Economics 7310 is an important course for graduate students specializing in macro and related fields. This course can be repeated.

The organizational meeting will be in 498 Uris Hall on Thursday, September 3 at 5pm. We must find a permanent room and time for the course.

Instructor: Karl Shell, ks22@cornell.edu; 255-5618; 402 Uris Hall; www.karlshell.com.

Professor Shell’s office hours for Fall 2009: Thursdays 3-4pm in Uris Hall 402.

Office Assistants: Max Mihm and Yu Zhang, shelloffice@cornell.edu; 255-5618; 402 Uris Hall.

**Conference on Financial Fragility**

Econ 7310 students are invited (and urged) to participate in this conference taking place at Cornell on the last weekend in September (9/26 – 9/27/2009). The speakers are Phil Dybvig (WUSL), Douglas Gale (NYU), John Geanakoplos (Yale), Chao Gu (Missouri), Marie Hoerova (ECB), Todd Keister (NY Fed), Koralai Kirabaeva (Bank of Canada), Ed Nosal (Chicago Fed), Julio Rotemberg (Harvard), Adam Slawski (Penn State), and Randy Wright (Wisconsin).

A tentative schedule for the conference is attached.

**First Reading List**

From a Cornell computer, these can be read and downloaded at www.karlshell.com.

**A. Bank Runs**


**B. Sunspots**


**C. Money, Securities and Taxes: Background**


**D. Overlapping Generations and Money**


**E. Growth**


Conference on Financial Fragility: Tentative Schedule

Organizers: Karl Shell (Cornell) and Neil Wallace (Penn State)

Supported by the following at Cornell: The Center for Analytic Economics, the Department of Economics, the Office of the Deputy Provost for the Social Sciences, and the Thorne Research Fund.

Conference administrators: Amy Moesch (alg5@cornell.edu), Koralai Kirabaeva (607-280-1759), Max Mihm (607-339-6037), Judit Temesvary (607-592-5875), Yu Zhang (607-220-4025)

Saturday (9/26/2009), G01 Biotech Building, Cornell University, Ithaca, NY

8:00 am – 8:45 am    Continental breakfast

8:45 am – 9:00 am    Karl Shell (Cornell), Introduction to Financial Fragility

Morning session chair: Jim Peck (OSU)

9:00 am – 9:50 am    John Geanakoplos (Yale), “Leverage Cycles and the Anxious Economy”

9:50 am – 10:40 am   Todd Keister (NY Fed), “Bailouts and Bank Runs” or “Commitment and Equilibrium Bank Runs”

10:40 am – 11:00 am  Coffee break

11:00 am – 11:50 am  Ed Nosal (Chicago Fed), “Optimal Information Revelation in the Diamond-Dybvig Model: A comment on some recent literature”

Lunch: 11:50am – 1:10 pm

Afternoon session chair: Todd Keister (NY Fed)
1:10 pm – 2:00 pm Phil Dybvig (WUSL), TBA
2:00 pm – 2:50 pm Koralai Kirabaeva (Bank of Canada), TBA
2:50 pm – 3:05 pm Coffee break
3:55 pm – 4:45 pm Marie Hoerova (ECB), “Liquidity, Hoarding and Market Spreads”
7:00 pm Dinner, Ramin Parlor Room, Sage Hall, Cornell University, Ithaca

Sunday (9/27/2009), G01 Biotech Building, Cornell University, Ithaca, NY
8:00 am – 9:00 am Continental breakfast
Morning session chair: Marie Hoerova (ECB)
9:00 am – 9:50 am Chao Gu (Missouri), “Production, Hidden Actions, and the Payment System”
9:50 am – 10:40 am Randy Wright (Wisconsin), “Information, Liquidity, Asset Prices and Monetary Policy”
10:40 am – 10:55 am Coffee break
10:55 am – 11:45 am Douglas Gale (NYU), “Rollover Risk and Market Freezes”
11:45 am – 12:35 pm Adam Slawski (Penn State), “Heterogeneous beliefs, learning, and speculative trade in a hidden Markov environment with short sale constraints”
12:35 pm – 2:00 pm Box lunch