

Levinson: 9:45 am Section

- tax cuts (Reagan): int'l implications: not as much $Y \uparrow$ as desired
 - = twin deficits: imports hurt specific groups
- wealth tax (France): FP \rightarrow inflation \downarrow ? (no...)
- Thatcher: income tax \downarrow VAT \uparrow net impact was to slow Y without high i
 - = which is better to slow economy: FP or MP?
 - = also privatization, other attempts shift $AS \uparrow$
- welfare state = transfers: claims of impact on LF
 - = no clear FP impact: minimal impact on GDP and lowers multiplier ($\tau \uparrow$)

Levinson: 11:00 am Section

- oil prices: impact Org Petro Exporting Countries
 - » context strong demand allowing price increases
 - » impact on AS $\rightarrow \pi \uparrow g_Y \downarrow$
- if supply shock is the disease, then treat disease and expand supply
- deregulation (Simon): energy.
- Thatcher: taxes / FP
 - income taxes \downarrow VAT \uparrow goal [$Y \downarrow$] $\Rightarrow \pi \downarrow$
 - » C continued to grow, $\pi \uparrow$
- FP under Reagan