A t the most recent Inter-Continental Monetary Fund (IMF) meeting in Wash- ington, D.C., some economists again resisted suggestions of set- ting a timetable for opening up China’s nascent capital markets and floating the currency. The notion seemed to be that the economy is doing well, so why take action? History is often cited to support this assessment of China. As its pegged currency, was largely able to stabilize the Asian cross of the late 1990s. We believe China would benefit from increasing its systemic financial. Well-function- ing capital markets play an impor- tant role in lifting economic growth and spurring job creation. China needs to look to the United States experience for strong empirical evidence of the power of the capital markets. The proof is in an annual gross domestic product of $11.000 billion. Countries with the most well-developed capital markets, such as the U.S. and Britain, have outper- formed their competition in the postwar era and Japan. The economic perfor- mances of the U.S. and U.K. have improved over time. As other emerging markets have become more devel- oped. This is evident in a number of metrics: higher productivity growth, higher real wage growth, greater employment growth and improved macroeconomic sta- bility. Why? Because capital markets, especially the capital markets, raise the growth rate in two ways.

First, by providing nearly instan- taneous price signals, capital mar- kets help direct capital to projects with the highest anticipated returns. Second, derivatives mar- kets enable the transfer of risk to those who are best placed to bear it—those who are not as well placed. This risk transfer helps facili- tate the type of entrepreneurial activity that generates new tech- nologies and ways of doing business. It is no accident that the U.S. is the global center for capital formation and the research and development of new tech- nologies. Finally, capital markets enhance employment prospects as com- plaints are associated with economic downturns, credit crises, and changes in credit and investment policies.

Vu-Daniel Named LeRoy Neiman Professor

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Mr. Vuk-Daniel has been named the 2005-2006 LeRoy Neiman Professor of the School of the Arts (SOA). Vu-Daniel’s work has appeared in Aus- tralia, Brazil, Mexico, Morocco, and throughout the world. The professorship was established in 1991, along with the LeRoy Neiman Center for Print Studies, through a gift from the famous painter and teacher whose vividly colored, popular sporting subject, “American Art in Andover, Mass.” University of Massachusetts, a Modern Art, but as well as many private collec- tions. I am honored to be named the LeRoy Neiman Professor of Visual Arts, as I have found my teaching to be an important part of my career as an artist. Ms. Vuk-Daniel is professor of Visual Studies, also located in Dodge Hall. The result is a book of sorts, titled Turbulence Skins. The work includes 42 drawings by Winters, with a narrative by Marcus. The pres- entation of the narrative in parallel with Marcus’ writing is broken up across the pages. When Winters was at the beginning, he produced the idea to break up Marcus’ text and position it on top of the drawings in a Post-it note style, covering part of the image, in a Post-it cover page. Winters broke up the text to fit the pictures, but generally followed Marcus’ sequence. The [original] central images exist without the influence of text around the narrative and marginalia,” says Winters. The project is an attempt to mix language and images to create a third dimension; these prints. The original drawings, without the Post-its or marginalia, are currently on display at the Addison Gallery of American Art in Andover, Mass. It is always wonderful to real- ize that the kinds of knowledge produced by image and text are different but complementary in surprising and evocative ways.

By William Dudley and Glenn Hubbard

China Should Show Some Trust in Capital Markets

By Red Brick Sterling

Marcus-Winters Collaborative Project On View

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March 20th, 2005

dean of the School of the Arts. “The Marcus-Winters Collaborative Project orns that good art can both be produced individually and in tandem. One word in the title, “turbu- lence”: fits both the text and the drawings. According to Winters, both images suggest weather sys- tems, geological processes, and moving animated scenes. “My con- cerns in the work were focused on changes in intense, turbulent forces across work,” he says. The work was meant to show that everything could connect to everything else,” adds Marcus. “Since Terry was making dia- grams that I was drawing — which is a telling system, I wanted to use grammar that I had used before. The text is an adventure story of a couple of people who are on an expedition to save their town from an unknown threat.”

The capital markets path does have the individual-units of stock. Sometimes these even include finan- cial market speculators that can be dangerous. Flaws that are identified must be remedied. Accounting standards must be upheld, financial reports must be transparent. But what should not be underestimated are the benefits that flow from such a system. The benefits are not abstrac- tions; they include more secure and better jobs, more stable employment prospects and a better return on the very substantial money that is invested in the uncom- pleted product. The capital markets path does have the individual-units of stock. Sometimes these even include financial market speculators that can be dangerous. Flaws that are identified must be remedied. Accounting standards must be upheld, financial reports must be transparent. But what should not be underestimated are the benefits that flow from such a system. The benefits are not abstrac- tions; they include more secure and better jobs, more stable employment prospects and a better return on the very substantial money that is invested in the uncom- pleted product. The capital markets path does have the individual-units of stock. Sometimes these even include financial market speculators that can be dangerous. Flaws that are identified must be remedied. Accounting standards must be upheld, financial reports must be transparent. But what should not be underestimated are the benefits that flow from such a system. The benefits are not abstrac- tions; they include more secure and better jobs, more stable employment prospects and a better return on the very substantial money that is invested in the uncom- pleted product.