings, 38 years, heavy industrial equipment would be I think 18, 19 years, and residential buildings as long as 75 years. They don't show any data, other capital investment, but most of that is largely services and we can make our own estimates which we do. I mean haircuts are one month for example. I don't know whether or not that is true in my case. All I know is that I always considered it a terrible injustice with my giving my hair to my barber and he still charges me.

If we put together the data system that I suggest which we do, what we find is a very interesting fact, namely, that all of the loss in GDP or almost all of the loss in GDP occurs in parts of the GDP with a life expectancy of greater than 20 years. And this is almost all structures of both residential and non-residential.

There are numbers of items that I think are very interesting in the sense that the 20 years is not a hard cutoff rate. The reason I say that is that if you go through the various data year by year starting with software which actually is very ___, it can be very short-term, but that's increasing its share of the GDP, whereas at the far end it's decreasing. So there's been a whole tilt in the time structure of the GDP and the question is, what is it that is doing it? Well, if you go around and you ask businessmen for example, they will tell that there's a lack of confidence out there. Well, confidence is a very un-useful term. So what I've tried to is to put numbers on it. And observing the way the business community functions, I find a very useful measure of the degree

of business confidence, for example for the non-financial sector of the corporate business, I take the share of liquid cash flow which corporations are willing to invest in illiquid long-term assets. Obviously the greater the confidence about the longer term future, the higher that ratio.

On the other hand, what we saw in 2009 is that ratio fell to the lowest peace time level since 1938. It's come back some, but not a great deal. The problem is not in the shorter-lived capital investments. They're not doing badly, largely because so much of it is of high-tech type where the life expectancy is not very long. But in the longer-lived assets in the corporate sector, it's very, I wouldn't say quite dull or dead or whatever, but it is true that there's been a very sharp contraction and there's been very little in the way of recovery.

So that when you look at this, it's a question of how does it happen? I mean why is it that this cutback is occurring? And here I draw on a lot of experience I had before I went to the Federal Reserve which is in the corporate sector evaluating various capital projects. And I always noticed that the conventional wisdom of how those meetings turned out is the chief executive officer or one of the executive officers would ask a product manager to come up and explain why a particular proposed project was worthwhile. And the guy would come up and, you know, being a real advocate because that's what happens in business, and he'd say the rate of return we expect after taxes is 20 percent, and everybody sort of semi-cheers. And then the skeptical CEO asks, and what is the variance of that forecast? And what it turns out, as most of the cases it is, if it's a 20 percent average rate of return, there are some probabilities that it will be minus 10 or

even more, and the death knell of a project is what those negative numbers are. So the question of how you measure confidence in my judgment is numerically by if you can get the data looking at the variance of projects in the future.

And here where you find the real problems is that if you cannot basically forecast the issue of what the tax rate is going to be over the longer run, it is a very debilitating statistic that undercuts the projects that come across the table. The result of all of that is that the uncertainties such as climate change, not only the tax issues but all sorts of regulatory changes weigh heavily especially on the longer term assets because it is so difficult to forecast what they will be. And indeed if you look at the data in detail, it's not only that there's a standard discounting for the future but that the discounting actually increases as the life expectancy of the proposed asset increases and it's very pronounced. And this is the reason why all the problems that exist today is weighing most heavily on structures.

It's not only business structures but also residential as well because, I don't know if any of you remember this, I certainly do and I suspect most of you took it as a given that home prices are always going to rise. And the result of that became locked into the sense of the outlook in the early part of the 2000s. And that particular view caused a huge demand for single-family, owner-occupied dwellings. And, in fact, if you look at the proportion of the total household formation that occurred during the early years of the previous decade, what we found is that most of the people would basically be terribly interested in buying homes and the numbers showed

that of the actual single-family, owner-occupied residences, the numbers increased by an average over a four-year period of 1.3 million a year, a very large number. In fact, rentals were flat to negative. And then the unexpected occurred, namely that prices start to flatten out in 2005, 2006, and the avalanche hit. All of a sudden once you took away the expectation of long-term capital gains which is not terribly difficult from what was going on in the business sector, because what the data show is that the whole shift that occurred in the proportion of investment to the gross savings of households which is sort of equivalent to the business thing, that statistic was the lowest number in over 25 years. So that what you see is a very similar phenomenon with how the future impacts on investment for precisely the same reasons. And actually immediately after the markets turned, the actual stock of single-family, owner-occupied dwellings went down for several years, a very rare event. People moved into rentals units and especially single-family rental units. And a very substantial part of that, of course, has been investors buying up homes and renting them out.

We are now at a point where the overall demand for homes is going to tell us a great deal because tomorrow we're going to get another statistic on the proportion of households which are owner-occupied. The owner-occupied level of individual homes collapsed after 2004 where everyone got out of long-term home ownership and into rentals. And even though prices of homes have risen very dramatically, the most puzzling statistic out there is why is it that we're not getting a pickup in the owner occupancy rate. And I'd be surprised if tomorrow's numbers didn't show some pickup, but to date it's not there and I must add that not only is it single family

dwellings that are having these problems, but it's condos as well.

And so the whole question comes down to where basically do we go from here? Well, the issue is that until we see what the impact of interest rates are going to be, as the demand that we're seeing now continues to build up, we're going to find out very quickly what type of problems we have or whether we're off to the races again. And I'm almost certain at some point or another we're going to run into the issue of a bubble.

Now Roger probably remembers this, maybe not as well as I do, but back in the, I guess in the early 1990s, the Federal Open Market Committee had a number of discussions about what is the optimum monetary policy. And one of the things we concluded was that if we do everything exceptionally well and get inflation down, get economic growth up, get unemployment down, we will be rewarded with a bubble. Now we didn't call it a bubble back then, it was just called a boom. But what it was essentially is a set of data which leads one to conclude now that a necessary and sufficient condition for a bubble is that you have an extraordinarily tranquil environment which continues to be tranquil for a series of years which led us at the Federal Reserve, or at least a few of us, to say well, I guess the optimum policy is to be a little disreputable and have a terrible monetary policy because that will eliminate any possibility of a bubble. Now that may have sounded facetious at the time but it points up a terrible policy which I don't know how we get around.

Now the question is that if we have bubbles, do we really need to go through what we've gone through in recent years? And the answer is no. And the reason I say that is there was not a single problem that existed in the post-2008 Lehman Brothers crash that could not have been resolved successfully with adequate capital and adequate collateral and the issue of the enforcement of the statutes which regulate fraud. The reason I say that is that you can never tell which loans are going to go bad. Everyone thought that sub-prime mortgages were just the greatest thing since sliced bread until they weren't. But you don't need to know that if you have adequate capital. And in my judgment adequate capital is significantly more than is now statutorily required and I would say even going farther, that the presumption that if you raise capital you're going to lower the rate of return on equity does not have representation in the data that I'm aware of going back into the 19th century.

The issue finally comes down to the question that if that is what our problem is, we can assure the fact that we will not have the cause of these crises which are essentially when you get contagious defaults. Defaults cannot occur unless you have debt. And we have sitting out there a vehicle which is being embraced by Europe but not by the United States called CoCo bonds. These are, as many of you know, are contingent, they're basically the type of bonds where under certain conditions the debt turns into equity. They are so-called contingent convertible bonds. And the reason why these are so potentially useful is while to be sure the issuance of the bonds is maybe another 150, 100 basis points above what the straight debenture would be, that's really the true cost of this. And so my sense is that we don't have to go through the extraordinary

complexity of the regulatory issues which now confront us and that we're now trying to get enacted.

We now have the Dodd-Frank Act which is years since it was signed into law and it's only 40 percent, as I understand it, which have basically been, the actual rules have been put out. The rest of it is under litigation of one form or another. And the reason is, I suspect, that whenever you have a regulation you have to essentially say what is the problem, and then specify what the regulation does will address the problem. If it turns out that you do not get the type of response that you expect, one has to question the conceptual framework of how you viewed the financial system and how, why it is that you're not getting the response that you want. And the question about Dodd-Frank is there are just too many areas where they had to pull the ruling back or so significantly alter it which one must question the underlying conceptual framework which is the basis of that law. I don't think it's ultimately going to be resolved in a manner which will look very much like the original bill that passed the Congress and signed by the President. But we don't even, we don't need that huge infrastructure of all forms of regulation because down the road what inevitably occurs is that you get stagnation. And for example, the so-called strategically important financial institutions which are now basically being guaranteed from default. Since we know what will determine default, just conceive of a probability of a major U.S. bank going into bankruptcy after having been designated as strategically important. The probability, given our recent history that that will occur, to me is close to zero. And that is telling us essentially that we are not allowing creative destruction which is the fundamentally

necessary requirement for growing output per hour to function. That is, you have to find, you have to move your savings flows into the types of instruments which are cutting edge technologies and allowing the obsolescent equipment to phase out. We're not doing that and I think that's going to be a major problem in the future. So that unless we allow the process to work, we're going to end up with a much slower rate of growth of productivity, a long-term, much slower growth in standard of living, and a problem which I don't think politically that this nation can deal with without some very significant changes in the way we run our lives.

I've more than run out of my time I suspect by now, so let me stop here and open up for questions.

QUESTION AND ANSWER PERIOD

ROGER FERGUSON: So thank you, Chairman Greenspan, for that provocative and interesting speech. As I mentioned before, if you in the audience have questions, please email it to questions@econclubny.org, and it will be read by our president, Jan Hopkins. As is our tradition two of our club members will lead the question and answer session at this time. They are Jane Hartley who is the CEO of the Observatory Group and former vice-chair of this club, and then Glenn Hubbard who is the Dean of Columbia University Business School and a former chair of the club. So Jane, you have the first question.

JANE HARTLEY: Thank you Roger. And thank you, Chairman Greenspan, for being with us today and for your insightful remarks, and especially I thank you for all of your many years or public service. My first question. In the last couple of decades the Federal Reserve has moved gradually to provide increasingly more transparency regarding its view about the outlook for monetary policy to the point that it now publishes expectations of individual ____ participants of the expected path for the Fed's policy rate. How would you assess the effectiveness of the trend toward increased transparency at the Fed? Are these situations in which greater Fed transparency about the policy outlook is actually leading to confusion and excessive volatility in the financial markets?

THE HONORABLE ALAN GREENSPAN: Well, the issue of transparency, other things equal, is obviously good. We have to be careful, however, as indeed I think Roger and I went through this, to be certain that you do not commit to things that we're not sure we can actually produce. So my main issue here is remember that we don't forecast very well and one of the things I put in the most recent book is be careful in regulation that regulators are not required to forecast because if you have regulations of that sort you run into very serious difficulties. So my judgment is, yes, be as clear as one can. And in my years at the Federal Reserve, the FOMC was I think really quite diligent in trying to get to the point where we could communicate what the Fed was doing so that when we actually changed policy there was very little market response. Sometimes we succeeded, many times we did not. But I think the careful principal, while the issue of transparency and all of its related issues is a very valuable one indeed, I think for a

public institution not to be transparent is to go against our charter. But in the context of our knowledge of how well we can forecast, I'm not ___.

GLENN HUBBARD: Let me join Jane first in thanking you for those great remarks. I wanted to follow up on your comments on confidence because I too have always been frustrated by that word. And to clarify what I think I heard you say, you can think about two kinds of sources of lack of business people's confidence. One would be fundamental uncertainty in the economy. In your example, those negative outcomes. Another would be randomness in policy, and you mentioned tax policy and climate change. You also later were somewhat disparaging of financial regulatory policy. Is policy uncertainty the number one problem in confidence? And if it is, what are the one or two steps our leaders should be changing to take that away?

THE HONORABLE ALAN GREENSPAN: Well, I don't know where I would rank it but clearly very high up because clearly in the financial area it's a significant factor. But it's also by indirection in the non-financial area as well because how we finance things like, or how do we approach the "too big to fail" issue for example, when some firm is too big to fail, it is not a problem if it is very efficient because it doesn't cause a problem in the economy. The real issue is that most too big to fail firms wouldn't continue in existence in their existing structure without going through Chapter 11. And I think that's an extraordinarily misuse of the nation's savings. And one of the issues that I raise very directly in *The Map and the Territory* is the fact that our savings rates are falling very dramatically. And indeed if you look at net savings, domestic

savings of the economy, in recent years it's been very close to zero. Now what that means effectively is that since of necessity the rate of capital investment, productive capital investment is equal to the rate of domestic savings plus any amount of monies borrowed from abroad. That's a given you can't, it's an iron rule of accounting and of economic activity. This means that if the overall domestic savings rate is falling, and it has been for the last several decades, then you're going to find as we are indeed finding that the amount of capital investment that adds to the capital stock of the society is deficient. And every economist is acutely aware of the data systems which will tell you that without capital investment, you cannot get growth in economic activity and you cannot get increases in productivity. So as far as I'm concerned, it's a very critical issue and one which I haven't had a chance to discuss today, I hope this doesn't turn out to be a sales talk for my talk, but I do discuss it in some detail in the book.

JANE HARTLEY: Thank you. In your remarks you spoke about the U.S. and mentioned Europe. I'd love your thoughts on China. What is your assessment of China today? And most importantly, what implications would a shift in China's economic model away from an export-driven orientation toward one of greater consumption have for the global economy?

THE HONORABLE ALAN GREENSPAN: Well, China is an extraordinary case of a Communist society producing one of the most vibrant capitalist economies that one can imagine. Now part of that is accidental. They don't regulate as well as they would like to, so you can do an awful lot of things in China. But far more importantly, that's sort of a half-joke, so I don't

want to take it too seriously. But I mean it in the sense that Deng Xiaoping made the very critical observation that moving out of the cultural revolution, they had to move to the market. And when they started, growth exploded. And they've kept going in that respect and they're moving ever more closely to a market economy. In the process, however, their productivity growth is obviously rising very quickly because there's no other way they can be showing the types of near 10 percent annual growth figures that they're growing. But the trouble with that is that almost all of it is borrowed technology. And the way we know that is that most people will evaluate where are the innovative companies in the world, and Thomson Reuters has been doing that for several years and they list what they think, and by the criteria they use, what are the most, who are the 100 most innovative companies in the world. Forty-five in this year's report were American. None were Chinese. And what that tells you is that they are not getting innovations of the types they need to move up. And that becomes especially difficult as their level of output per hour which was extraordinarily low relative to the United States begins to close the gap as they have been doing. They've gone from 40 times down to only 5 times with the U.S. advantage in per capita, real per capita income. So that they've made remarkable gains but the question is as they get closer and closer to the United States standard of living, without their own innovation they are restricted to how far they can go. Because obviously if your ceiling is your competitor and you cannot go beyond him in innovation, you won't get very far. So to me their problem is that when you are in a society in which innovative political thinking is not experienced, you're going to invariably find out that people are not generally innovative in the way that they are in the west. And so this is a very serious problem that I think is beginning

to close in on China. And as you know, their growth rate has fallen dramatically. The numbers are about, in a very recent period, six percent annual rate, down very sharply from where they've been. And they're going to have difficulties, largely because they have been so successful for so long without being significantly innovative themselves.

GLENN HUBBARD: The Federal Reserve has recently nuanced its narrative I think for monetary policy, something to the effect that we're still significantly away, maybe two years away from full employment broadly defined. Do you think that accommodative, very highly accommodative monetary policy, the continuation of quantitative easing, is capable of drawing the long-term unemployed back into the economy? Or are these micro-structural problems that are beyond the Fed's grasp?

THE HONORABLE ALAN GREENSPAN: Well, there's a limit to how I can answer that question. Let me just say that this is the type of thing which I have never experienced and no one else has experienced. And as I've often said, I just don't like to discuss current Fed policy because I'm not sitting in the Federal Open Market Committee, and I just as soon not quite pass on the question, but as close as I know how to do it.

JANE HARTLEY: A fair number of commentators have expressed concern about renewed signs of froth in certain elements of the financial markets. From a financial stability standpoint, are there any developments in financial markets that you see recently that are grounds for

concern? And one additional, as you look at the world, what worries you the most?

THE HONORABLE ALAN GREENSPAN: I'm sorry, I didn't quite get the substance of that question?

JANE HARTLEY: Are you worried about froth in the financial markets? And the second question is, as you look at the world, what worries you the most?

THE HONORABLE ALAN GREENSPAN: I'm sorry...you said fraud...I've heard the term. I very much think that fraud in financial markets is extremely destructive. Remember what fraud is, it's misrepresentation. And in a free market competitive system, misrepresentation undercuts the viability of the system. And in our legal system it's theft. Unless and until you can eliminate fraud from the system, you don't have a functioning, fully functioning system. So I put it at a very high priority.

GLENN HUBBARD: I had the privilege of being in the audience some years ago at the AEI dinner where you mentioned the words "irrational exuberance." There are some, including some within the Federal Reserve System, that believe there are pockets in financial markets that appear to have some froth, that appear to be exuberant. Do you think that's accurate? And if so, is policy at all a factor? I didn't say monetary policy, just policy.

THE HONORABLE ALAN GREENSPAN: Well, let me just say, there is one policy that the Federal Reserve is doing which has a significant economic impact. And that is what the QE1, 2 and 3 is basically doing is creating a very low real rate of long-term interest. And that necessarily means that all of the capitalizing values from earnings become extraordinarily elevated. We see that for example not only have stock prices gone up significantly but the cap rates and real estate and even, essentially for the same reason, in homes until that fell on its face. But there is clearly more to the issue of what asset values are to the economy than I think we realize. And one of the things that I try to point out in the book is that there are really, there's a very significant amount of evidence to suggest that when asset prices move, you get a big effect. I mean, for example, the data indicate to me that something like 10 to 12 percent of personal consumption expenditures are driven by capital gains of households and the rest goes to disposable income and savings and interest rates and the like. But assets are a very critical issue. So as far as I'm concerned, we have to take into consideration that this part of it is clearly working. But we're going to run into problems when interest rates inevitably start to rise because for the same reason that the real long-term rates are pushing up asset prices, as we come back they're going to have to simmer down. And we have no experience at these levels of real interest rates or basically the structure of the system.

ROGER FERGUSON: Mr. Chairman, we have a question from the audience. I'll ask Jan to come to the microphone and ask the question.

JAN HOPKINS: Why aren't wages going up despite record corporate profits?

THE HONORABLE ALAN GREENSPAN: Well, one of the issues is that corporate profits are going up because wages are not going up. No, I think that's a very important issue. I may be one of the very few people in the room who remembers the vibrancy of the immediate post-World War II economy in which wages were rising at a very rapid pace because productivity was rising, but also because there was a considerable amount of collective bargaining power on the part of the unions. And because there was no international competition at that point, the companies could basically acquiesce in the demands of the unions and those wages moved up, particularly the steelworkers and the auto workers were doing extraordinarily well to the point where the average family who was on a production line, a one-person household supporter, you would get the issue of being able to live out in the suburbs, have a home, have a car. And that's largely because of the fact that wages were so high relatively to everything else. But with international competition coming on the scene, the power of the unions to essentially extract through collective bargaining the levels of incomes that they got, we got down to the point where unions in the private sector virtually disappeared. I think something like 7 or 8 percent of unions, 7 or 8 percent of the workforce in the private sector is unionized compared to something like 35 percent back, its peak right after World War II. So there are numbers of reasons but the major reason basically has got to do with the globalization question and a number of issues which I raised in my book with basically explains, hopefully explains what it is that's going on. But the bottom line is that if we don't have productivity, if we don't have capital investment, and

we don't have domestic savings, we're not going to get productivity increases or innovation. And if we don't get that, the standard of living is going to stagnate and wages are going to reflect precisely that which indeed is what the issue is.

ROGER FERGUSON: Chairman Greenspan, Jane, Glenn, thank you very, very much for a fascinating question and answer session. It's my pleasure to announce that the next meeting of the club will be here at the Marriott on Friday, June 20 and our speaker will be SEC Chair Mary Jo White. Thank you for coming today and please enjoy your lunch. Thank you.