

The banality of a bureaucrat: Timothy Geithner and the sinking of the US economy

John Komlos, Professor Emeritus, University of Munich

It is in the nature of bureaucracies to promote those who can fulfill efficiently the functions entrusted to them, that is to say routinely, and without much ado. Hence, bureaucrats tend to be capable practitioners of a kind of groupthink.¹ It seems to me that this aspect of the bureaucratic personality type is essential to understanding Geithner's role in the Meltdown and its immediate aftermath.²

By referring to himself as a "technocrat", Geithner reveals that he also recognizes that he was not ready to step into Alexander Hamilton's shoes at a time when the economy was going haywire and the treasury needed a secretary with more imagination and more willingness to go out on a limb. He was neither "a banker, an economist, a politician, or even a democrat" so he was reluctant to accept the position. Technocrats are generally used to the boss telling them what to do and this time the boss,--President Obama--was incapable of doing so and instead was looking to him for advice. Geithner was not up to the task of providing creative leadership and he knew it.³

In light of his populist rhetoric on the campaign trail that stressed "Change" and "Yes We Can" optimism, Obama's choice of two important economic advisors—Lawrence Summers and Timothy Geithner--members of the old guard--enablers of the mistaken policies that led to the crisis in the first place, was utterly disappointing.⁴ As the African-American academic Cornel West recognized, "Obama has an economic team that's composed of persons who have no history whatsoever of being concerned about poor people."⁵

Geithner is proud of his policies to abate the crisis but he is mute about his role in creating the crisis in the first place. The question lingers why he did nothing to avert the crisis while he was President of the New York Fed. Did he not see the three trillion dollars' worth of subprime mortgages that were shoveled into the financial pipeline? Why was he not concerned about the doubling in house prices at a time when median household income was declining? Why did he not start making contingency plans when Bear Stearns became insolvent in March of 2008? All that remains unanswered.

Did he ever read or was he informed about the writings of Hyman Minsky and Charles Kindleberger?⁶ Why did he not pay attention to his bosses' bullying Brooksley Born, the head of the Commodities Futures Trading Commission, who was the only member of any administration, who ever wanted to regulate derivatives; did he not pay much attention to

Warren Buffett's saying that derivatives were "financial weapons of mass destruction"?⁷ He also failed to read Dean Baker's 2002 study showing that housing prices were unrealistic and a major bubble was in the making nor John Cassidy's article on blowing bubbles.⁸ He did not give much credibility to the many of complaints about predatory lending.⁹ All this he fails to answer.

He also does not say what he learned from Raghuram Rajan's lecture at the conference honoring Alan Greenspan prior to his retirement in 2005 when Rajan warned that "disaster might loom" because the nature of the new financial innovations was deceiving.¹⁰ There were plenty of others who tried to warn him—Nouriel Roubini, Nassim Taleb, Robert Shiller—but the boss was not worried so Geithner apparently bowed to the notion that the sophisticated Lords of finance knew what they were doing.

Cognitive Capture

Not only was he not paying attention to the crisis in the making, while he was in charge of the New York Fed, he seemed to develop a cozy relationship with the financial oligarchs. This is likely a perfect example of intellectual capture.¹¹ He dined and wined with them at posh restaurants, had breakfast, played tennis, and rubbed elbows at receptions on a regular basis.¹² At a birthday party of one of the tycoons Paul Volker whispered to him that he should not be seen there. He had a "...continuing series of close contacts – breakfast, lunch, dinner, coffee, charity board meetings, etc. – with a set of very rich, very powerful, very impressive people who all believed in the importance of Wall Street, and the importance of lighter regulation of Wall Street, and the importance of making sure that Tim Geithner believed in it too. It's doubtful that there was anything close to a countervailing influence from people who thought that Wall Street was taking excessive risks and needed to be reined in."¹³

Geithner almost surely did not meet any lobbies of Main Street, representing the underemployed, evicted, or homeless. He certainly does not tell us about any. His immunity to alternative arguments can most easily be understood in terms of him being captured by Wall-Street millionaires. James Kwak writes that Geithner "has internalized a worldview in which Wall Street is the central pillar of the American economy... [and] the importance of those banks justifies virtually any measures to protect them... and anyone who doesn't understand these principles... just doesn't understand the way the world really works...."¹⁴

In the main, Geithner is obsessed with comparing the financial crisis to a fire or a "raging financial inferno".¹⁵ He is haunted by the fires raging. He repeats so often that the

best thing to do with a fire is to put it out, that in a process of autosuggestion I am sure that he actually does come to believe in the analogy as a fact of economic life.¹⁶ But this, of course, is not true; a fire can also be used as a tool. Those who know the ways of the jungle would not want to put out fires as lions are approaching. One can even tame lions with fire and one can fight wild fires with suppression fires and so forth. In any event, analogies are not good substitutes for arguments. Policy should be based on well-thought out options and not on simplifying and distorting analogies. And there were other options that Geithner still—five year later—adamantly refuses to entertain seriously.

A better strategy: preprivatization

Geithner thinks that doing nothing was not an option and in this everyone agrees. The major point that observers such as former Federal Deposit Insurance Corporation Chairwomen Sheila Bair drive home is that there were other policies on the table that Geithner cavalierly dismissed. Geithner claims that we absolutely needed to transfer the trillions to the bankers in order to avoid “falling off the cliff” and dismisses the option to nationalize the banks with an off-the cuff remark: “We didn’t intend to preemptively nationalize major banks, and we didn’t intend to let them fail; both of those familiar strategies would have accelerated the panic” (p. 11). Why taking over some of the banks would “accelerate the panic,” he does not explain. This is an acute oversight insofar as even conservative Republicans such as Lindsey Graham and Alan Greenspan were not opposed to the nationalization of the giant bankrupt banks. Greenspan said that “...it may be necessary to temporarily nationalize some banks in order to facilitate a swift and orderly restructuring.”¹⁷ Paul Krugman agreed with Greenspan: “while the banks must be rescued, the U.S. government can’t afford, fiscally or politically, to bestow huge gifts on bank shareholders....they’re zombie banks, unable to supply the credit the economy needs.... And if it’s basically putting up all the money, the government should get ownership in return.... Long-term government ownership isn’t the goal: we should call it ‘preprivatization’.... a privately held banking system is the correct way to go... But what we have now isn’t private enterprise, it’s lemon socialism: banks get the upside but taxpayers bear the risks. And it’s perpetuating zombie banks, blocking economic recovery. What we want is a system in which banks own the downs as well as the ups. And the road to that system runs through nationalization.”¹⁸

Another Noble Prize winner, Joseph Stiglitz, also advocated nationalization,¹⁹ as did Nouriel Roubini: “...you take banks over, you clean them up, and you sell them in rapid

order to the private sector – it’s clear that it’s temporary... The idea that government will fork out trillions of dollars to try to rescue financial institutions, and throw more money after bad dollars, is not appealing because then the fiscal cost is much larger. So rather than being seen as something Bolshevik, nationalization is seen as pragmatic.... The proposal is more market-friendly than the alternative of zombie banks.”²⁰

Nationalization would have had immense advantages over the infamous “cash for trash” program:²¹ there would have been no more too-big-to fail banks--hence no more systemic risk, no bailouts--hence no moral hazard and maybe no “Tea Party”, no more foreclosures--hence no more toxic assets, and most importantly, President Obama could have directed the banks by executive order to lend again, to restructure the underwater mortgages, and to end the eviction of the plebeians the likes of which have not been seen--ever. Then the taxpayers could have scrapped the bonuses of the financial kingpins—hundreds of billions of dollars--and we could have put people in charge who would have bailed out Main Street. Instead of providing loans to the banks at near-zero interest rates, the nationalized banks could have refinanced troubled mortgages at those near-zero interest rates.²² Mortgage-backed obligations would not have been toxic any more. Everyman would have benefited from near-zero interest-rate financing and not the banks.

The recession would have been much milder and shorter and we would not have had a jobless recovery because aggregate demand would have risen. If, let us say, the government would have purchased 6 million mortgages at 250K each, the total bailout would have amounted to merely \$1.5 trillion, much less than half of the current level of bailouts, with much greater beneficial effects for Everyman on Main Street as well as on the economy at large. I think that would have been a moral way of overcoming the challenges of the crisis and the homeowners could have paid back Uncle Sam when they were back on their feet, employed and earning a living.²³ The losses would have been minimal as the houses would have served as collateral. This would have been trickle-up economics similar to FDR’s New Deal. Attack the source of the problem directly rather than aiding the banks in the hope that they, in turn, will help homeowners. That is too indirect and risky because there is no guarantee that they will actually do it

Most importantly preprivatization would have meant that effective regulation of the financial sector could have become reality, including the resurrection of the Glass-Steagall Act. Much of the profits of the financial sector—a not inconsiderate sum of half a trillion dollars annually—would have accrued to—guess who—Uncle Sam—and not to Jamie Dimon and Lloyd Blankfein. Add a substantial tax on financial transactions and the “starving beast”

would have been no more. Instead of becoming subservient to the banks, Everyman would have tried on the shoes of the Lords of Finance and would have found the fit very comfortable, indeed. The result would have been that Obama would have been hailed by the masses not only as a knight in shining armor of a new economic system of Capitalism with a human face, but willing and able to wield his lance. The Democrats would have avoided the thrashing of 2010, and the malaise in which we find ourselves would have been avoided.

Geithner should have been aware that such a scenario was indeed feasible: an internal memo at the Boston Fed concluded that helping homeowners would be a viable option: “The costs of the plan are moderate, and the benefits should help not only the participating homeowners but also the housing industry, the financial markets, and the economy more broadly.”²⁴ But he found it more convenient to transfer the trillions to the same financiers whose greed had got the nation into this quagmire in the first place.

Geithner claims that a bailout of underwater homeowners would have had a negligible effect on aggregate demand but this is easily refuted by two experts on the issue, Atif Mian of Princeton University and Amir Sufi of the University of Chicago. They show that personal consumption expenditures would have increased by 1.3% had the burden of underwater mortgages been reduced by the amount of the TARP funds.²⁵ This is hardly a negligible boost to consumption spending considering that real personal consumption expenditures between 2007Q3 and 2014Q1 increased by 8.3% but population increased by 5% in the meanwhile so that in per capita terms the increase was just 3.3% in 6.5 years or about half a percent per annum.²⁶ Thus, the 1.3% boost would have been 2.6 years’ worth of growth in per capita personal consumption. In any event, averages are not pertinent in this period because the recipients of those subsidies surely would have been at the bottom half of the income distribution whose consumption was not increasing at all. The 0.5 percent growth surely accrued to the upper segment of the society. After all, household incomes have been declining 2000-2012 by some 6.6 percent and in ten states the decline is in the double digits.²⁷ Thus, Mian and Sufi also argue that Geithner’s focusing on the banks was misplaced. “Increasing the flow of credit, they show, is disastrously counterproductive when the fundamental problem is too much debt.”²⁸ “The money spent on the banks was better spent writing down the debt of homeowners.”²⁹

Secular Stagnation

Geithner is proud of having stopped the financial crisis but he did it in such a way as to squelch any chance of genuine reform and putting the economic engine on a new path of

solid economic recovery. As Paul Krugman writes, the so-called recovery seems much more like a lingering depression or what he dubs a “sour economy”.³⁰ He argues that “by any normal standard, economic policy since the onset of the financial crisis has been a dismal failure.”³¹ The “American Dream” has been pushed beyond the reach of a third of the population. Just ask the American people—16% of whom are still underemployed³²—what they think of the current situation and one will not think that Geithner “did a heckuva job”.³³ What kind of any economy could it be with 16% of the labor force—some 25 million adults—excluded from earning a full-time wage? And if each has at least one dependent, we are talking about some 50 million people who are living like serfs of the financiers.

Geithner is wrong in thinking that the confidence in the system has been restored. Gallup has been collecting data on Americans’ confidence in the economy. The index has a theoretical range between -100 and +100. It stands at a mediocre -15 with more than half of the people polled thinking that the economic outlook is getting worse. Currently, 35% of Americans say that economic conditions are poor implying that they are getting by with the skin-of their teeth. Moreover, another 43% say that conditions are “only fair”. In contrast, 19% consider them to be good and 3% consider conditions to be excellent.³⁴ So yes, the oligarchs are doing just fine thanks to policies of Geithner put in place.

In a speech at the IMF, Larry Summers argued that “secular stagnation” may be the new normal outlook for the US economy.³⁵ He points out that the share of adults working—the employment-population ratio fell by 5% during the crisis and has not budged ever since. In addition actual GDP has fallen further behind potential GDP: we are producing about \$1 trillion per year less than we expected. That is a tremendous loss. Krugman calls Summers’ assessment a “very radical Manifesto.... and [he] very much fear[s] that he might be right.”³⁶

Conclusion

The Obama-Geithner-Wall Street alliance was a no-win strategy from the start either economically or politically and it radically altered the dynamics of the social contract.³⁷ The alliance made sense only as long as the oligarchs needed Uncle Sam’s money. However, once resurrected, the Lords of Finance could easily undermine efforts to regulate them. Apparently, no one in the administration had read Machiavelli with sufficient care to anticipate how they would treat their adversary once Obama became superfluous and plenty of lobbying money could continue to flow to members of Congress. After the banks were resuscitated Geithner resorted to deferentially beseeching the Lords to support the recovery, while the President, pleaded “...that the nation’s lenders, supported by taxpayers in the crisis,

need to ‘fulfill their responsibility’ by lending to small businesses still struggling to get credit.”

In sum, Geithner had no qualms about using the power of the state to bail out Wall Street but was obstinately opposed to bailing out families, justified by metaphors rather than by substantive arguments.³⁸ Paraphrasing Joseph Stiglitz, capitalism remained the economic system for Main Street, while socialism became the privilege of Wall Street, which was shielded from Schumpeterian forces of creative destruction.³⁹ The pretext of all policy was to “stabilize the financial system.” But he fails to contemplate to this day that the very way in which the financial system was stabilized is exactly the reason for the secular stagnation that followed upon its heels. Success in Act II depended crucially on the playbook in Act I. The two parts were not disjoint. Thinking otherwise is a crucial logical fallacy.

However, what Geithner does not admit is that by bailing out Wall Street and neglecting the flesh-and blood people on Main Street he solidified the power of the behemoth financial sector over us that many astute economists such as Andrew Haldane of the Bank of England, Simon Johnson of MIT, Nouriel Roubini of NYU, and Nassim Taleb, well known for his best-selling book, *The Black Swan*, think has led to a “doom loop” with recurring financial instability.⁴⁰ Moral hazard in the system has increased mightily and too-big-to-fail banks have become even bigger-to-fail, and inequality has risen to incredible heights.⁴¹

Even after all this, Geithner thinks that his policies increased confidence in the system. He is dead wrong. There is not much confidence left in Congress or the American Dream, or in our economic future. As Larry Summers has argued recently, our economic system has morphed into one of secular stagnation in no small measure as an unintended consequence of the way the bailouts were handled by Treasury under Geithner’s leadership. Robert Gordon of Northwestern University predicts outright that the real disposable per capita income of the “bottom 99% of the income distribution” will grow at a negligible rate of 0.2% per annum.⁴²

That, in a nutshell, is Geithner’s legacy, and of course by implication also that of President Obama. Geithner presided over the treasury at a crucial juncture when—according to Stiglitz--the economy mutated into an “ersatz capitalism,” a variant of crony capitalism or corporatism. Geithner may never understand that. And he may also never understand Sheila Bair’s important assertion that, “you don’t need to protect the jobs and bonuses of dunderheads at places like AIG and Citi who got their institutions into trouble.”⁴³ But Geithner did defend the dunderheads and is reaping his ample rewards for it. I doubt seriously

that anyone on Main Street could have offered him a million-dollar salary; but his new employer the private equity giant Warburg Pincus could afford it with little difficulty.⁴⁴

Endnotes

¹ Too many famous scholars have written about the nature of bureaucracies to warrant further elaboration beyond mentioning in passing the names of Karl Marx, Franz Kafka, Max Weber and Hanna Arendt.

² There is another aspect of his coming of age that is essential to understanding the weaknesses in his thinking. Geithner's graduate education was not full of big ideas. He has an MA in International Economics and East Asian Studies from Johns Hopkins School of Advanced International Studies which sounds pretty impressive but actually isn't. The current faculty of 38 is made up mostly of adjuncts from the private sector, not the type of credentials that would have fostered Geithner's imagination. Amazingly fully two-thirds of the current faculty of the International Economics program is made up of adjuncts, including one senior adjunct, an Associate Practitioner-in-Residence and a couple who bear no title at all. <http://www.sais-jhu.edu/programs/internationalecon/faculty> accessed May 23, 2014. (The adjunct faculty in Bologna is not included.)

³ Jesse Eisinger describes the Obama administrations as being suspicious of "vision, ambition, sweeping reform and change." *The Buck Stops With Obama on Tepid Financial Reform*, ProPublica May 21, 2014. <http://www.propublica.org/thetrade/item/the-buck-stops-with-obama-on-tepid-financial-reform> Accessed May 22, 2014.

⁴ This point has been stressed frequently by Nassim Taleb.

⁵ Todd Johnson, "Cornel West: Obama is for big business not the jobless," December 1, 2009. <http://thegrio.com/2009/12/01/cornel-west-obama-is-for-big-business-not-the-jobless/> accessed May 23, 2014.

⁶ Hyman Minsky. *Stabilizing an Unstable Economy*. 1986. Charles Kindleberger, *Manias, Panics, and Crashes: A History of Financial Crisis*, Macmillan, 1978.

⁷ "Berkshire Hathaway Inc. 2002 Annual Report," p. 15.

<http://www.berkshirehathaway.com/2002ar/2002ar.pdf> accessed May 24, 2014.

⁸ Dean Baker, "The Run-up in Home Prices: A Bubble," *Challenge* 45 (2002) 6: 93-119; John Cassidy, "Blowing Bubbles," *New Yorker*, July 12, 2004.

⁹ National Commission on the Causes of the Financial and Economic Crisis in the United States. *The Financial Crisis Inquiry Report*, Public Affairs, 2011, Chapter 1.

¹⁰ He spoke of perverse developments so that managers have "the incentive to take risk that is concealed from investors—since risk and return are related, the manager then looks as if he outperforms peers given the risk he takes. Typically the kinds of risks that can be concealed

most easily, ... are risks that generate severe adverse consequences with small probability, but, in return, offer generous compensation the rest of the time. These risks are known as tail risks. A second form of perverse behavior is the incentive to herd with other investment managers on investment choices because herding provides insurance that the manager will not underperform his peers. Herd behavior can move asset prices away from fundamentals.” Raghuram Rajan, “Has Financial Development Made the World Riskier?,” NBER Working Paper No. 11728, November 2005.

¹¹ According to Simon Johnson, “The intellectual capture of Washington by Wall Street... is now complete.” Simon Johnson, “Protect Consumers, Raise Capital, and Jam the Revolving Wall St-Washington Door,” *Baseline Scenario*, September 20, 2009, <http://baselinescenario.com/2009/09/20/protect-consumers-raise-capital-and-jam-the-revolving-wall-st-washington-door/> (accessed October 17, 2012).

¹² “Geithner’s Calendar at the New York Fed,” *New York Times*, <http://documents.nytimes.com/geithner-schedule-new-york-fed#p=1> (accessed October 18, 2012).

¹³ Jo Becker and Gretchen Morgenson, “Geithner, Member and Overseer of Finance Club,” *New York Times*, April 26, 2009, http://www.nytimes.com/2009/04/27/business/27geithner.html?_r=0 (accessed October 18, 2012).

¹⁴ James Kwak, “Pierre Bourdieu, Tim Geithner, and Cultural Capital,” *Baseline Scenario*, April 27, 2009, <http://baselinescenario.com/2009/04/27/geithner-wall-street/> (accessed October 17, 2012).

¹⁵ Michael Lewis’ review of the book is accompanied by a wonderful picture of a fire engulfing a bureaucrat’s desk. “The Hot Seat,” *The New York Times*, May 15, 2014. <http://www.nytimes.com/2014/05/25/books/review/stress-test-by-timothy-f-geithner.html> Accessed May 23, 2014.

¹⁶ After Émile Coué.

¹⁷ Tunku Varadaraja, “‘Nationalize’ the Banks. Dr. Doom says a takeover and resale is the market-friendly solution,” *Wall Street Journal*, February 21, 2009, <http://online.wsj.com/article/SB123517380343437079.html> (accessed May 19, 2012).

¹⁸ Paul Krugman, “Banking on the Brink,” *The New York Times*, February 22, 2009. http://www.nytimes.com/2009/02/23/opinion/23krugman.html?_r=0 accessed May 26, 2014.

¹⁹ “Stiglitz: Temporary Nationalization Necessary to Save Troubled Banks,” YouTube video, 1:15:26, posted by “ColumbiaBusiness,” February 19, 2009,

http://www.youtube.com/watch?v=jCT_1MDzdCQ (accessed May 19, 2012).

²⁰ Varadaraja, “Nationalize the Banks.”

²¹ Paul Krugman, “Financial Policy Despair,” *New York Times*, March 22, 2009.

<http://www.nytimes.com/2009/03/23/opinion/23krugman.html> (accessed May 19, 2012).

²² “Stiglitz Says U.S. Is Paying for Failure to Nationalize Banks,” *Bloomberg News*, November 1, 2009,

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aGR4KXaGwxd8> (accessed May 19, 2012).

²³ Another person who advocated a bailout of the financial system from the bottom up. His bailouts would have provided subsidies to homeowners. Allen H. Barton, “Letter: Another Take on ‘Why Paulson is Wrong,’” *The Economists’ Voice*: 5 (2008) 5: Article 9.

²⁴ Chris Foote, Jeff Fuhrer, Eileen Mauskopf, and Paul Willen, “A Proposal to Help Distressed Homeowners: A Government Payment-Sharing Plan,” Federal Reserve Bank of Boston, Public Policy Brief No. 09-1, last revised July 9, 2009, <http://www.bos.frb.org/economic/ppb/index.htm> (accessed May 19, 2012); Allen H. Barton, “Letter.”

²⁵ Atif Mian and Amir Sufi “Why Tim Geithner is Wrong on homeowner debt relief,” *The Washington Post*, May 14, 2014.

http://www.washingtonpost.com/blogs/wonkblog/wp/2014/05/14/why-tim-geithner-is-wrong-on-homeowner-debt-relief/?wpisrc=nl_wnkpm, accessed May 21, 2014. Note that Mian teaches at Princeton while Sufi teaches at the University of Chicago.

²⁶ Bureau of Economic Analysis, National Income and Product Accounts Tables, Table 1.1.3. Real Gross Domestic Product, Quantity Indexes.

<http://bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=1&isuri=1> accessed May 21, 2014.

²⁷ U.S. Census Bureau, American Community Survey Briefs, “Household income: 2012,” <http://www.census.gov/prod/2013pubs/acsbr12-02.pdf> accessed May 21, 2013. The greatest decline was in Michigan: 19%.

²⁸ Atif Mian and Amir Sufi, *House of Debt. How They (and You) Caused the Great Recession, and How We Can Prevent it from Happening Again*, University of Chicago Press, 2014.

²⁹ G.I. “Tim Geithner and the politics of bailouts. The unwinnable War.” *The Economist*, May 16, 2014. <http://www.economist.com/blogs/freeexchange/2014/05/tim-geithner-and-politics-bailouts> accessed May 24, 2014.

³⁰ Paul Krugman, *End This Depression Now!* (New York: W.W. Norton & Company, 2012).

³¹ Paul Krugman, “Springtime for Bankers,” *The New York Times*, May 19, 2014. <http://www.nytimes.com/2014/05/19/opinion/krugman-springtime-for-bankers.html> accessed May 25, 2014.

³² Gallup Daily: “U.S. Employment,” accessed <http://www.gallup.com/poll/125639/Gallup-Daily-Workforce.aspx> May 24, 2014

³³ Paul Krugman, “Springtime for Bankers,” *The New York Times*, May 19, 2014. <http://www.nytimes.com/2014/05/19/opinion/krugman-springtime-for-bankers.html> accessed May 25, 2014.

³⁴ Justin McCarthy, “U.S. Economic Confidence Stays Flat,” May 20, 2014. <http://www.gallup.com/poll/169343/economic-confidence-stays-flat.aspx> accessed May 24, 2013.

³⁵ Summers, Larry, “Transcript of Larry Summers speech at the IMF Economic Forum, Nov. 8, 2013,” <https://m.facebook.com/notes/randy-fellmy/transcript-of-larry-summers-speech-at-the-imf-economic-forum-nov-8-2013/585630634864563> accessed June 11, 2013.

³⁶ Paul Krugman, “Secular Stagnation, Coalmines, Bubbles, and Larry Summers,” *The New York Times*, November 16, 2013. <http://krugman.blogs.nytimes.com/2013/11/16/secular-stagnation-coalmines-bubbles-and-larry-summers/> accessed May 26, 2013.

³⁷ “The American people considered TARP an unfair giveaway to the largest banks and a failure for Main Street because, in fact, that is exactly what it was.” Neil Barofsky, “Tim Geithner Says Some Things About Me. My Response.” *Linkedin*. May 9, 2014. <https://www.linkedin.com/today/post/article/20140509234248-159079164-a-response> accessed May 23, 2014.

³⁸ Paul Krugman, “Springtime for Bankers,” *The New York Times*, May 19, 2014. <http://www.nytimes.com/2014/05/19/opinion/krugman-springtime-for-bankers.html> accessed May 25, 2014.

³⁹ Joseph Stiglitz, *Freefall: America, Free Markets, and the Sinking of the World Economy* (New York: W.W. Norton & Company, 2010).

⁴⁰ Peter Boone and Simon Johnson, “The Domsday Cycle,” *CentrPiece* (Winter 2009/10): 2-6, <http://cep.lse.ac.uk/pubs/download/cp300.pdf> (accessed May 20, 2012).

⁴¹ Simon Johnson says that the promise of not to bail out any more banks is not credible. Simon Johnson, “Could Goldman Sachs Fail?,” *Baseline Scenario*, April 14, 2011, <http://baselinescenario.com/2011/04/14/could-goldman-sachs-fail/> (accessed February 3, 2013).

⁴² Gordon, Robert. 2014. “The Demise of U.S. Economic Growth: Restatement, Rebuttal, and Reflections,” NBER Working Paper No. 19895, February.

⁴³ Sheile Bair, “Why I recommend Tim Geithner’s book,” *Fortune*, May 19, 2014. <http://finance.fortune.cnn.com/2014/05/19/sheila-bair-tim-geithner/> Accessed May 23, 2014.

⁴⁴ <http://www.warburgpincus.com/people/ViewEmployee,employeeid,449.aspx> accessed May 24, 2014.