HISTORY OF ECONOMIC IDEAS

HEI

OFFPRINT

XXV / 2017 / 2

Fabrizio Serra editore
Pisa · Roma

HISTORY OF ECONOMICS IDEAS · XXV / 2017 / 2
ISSN 1122-8792
ELECTRONIC ISSN 1724-2169

HISTORY OF ECONOMIC IDEAS

History of Economic Ideas Online
www.historyofeconomicideas.com

Address:
The Editor, *History of Economic Ideas*,
Dipartimento di Giurisprudenza,
Palazzo Ricci, Via del Collegio Ricci 10, i 56126 Pisa, Italy,
tel. +39 050 2212845, fax +39 050 2212853, hei@ec.unipi.it

History of Economic Ideas is an international peer-reviewed journal and it is indexed and abstracted in SCImago Journal Rank (sjr), EconLit, EigenFactor Journal Ranking, RePEc - EconPapers, *Scopus* (Elsevier) and in *Current Contents / Arts & Humanities, Art & Humanities Citation Index, Social Science Citation Index* and *Journal Citation Report / Social Science Edition* (isi · Thomson Reuters).
The eContent is Archived with *Clockss* and *Portico*.

https://doi.org/10.19272/201706102008 · «History of Economic Ideas», xxv/2017/2

THE FED'S RESPONSE TO THE CRISIS

Arie Krampf
The Academic College of Tel Aviv Yaffo
Ben Gurion University

A review essay on Lawrence Jacobs and Desmond King, *Fed Power: How Finance Wins*, New York, Oxford University Press, 2016, pp. 252, and Ben S. Bernanke, *The Courage to Act: A Memoir of a Crisis and Its Aftermath*, New York, W. W. Norton, 2015, pp. 610.

Broadly speaking, two narratives prevail regarding the response of central banks to the financial crisis. At one extreme, central banks are portrayed as the saviors of the world economy. Using their power and independence, central bankers came up with new and creative instruments, learned from history and experimentation, and, confronting resistant governments and skeptical investors, they pulled the world economy out of the abyss of crisis. The other extreme portrays central banks as power-hungry institutions run by professionals who took advantage of their skills and know-how to pursue their own institutional interests and to appease greedy financiers while neglecting those whom they are supposed to serve: middle class savers and workers. The two books reviewed in this essay, *Fed Power* and *The Courage to Act*, are well-written exponents of these two opposing narratives.

A feature common to both books – one written by political scientists and the other by an insider – is that they are not addressed to professional economists or politicians. Both books are addressed to the American society, the public. This in itself is an interesting fact, which teaches us something about the novel position central banks occupy in the post-crisis era: central banks, their power, their behavior and policies are under public scrutity. In the post-crisis era, trust in the monetary system is not taken for granted anymore.[1]

The authors of *Fed Power* are political scientists with expertise in the political history of the United States. As political historians, Lawrence Jacobs and Desmond King focus on the political aspects of the Fed's response to the crisis, which is discussed in the context of the long-term evolution of the Fed. The reader who is not familiar with the history of the Fed or with the history of central banking can find in the *Fed Power* a readable historical account of the Fed, which is not overloaded with technical, economic terminology.

* Address for correspondence: arie.krampf@gmail.com

[1] For a discussion see Braun 2016.

Up until the inception of the Fed, issues regarding management of national money were at the center of the public debate. The nation was divided between the financial sector and the big businesses, which opted for a strong and internationalized dollar, and the farmers, who opted for a weaker currency and easier access to credit. The establishment of the Fed, the authors argue, was part of a process, in which monetary issues were depoliticized. The coalition of the financial sector and the big businesses succeeded in locking-in its victory by creating an apolitical monetary authority, which crowded out politics from the monetary policy discourse:

> The nineteenth century's headline-grabbing public debate and decision-making in Congress and presidential campaigns disappeared. The direct and salient role and influence of democratically elected government officials declined, and economic power was further concentrated in the hands of broadly based elites. The new coalition of business interests and its allies pushed through new administrative structures and bodies to quiet public debate and empowered dominant stakeholders and the experts they respected. Control over monetary supply, which had been the jurisdiction of Congress and subject to public debate, was now stripped from democratic control and shifted inside a distant and insulated agency.
>
> (Jacobs and King 2016, 61-62)

Jacobs and King's political perspective on the evolution of the Fed is essential, given that economists tend to perceive central banks as 'solutions' to collective action problems that have only collective benefits, no costs and no substantial distributive consequences. Jacobs and King remind us that the way a society chooses to regulate and govern money has political – that is, distributive – implications. In the case of the Fed, the centralization of the American banking system went hand in hand with the internationalization of the dollar, and it was detrimental to the farmers and small businesses.

However, *Fed Power* is not a historical book. The thrust of the book lies in its political message, which is reiterated in each and every page and can be summarized as follows: the Fed has become an oversized institution which has taken upon itself too many powers. These powers are not used to serve the public interests, but rather to «advance its [the Fed's] institutional interests and to save big finance» (*ibidem*, 97). This situation, argue the authors, must be fixed by scaling back the institutional structure of the Fed to a more modest model of central banking: «the Fed needs to be shron its ever-lengthening portfolio of regulatory and even fiscal responsibilities; it should be returned to its essential function of managing the supply of money» (*ibidem*, 42).

Most scholars, who are familiar with the new developments in the policy appertaining to central banking, would accept Jacobs and King's descriptive argument that the Fed gained new powers during the crisis. However, the question is not whether the Fed gained new powers, but rather what were the motives of the Fed, whether it had the legitimacy to exercise these powers and whether it was beneficial from the perspective of the American society.

In the introductory chapter, the authors point out that their analysis does not assume «far-fetched conspiracies», that the Fed is not «all powerful» and that its staff is not «craven tools of the rich» (*ibidem*, 26-27). However, despite these disclaimers, throughout the book the reader gets the impression that this was exactly the case: that the Fed, and particularly Bernanke, was a kind of omniscient and omniponent institution that chose to serve the American financial sector rather than American society.

This impression is not so much the result of what is being said as of what is not. *Fed Power* presents a selective chain of events, which focuses on the Fed's power. What it sidlines is a discussion on the justifications of the Fed's behavior. Jacobs and King omit from their book any reference to the ideational change that took place within the Fed – and within the discourse of central bankers world-wide – regarding the role of central banks, their objectives and their intruments.

Jacobs and King do not take economic ideas seriously. For them, economic discourse is a «jargon» used by the Fed to «deliberately suffocate the democratic process of debating important and legitimate questions» (*ibidem*, 109). The Fed does not make policy to achieve a policy objective, but rather it «designed its operation to generate dependence and fierce loyalty within finance while submerging its visibility to the broad public» (*ibidem*, 103); The Fed's agenda was rather «driven to advance its institutional interests and to save big finance» (*ibidem*, 97).

My intention here is not to speak on behalf of economics. As a political economist and an economic historian, I am well aware that professionals and technocrats use 'jargon' to gain symbolic capital and to overcome political resistance. However, this does not imply that economic discourse is nothing but a symbolic political weapon. My contention is that any analysis of economic policy-making must take into account the role of ideas as a political weapon as well as the role of ideas as roadmaps that assist policy makers in problem solving. Jacobs and King collect evidence that support their narrative, and they too hastily reject the hypothesis that the Fed was engaged in solving a policy problem.

The irony is that by focusing on power and excluding ideas, Jacobs and King end up presenting an ultra-conservative policy recommendation, which would be fully supported, I believe, by conservative central bankers such as, for example, Jens Weidmann and Axel A. Weber, the present and previous presidents of the *Bundesbank*. A central bank that narrowly focuses on maintaining price stability, is exactly what the German central bankers would have wanted.

A fact that is often overlooked by political scientists is that during the crisis central bankers followed heterodox ideas of central banking, which were inconsistent with the pre-crisis conservative paradigm of central banking. As the economist and economic historian Perry Mehrling put it, whereas «textbooks still teach that the main task of the Fed is to control the short-term rate of interest in order to achieve a long-run inflation target», the Fed has in practice been «fighting a war, using every weapon at hand, including a number of new ones never used before» (Mehrling 2010, 1). Unlike the linear history of the Fed presented by Jacobs and King – a linear story of depoliticization and centralization – Mehrling offers a circular historical narrative, as he recognizes that the seeds of the current «unconventional» policies were planted in the 1930s when the Fed was granted its Lender of Last Resort powers. Therefore, he argues,

> In an alternative counterfactual history, the Fed might thus have eventually got around to developing a lending facility for security dealers, long before the collapse of Bear Stearns in March 2008 forced it to open the Primary Dealer Credit Facility.
>
> (Mehrling 2010, 36)

For Mehrling, therefore, the problem isn't the Fed having too many powers, but rather not having used these powers in time to prevent the crisis: «the Fed might have been able to use its facilities to shape market developments ex-ante, rather than waiting to mop up the mess ex-post» (Mehrling 2010, 36). This was what the Dodd-Frank Act tried to do, at least partially: to embrace the ad-hoc unconventional instruments of the Fed, legalize them and bring them under the scrutiny of the congress.

The change in central banking policy ideas during the crisis, brings us to the second book I wish to discuss here. The paradigmatic conceptual change in the policy ideas of monetary policy and central banking plays a key role in Ben Bernanke's account of the crisis, as presented in *The Courage to Act*. For Bernanke, the crisis led to the «end of orthodoxy» as he bluntly put it (Bernanke 2015, 418).

The Courage to Act is a first-person testimony written by the individual who influenced more than anyone else the response of the United States and, to a certain extent, also the worldwide response of central banks to the financial crisis. Therefore, the book is an essential reading for anyone with interest in post-crisis monetary and financial issues. The book discloses how central banks, as institutions, perceived the crisis and responded to it.

Before discussing the content of *The Courage to Act*, few words on its *style*. This is a lengthy monograph (more than 500 pages, including 32 pages of pictures and cartoons) covering a six-year period, from late 2007 to late 2013, arranged in chronological order. The book, depicted by the author as a «memoir», reads like a *confession*. A *confession* is a genre defined as «an autobiography, either real or fictitious, in which intimate and hidden details of the subject's life are revealed».[1] Indeed, Bernanke does not stop short of sharing with the readers his feelings, thoughts and even his physical condition. The book opens like this:

> It was 8:00 p.m. Tuesday, September 16, 2008. I was exhausted, mentally and emotionally drained, but I could not sit. Through the windows of my office in the Federal Reserve's Eccles Building, I could see the lights of the traffic on Constitution Avenue and the shadowy outlines of American elms lining the National Mall. Dozens of staff members remained at work, but the corridor immediately outside my door was hushed and empty. Michelle Smith, the head of our communications office and my chief of staff, sat quietly, the only other person in the room. She was waiting for me to say something.
>
> (Bernanke 2015, 3)

[1] *Encylopedia Britannica* online, «Confession: Literature», accessed: February 14, 2017.

Bernanke's choice to cast his story into the confession genre is not irrelevant to the message of the book. *The Courage to Act* has a message, which Bernanke seeks to deliver to the American public, to «Main Street». The message can be summarized as follows: the Fed, under the chairmanship of Bernanke, acted on behalf of Main Street and protected the interests of the American nation, of big and small businesses alike, of savers, mortgage takers, the middle class in general and the financial sector. Bernanke was «motivated by a desire to help Main Street Americans while hoping to persuade investors not to overreact by retreating from all forms of private credit» (*ibidem*, 156). The book can therefore be perceived as part of Bernanke's post-crisis campaign, aimed to restore the trust of the public in the Fed.

Few decades ago, Paul Volker and Alan Greenspan constructed the reputation of the Fed as an inflation fighter. Bernanke seeks to re-construct the reputation of the Fed as a Lender of Last Resort, which would do 'whatever it takes' – to use an expression from the other side of Atlantic – to save the American economy. The aim of the book is therefore to «get our story out and explain what we were doing and why» (*ibidem*, 523).

Bernanke's task is not easy: he needs to justify the behavior of the Fed during the crisis against two specific criticisms. The first is that the Fed is oversized, over-powered and get its way in an undemocratic fashion. The second criticism is that the Fed's policy had detrimental distributive consequences. The Fed literally took money from the poor and the middle-class and redistributed it to the largest financial institutions and their managers, a «reverse Robin Hood» policy as it was described by some.

Bernanke's first line of defense is the claim that the Fed's policies were not actually new or innovative and that in fact the Fed learned from its own history. As Bernanke quotes from his own speech: «I would like to say to Milton and Anna: Regarding the Great Depression. You're right, we did it. We're very sorry. But thanks to you, we won't do it again» (*ibidem*, 65).

Moreover, Bernanke's attempt to legitimize the Fed's unconventional instrument through history is manifested in another book he has recently published. In *The Federal Reserve and the Financial Crisis* Bernanke goes as far as to argue that during the Great Depression the Fed responded inadequately not because it was restricted by the law but because it «did not read its mandate» (Bernanke 2013, 22). Bernanke argues that the objective of financial stability has been at the top of the Fed's list of priorities since its inception (*ibidem*, 64).

Bernanke tries very hard – perhaps too hard – to underplay the innovative nature of the Fed's unconventional policies during the crisis, by presenting an historical narrative, which is not fully supported by evidence. Bernanke is not wrong in claiming that at least since the end of the 19th century central banks have been engaged in last resort lending (Goodhart, Capie and Schnadt 1994; Holtfrerich, Reis and Toniolo 1999). However, during recent decades and until the crisis, the orthodox doctrine of central banking was rather ambiguous on that issue. The doctrine was indecisive as to whether financial stability should be the responsibility of the central bank, the bank supervisor, or the government (Tucker 2014). It was only with the financial crisis that central bankers reclaimed their responsibility to financial stability, with all the complex implications that this responsibility had on their more traditional objectives.

Here, my view parts from Bernanke's regarding the conventionality of unconventional policy instruments. The idea that central banks should fullfil the role of Lender of Last Resort is not new, nevertheless the unconventional policy instrument used by the Fed during the crisis were more intensive and expansive than what had been previously considered last resort lending.[1]

As for the accusation that the Fed conducted a 'reverse Robin Hood' policy, which was not only socially detrimental but created severe moral problems, Bernanke admits the facts but rejects the accusation, on the grounds that these were side effects of an essential policy designed to prevent a greater calamity. He quotes Donald Kohl, a former Vice Chairman of the Board of Governors at the Federal Reserve System, who argued that «we should not hold the economy hostage to teach a small segment of the population a lesson» (Bernanke 2015, 181). Bernanke made his point by his famous firefighter tale:

> You have a neighbor, who smokes in bed … Suppose he sets fire to his house … "You might say to yourself … 'I'm not gonna call the fire department. Let his house burn down. It's fine with me.' But then, of course, what if your house is made of wood? And it's right next door to his house? What if the whole town is made of wood?" The editorial writers of the *Financial Times* and the *Wall Street Journal* in September 2008 would, presumably, have argued for letting the fire burn. Saving the sleepy smoker would only encourage others to smoke in bed. But a much better course is to put out the fire, then punish the smoker, and, if necessary, make and enforce new rules to promote fire safety.
>
> (*Ibidem*, 261-262)

The tale demonstrates the fundamental dilemma the Fed faced, between «doing what was necessary to save the system and avoiding moral hazard» (*ibidem*, 316).

A fundamental question in this context is whether the Fed – and the authorities of the United States – had an alternative policy, which could achieve a similar result without the socially and politically undesirable side effects. In their book, Jacobs and King argue that there was an alternative: the Canadian approach. Canada, they argue, built a «better banking system» by «stringent regulation» and it «steered finance away from the kind of speculation that was rampant south of its borders» (Jacobs and King 2016, 165). Jacobs and King certainly have a point when they refer to the under-regulated financial system in the United States. However, was there a policy alternative for the

[1] A full discussion on the differences between traditional and modern last resort instruments of central banking cannot be provided here. Studies have argued that during the crisis central bankers became «market maker of last resort and buyer of last resort», thus «the traditional LLR function has been modified as a result of the recent crisis, and the main features of the modern LLR have been found» (Hansjörg, Rüdiger and Wu 2016, 30).

United States, by which it could restore financial stability, without the Fed's activation of its unconventional instruments? One may argue that if resources had to be reallocated and transferred to financial institutions, it should have been done by the government, with the approval of the Congress. However, would such a procedure be quick enough to prevent a financial collapse? Bernanke pre-supposition is that within prevailing political constraints, the Fed was the only institution capable to prevent the deepening and expansion of the crisis.

Besides explicit arguments, Bernanke's book delivers several implicit messages, which are no less essential to his mission to 'get our story out'. In Bernanke's world, there are no villains, and there is no corruption or greed. His perception of the economy consists of good guys who made honest mistakes: investors made 'investment mistakes' and regulatory institutions – including the Fed – made their own mistakes. Bernanke portrays a regulatory environment which was not properly structured. In some instances, strong regulatory agencies, such as the Fed, had the capacity to regulate but lacked the authority; in other instances, weaker agencies had the authority but lacked the capacity. This led to «an incredible mismatch of expertise and resources». This is why the Fed was pushed to deal with regulatory issues it was capable of handling, albeit it had no explicit mandate to handle (Bernanke 2013, 271; 250). On the other side, investors – financial institutions – found themselves in a dire situation due to their own mistakes: «After Lehman, that was clearly Merrill Lynch, which had made many of the same investment mistakes» (Bernanke 2015, 265).

Bernanke uses literary technics to confer the message that Wall Street is an inseparable organ of the American nation and shares its values. The founders of Wall Street were soldiers, immigrants and farmers who took risks and worked their way up. The American financiers were not financial parasites who «destroy the global economy», as some have claimed (Hudson 2015, title), but they were Schumpeterian-style entrepreneurs.

The Lehman Brothers, for example,

> was founded in 1850 as a cotton brokerage by three Jewish brothers … who had emigrated from Bavaria to Montgomery, Alabama …. In the early 1900s, Lehman shifted to investment banking, arranging the financing needed by growing companies in the nation's rising industries, from aviation to motion pictures. The Lehman family became important in New York politics, with Herbert Lehman, Mayer's son, serving as lieutenant governor of New York during Franklin D. Roosevelt's governorship, then succeeding to the governorship when FDR became president in 1933.
>
> (Bernanke 2015, 248)

The founder of AIG was an «adventurous twenty-year-old college dropout from California» who «quit his job as a clerk at a steamship company». His successor was the «son of a taxi driver from the Bronx» who «ran away from home at seventeen to fight in World War II and helped to liberate the Dachau concentration camp» (*ibidem*, 272). Bernanke traces in detail the history of each and every financial firm, and by doing so he dismantles the imaginary barrier of suspicion and perhaps contempt to Wall Street that accumulated during the crisis. He avoids «the weeping populist indictment of bankers, in part because he knows that «there was plenty of blame to go around, directed to the Fed, other regulatory agencies and the Congress» (*ibidem*, 320)

Therefore, Bernanke's is not only a book about the Fed's response to the crisis. Its aim is not to merely describe, explain or defend the policy of the Fed. Bernanke seeks to stitch the American society together again. If Jacobs and King uncover the divisive politics that lie beyond the idea that money is neutral, Bernanke does exactly the opposite: he underlines the common interests lying beyond the redistributive outcomes of the Fed's policy during the crisis.

Which of the two narratives is more consistent with the facts? Each of the two narratives have a solid empirical basis but each presents a partial picture. The juxtaposition of the two narratives demarcates the political space within which central banks operate since the crisis. Currently, we are in a situation in which central banks are taking an active an interventionist stance as providers and distributors of liquidity and they legitimizing their behavior on the basis of a loose interpretation of their mandate. However, it is wrong to judge the behavior of central banks, while ignoring the political economic context. Central banks were pushed to do more than they were supposed to, also because governments were either reluctant to take action due to ideological reasons or incapable of doing so due to political constraints. It is for the future to decide if this is only a transient phase or the origin of a new paradigm of central banking.

References

Bernanke B. S. 2013, *The Federal Reserve and the Financial Crisis*, Princeton (nj), Princeton University Press.

Braun B. 2016, «Speaking to the People? Money, Trust, and Central Bank Legitimacy in the Age of Quantitative Easing», *Review of International Political Economy*, 23, 6, 1064-1092. Doi:10.1080/09692290.2016.1252415.

Goodhart C. A. E, Capie F. and Schnadt N. 1994, «The Development of Central Banking», in *The Future of Central Banking*, ed. by F. Capie, C. Goodhart, S. Fischer, N. Schnadt, Cambridge, Cambridge University Press, 1-232.

Herr H., Rüdiger S. and Wu J. P. 2016, «The Federal Reserve as Lender of Last Resort During the Subprime Crisis-Successful Stabilisation Without Structural Changes», *Journal of Economics and Political Economy*, 3, 2, 192-210.

Holtfrerich C.-L., Reis J. and Toniolo G. 1999, *The Emergence of Modern Central Banking from 1918 to the Present*, Aldershot, Ashgate.

Hudson M. 2015, *Killing the Host: How Financial Parasites and Debt Bondage Destroy the Global Economy*, Dresden, islet.

Mehrling P. 2010, *The New Lombard Street: How the Fed Became the Dealer of Last Resort*, Princeton (nj), Princeton University Press.

Tucker P. 2014, «The Lender of Last Resort and Modern Central Banking: Principles and Reconstruction», *Browser Download This Paper*; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2504686.

SET IN SERRA DANTE
BY FABRIZIO SERRA EDITORE, PISA · ROMA.
PRINTED AND BOUND
BY TIPOGRAFIA DI AGNANO, AGNANO PISANO (PISA).

⋆

November 2017

(CZ 2 · FG 21)

CONTENTS

PAPERS

Benoît Walraevens, *Jealousy of trade in Hume and Smith* 11

Mauro Boianovsky, *Wicksell, secular stagnation and the negative natural rate of interest* 37

Tiziana Foresti, Eleonora Sanfilippo, *Keynes's personal investments in the wheat futures markets, 1925-1935* 63

Ronald Busse, Malcolm Warner, *The legacy of the Hawthorne experiments: a critical analysis of the Human Relations School of Thought* 91

Benny Carlson, Mats Lundahl, *Ingvar Svennilson on economic planning in war and peace* 115

José L. García-Ruiz, *The rise and decline of the research departments in Spanish financial institutions, 1930-2015* 139

ANNUAL SURVEY

Jérôme Lange, Reinhard Schumacher, Andrej Svorenčík, *From antiquity to modern macro: an overview of contemporary scholarship in the history of economic thought journals, 2015-2016* 171

REVIEW ARTICLES

Arie Krampf, *The Fed's response to the crisis* 209

BOOK REVIEWS

Ajit Sinha, *A Revolution in Economic Theory: The Economics of Piero Sraffa* (David Andrews) 219

Roberto Marchionatti, Mario Cedrini, *Economics as Social Science: Economics Imperialism and the Challenge of Interdisciplinarity* (Francesco Guala) 221

Heinz D. Kurz, *Economic Thought. A Brief History*, transl. by Jeremiah Riemer (Rodolfo Signorino) 225

History of Economic Ideas is published three times a year by
Fabrizio Serra editore®, Pisa · Roma, P. O. Box no. 1, Succ. no. 8, I 56123 Pisa,
tel. +39 050 542332, fax +39 050 574888, fse@libraweb.net, www.libraweb.net
Pisa Office: Via Santa Bibbiana 28, I 56127 Pisa, fse@libraweb.net
Rome Office: Via Carlo Emanuele I 48, I 00185 Roma, fse.roma@libraweb.net

Print and Online official subscription rates
are available at Publisher's website www.libraweb.net.
Reduced rate for ESHET members: € 95,00;
Reduced rate for STOREP members: € 95,00.

Subscriptions should be paid as follows:
by cheque/international money order payable to *Fabrizio Serra editore®*;
by postal giro account no. 17154550;
by credit card (*American Express, Eurocard, Mastercard, Visa*).

Fabrizio Serra editore incorporates the Imprints *Accademia editoriale*,
Edizioni dell'Ateneo, *Fabrizio Serra editore*, *Giardini editori e stampatori in Pisa*,
Gruppo editoriale internazionale and *Istituti editoriali e poligrafici internazionali*.

Printed in Italy

ISSN 1122-8792
ELECTRONIC ISSN 1724-2169

Direttore responsabile: Lucia Corsi
Autorizzazione del Tribunale di Pisa n. 10 del 2/5/1994

Papers: Benoît Walraevens, *Jealousy of trade in Hume and Smith* · Mauro Boianovsky, *Wicksell, secular stagnation and the negative natural rate of interest* · Tiziana Foresti, Eleonora Sanfilippo, *Keynes's personal investments in the wheat futures markets, 1925-1935* · Ronald Busse, Malcolm Warner, *The legacy of the Hawthorne experiments: a critical analysis of the Human Relations School of Thought* · Benny Carlson, Mats Lundahl, *Ingvar Svennilson on economic planning in war and peace* · José L. García-Ruiz, *The rise and decline of the research departments in Spanish financial institutions, 1930-2015* · **Annual Survey:** Jérôme Lange, Reinhard Schumacher, Andrej Svorenčík, *From antiquity to modern macro: an overview of contemporary scholarship in the history of economic thought journals, 2015-2016* · **Review Articles:** Arie Krampf, *The Fed's response to the crisis* · **Book Reviews**.