Opening Remarks
James K. Galbraith

There are those who say the recession is over and that the financial crisis is past. Not many of them are to be found out in the country where unemployment has passed ten percent for only the second time in my professional life; where millions are threatened with foreclosure; and where the wealth of the American middle class built up over six or seven decades has been lost to a very large extent. To be fair, we all know this. Larry Summers said, not long ago, that unemployment is likely to remain unacceptably high for unacceptably long. The question is, what are we going to do about it? Are we going to wait and hope that the slow processes of economic recuperation pull us out in four or five years’ time? Are we going to reverse course and decide that that which was done so far was the wrong policy, that what we need to do is pull back and stop doing whatever it was we had been doing? Or are we going to move forward from the first emergency reaction to the crisis and to the economic slump, and set a new strategic direction, a sustainable course – an effort that can not only generate more rapid results, but sustain through the years ahead?

If that is the path to take, then what should that course consist of? It’s an important and complex question, and to come to grips with it EPS has since the spring of this year convened working groups in four areas: financial reform and related immediate economic policy measures; security, broadly defined; a program for investment in infrastructure and energy and dealing with the larger challenge of climate change; and the technical macro-economic area of appropriate strategy for economic forecasting and budgeting.

Three of these working groups have already met and this symposium is the first fruit of this larger effort. It is based, in part, on meetings that were held last June and on a White Paper that was published in August. But it also responds to events as they have developed since then, and to the increasing sense of urgency that we have to develop a plausible and effective response to the rising crisis of joblessness and foreclosures.

Our program this morning will consist of three panels and two keynote speakers. I have asked the speakers on the panels to make very short, very focused interventions and to emphasize for us the concrete policy steps that they believe we, as a country and in the larger world (because there is an international dimension to this) should be considering. We’ve organized this into three areas: financial reform; the problem of jobs and housing; and the question of international monetary arrangements and the future of the dollar.

I am also pleased to say that we have two very distinguished, well-informed keynote speakers scheduled. They are Damon Silvers of the Congressional Oversight Panel and Phil Angelides, the chair of the newly-formed Financial Crisis Inquiry Commission. We are looking forward to hear what they have to say. I will just say again, thank you all for coming and I look forward
with you to a very useful and enlightening morning.