

Contents

Part I	Overview: Recent and Prospective Financial Legislation	
1	Financial Legislation: The Promise and Record of the Financial Modernization Act of 1999	3
	John A. Tatom	
2	Did the “Repeal” of Glass-Steagall Have Any Role in the Financial Crisis? Not Guilty. Not Even Close	19
	Peter J. Wallison	
3	Glass-Steagall in Our Future: How Straight, How Narrow	31
	Martin Mayer	
Part II	Some Empirical Evidence on the Effects of the Gramm-Leach-Bliley Act	
4	Cross-Border Impact of Financial Services Modernization Act (FSMA): Evidence from Large Foreign Banks	45
	M. Kabir Hassan, Abdullah Mamun, and Ihsan Isik	
5	Global Impact of the Gramm-Leach-Bliley Act: Evidence from Insurance Industries of Developed Countries	63
	M. Kabir Hassan and Abdullah Mamun	
Part III	Continuing Issues in Financial Regulation	
6	A Program for Minimizing the Private and Public Costs of Bank Failures	81
	George G. Kaufman	
7	The Importance of Monitoring and Mitigating the Safety-Net Consequences of Regulation-Induced Innovation	93
	Edward J. Kane	

8 Redefining and Containing Systemic Risk 107
Edward J. Kane

**9 I Am Superman: The Federal Reserve Board
and the Neverending Crisis 121**
Christopher Whalen

**10 How to Avoid the Next Taxpayer Bailout
of the Financial System: The Narrow Banking Proposal 149**
Ronnie J. Phillips and Alessandro Roselli

11 Regulation of Bank Management Compensation 163
David VanHoose

Part IV Legislation and Implications: The View from the Top

**12 The Lure of Leveraging: Wall Street, Congress,
and the Invisible Government 187**
James A. Leach

About the Editor 221

About Networks Financial Institute 223

About the Contributors 225

Index 229