

Figures

Chart1: Rough mapping of events between US and Japan

red bracket: major events, blue: monetary policy, yellow: fiscal policy, pink: bank rescues

Japan		U.S.	
4Q 1990	Commercial land price started to decline sharply	Feb. 2007	26% decline in ABX-HE (BBB) in one month
July 1991	First Policy Rate Cut	Sept. 2007	First Policy Rate Cut
2Q 1992	20% decline in commercial land price in one quarter	Oct. 2007	18% decline in ABX-HE (AAA) in four months
Aug. 1992	Govt. announces first significant fiscal stimulus package	Oct. 2007	Citigroup, BoA and JPMC announce plans for \$80 billion Master Liquidity Enhancement Conduit (to be abandoned in Dec. 07)
Jan. 1993	Financial institutions collectively establish Cooperative Credit Purchase Corporation	Feb. 2008	President Bush signs the Economic Stimulus Act of 2008
'93, '94, '95	fiscal stimulus packages	Sep. 2008	FHFA places Fannie Mae and Freddie Mac in government conservatorship.
Jun. 1995	Govt. announces full protection for deposits for five years (to be extended further)	Sep. 2008	Lehman Brothers Holdings files for Chapter 11 bankruptcy protection
Jun. 1996	Government establishes Resolution and Collection Bank (later to be reorganized as Resolution and Collection Corporation)	Sep. 2008	FRB authorizes FRB NY to lend up to \$85 billion to AIG
Nov. 1997	Failure of Sanyo Securities, Hokkaido Takushoku Bank, Tokuyo City Bank and Yamaichi Securities	Oct. 2008	Establishment of \$700 billion TARP
Mar. 1998	Public capital fund injection to 21 major banks (1.8 trillion yen)	Oct. 2008	Treasury Dept. purchases a total of \$125 billion in preferred stock in 9 U.S. banks (more to follow)
Oct. 1998	Introduction of temporary nationalization scheme, new scheme for public capital fund injection and etc. Temporary nationalization of Long Term Credit Bank of Japan.	Nov. 2008	Treasury, FRB and FDIC jointly announce an agreement with Citigroup to provide a package of guarantees, liquidity access and capital
'98, '99	fiscal stimulus packages	Dec. 2008	FOMC votes to establish a target range for the effective federal fund rate of 0 to 0.25 percent
Feb. 1999	BoJ introduces zero interest rate policy		
Mar. 1999	Public capital fund injection to 15 major banks (7.5 trillion yen)		

Chart 2: Japan's Real GDP Growth and Fiscal and Monetary Policy

