6-19-2009

Analysis of the current financial crisis

Bernard Vallageas

Follow this and additional works at: https://elischolar.library.yale.edu/ypfs-documents

Recommended Citation

This Document is brought to you for free and open access by the Browse by Media Type at EliScholar – A Digital Platform for Scholarly Publishing at Yale. It has been accepted for inclusion in YPFS Documents (Series 1) by an authorized administrator of EliScholar – A Digital Platform for Scholarly Publishing at Yale. For more information, please contact elischolar@yale.edu.
Analysis of the current financial crisis

Bernard Vallageas

Abstract

The first stage of the plan for rescuing French banks in October 2008 rules that a special company owned by the State and the banks will borrow on the “markets” with the State warranty. The money collected will be slow to the banks so that they can finance economy. This is curious because there is no explanation of money creation, as if “markets” created money. Actually we demonstrate that the banks can use the special company to create money for themselves, then to lend the money to economy and use the State-warranted bonds as a collateral for refinancing from the European Central Bank. So the State behaves as an insurer allowing to borrow from the European Central Bank.

To view this article in its entirety please use the link provided below.

View Full Article

Recommended Citation: Bernard Vallageas , “Analysis of the current financial crisis”, Revue de la regulation [Online], 5 | 1st semester / Spring 2009, posted on June 19, 2009, consulted on October 01, 2020. URL: http://journals.openedition.org/regulation/7544; DOI: 10.4000 / regulation.7544