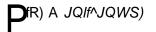
Too Big to Fail

POLICIES AND PRACTICES IN GOVERN-MENT BAILOUTS

Edited by Benton E. Gup



Westport, Connecticut London

Contents

Preface		ix
Benton E. G	ир	
PART I H	HISTORICAL AND CURRENT PERSPECTIVES	1
Chapter 1	Some Historical Perspectives on "Too Big to Fail" Policies Charles G. Leathers and J. Patrick Raines	3
Chapter 2	What Does Too Big to Fail Mean? Benton E. Gup	29
Chapter 3	Too Big to Fail, Government Bailouts, and Managerial Incentives: The Case of the Reconstruction Finance Corporation Assistance to the Railroad Industry during the Great Depression Joseph R. Mason and Daniel A. Schiffman	49
Chapter 4	Does Financial Liberalization Increase the Likelihood of a Systemic Banking Crisis? Evidence from the Past Three Decades and the Great Depression <i>Arthur E. Wilmarth, Jr.</i>	77
Chapter 5	The Federal LTome Loan Bank System and the Farm Credit System: Historic Parallels and Implications for - Systemic Risk David Nickerso?i and Ronnie J. Phillips	107

viii Contents

Chapter 6	Too Big to Fail in the Banking Industry: A Survey <i>Marcelo Dabos</i>	141
Chapter 7	Too Big to Fail in U.S. Banking: Quo Vadis? <i>George G. Kaufman</i>	153
Chapter 8	The Fall and Rise of Banking Safety Net Subsidies	169
	Joe Peek and James A. Wilcox	
PART II	INTERNATIONAL PERSPECTIVES	195
Chapter 9	Too Big to Fail: The Australian Perspective Chris Terry and Rowan Trayler	197
Chapter 10	Too Big to Fail: A Taxonomic Analysis <i>Steven A. Seelig</i>	219
Chapter 11	Avoiding a Permanent Banking Crisis: The Hungarian Banking Sector in the 1990s Julia Kirdly and Eva Varhegyi	231
Chapter 12	Banking in Japan: Will Too Big to Fail Prevail? . Adrian van Rixtel, Yupana Wiwattanakantang, Tbsbiyuki Souma, and Kazunori Suzuki	253
PART III	Too BIG, OR NOT TOO BIG TO FAIL: FANNIE MAE, FREDDIE MAC, AND ENRON	285
Chapter 13	Are Fannie Mae and Freddie Mac Too Big to Fail? Benton E. Gup	287
Chapter 14	Enron: Not Too Big to Fail	329
	Benton E. Gup	
About the Editors and Contributors		351
Index		357