

Defense of CEO's: Drive stock prices up,
~~Buy~~ Buy backs!

leveraged buy out (LBO) → go private!!

Spin offs to get cash

Cutting out layers of management:

In the past 3 years nearly
half a million people have
been asked . . . to walk

All leads to debt. Junk bonds
high interest debts.

13 to 16 p.c.!!

What is new is "that corporate restructuring
is completely finance driven". (p. 50)

* In the 70's + 80's companies that diversified
out of their core areas
did worse in terms of market shares + profitability
(Lawrence Frenkel, Taft University)

Democracy may curb junk bonds etc