Annotated Bibliography

Primary Sources

Andrews, Edmund L., et al. "Fed's $85 Billion Loan Rescues Insurer." *The New York Times*, September 16, 2008. http://www.nytimes.com/2008/09/17/business/17insure.html.

Andrews's article provides information about the Federal Government's attempts to "bail out" AIG. Although larger initiatives would be taken later, under the Troubled Asset Relief Program, this New York Times primary source provides a firsthand insight to what initial measures the government took to rescue AIG. I used this article to ascertain precisely how much money the government first gave AIG, as part of detailing the Bush administration's response to the financial crisis.

Dorgan, Byron L. "Gramm-Leach-Bliley Act of 1999-Part 1." Speech, November 4, 1999. Online, 7:59. YouTube. https://www.youtube.com/watch?time_continue=1&v=OvnO_SH-4WU&feature=emb_logo.

This speech warns of the potential consequences caused by GLBA, including banks becoming "too big to fail" or resorting to what was essentially gambling to increase corporate profits. Dorgan's prophetic words later became true during the 2008 financial crisis. His inspiring speech (and primary source) also gave me useful insight into the debate around deregulation during the Clinton Era.

Godoy, Maria. “Bear Stearns Bought Out by JP Morgan Chase.” *NPR*, March 17, 2008. https://www.npr.org/templates/story/story.php?storyId=88405777.

I primarily cited this radio news article to underscore the severity of the financial crisis. The collapse of Bear Stearns triggered a wave of collapses on Wall Street, and this is like live news coverage of the impending crisis. This article was also a firsthand snapshot into the importance of government intervention, since a government bailout allowed Bear Stearns to exit the market gracefully, while federal refusal to bail out Lehman Brothers triggered the latter bank’s collapse. As a radio report, it also conveys the feelings of the general public during the financial crisis.

Hershey, Robert D., Jr. “The Reagan Economic Legacy.” *The New York Times*, October 28, 1984. https://www.nytimes.com/1984/10/28/business/the-reagan-economic-legacy.html.

This news article is live coverage of the economic recovery that occurred in President Reagan’s first term. In it, the author muses how Reagan has successfully preached the laissez-faire economic ideas of low taxes and weak regulation. This implies that President Reagan’s implementation of those principles in his policies and decisions, played a part in the economic boom that happened during his presidency. I also read this article to understand the mood surrounding regulation in the 1980s and 1990s and to analyze the possible motivation behind people scrapping rules that kept financial institutions from hurting themselves and the general public.

U.S. Congress, House. An Act To further amend the national banking laws and the Federal Reserve Act, and for other purposes. H.R. 2. 69th Cong., 1st sess. *Congressional Record* 68, no. 639, daily ed. (February 25, 1927): https://fraser.stlouisfed.org/title/976.

This law is a legal barrier to bank size that was passed even before the Great Depression began. Its author, Louis Thomas McFadden, was a populist who despised big banks. The contents of this law allowed me to understand some of the possible motives for regulating the financial industry, besides the Great Depression. It turns out that many people distrusted financial agglomerations for being too elitist, and thus they felt necessary to regulate them.

U.S. Congress, House. Securities Act of 1933. H.R. 5480. 73rd Cong., 1st sess. *Congressional Record* 77, no. 22, daily ed. (May 27, 1933): https://govtrackus.s3.amazonaws.com/legislink/pdf/stat/48/STATUTE-48-Pg74.pdf.

I cited this law as an example of the legal barriers on the stock market that were erected following the Stock Market Crash of 1929 by Congress. The Securities Act of 1933 was the first real federal law passed by Congress to regulate the stock market. Prior to this law, only state-level blue sky laws regulated the stock market. This law also regulated the stock market by requiring traders disclose information about their offered securities. This law helped me understand the legal foundations of financial regulation in America

U.S. Congress, House. Banking Act of 1933. H.R. 5661. 73rd Cong., 1st sess. *Congressional Record* 77, no. 66, daily ed. (June 16, 1933): https://govtrackus.s3.amazonaws.com/legislink/pdf/stat/48/STATUTE-48-Pg162a.pdf.

I cited this law as an example of the legal barriers on bank size that were erected following the Great Depression by Congress. Additionally, understanding the rules laid out in Glass-Steagall can help me figure out exactly what regulations the pro-deregulation movement wanted to expunge, an important step towards comprehending the deregulatory legislation that Congress passed in 1980s-1990s. Examining the contents of this law also allowed me to better comprehend why it was the centerpiece of the regulatory edifice that laissez-faire economists despised.

U.S. Congress, House. Securities Exchange Act of 1934. H.R. 9323. 73rd Cong., 2nd sess. *Congressional Record* 78, no. 291, daily ed. (June 6, 1934): https://govtrackus.s3.amazonaws.com/legislink/pdf/stat/48/STATUTE-48-Pg881a.pdf.

I cited this law because it created the first federal agency that could seriously regulate the stock market. The Securities and Exchange Commission emerged from the various state-level blue sky laws that regulated the stock market. However, since traders usually ignored those state laws, they were generally ineffective. Congress decided to introduce both effective securities regulation with the Securities Act of 1933 and the power to enforce the new federal regulations by creating the SEC with the Securities Exchange Act of 1934. The SEC was the first real federal financial regulatory agency, so studying that act that chartered it allowed me to better understand why government agencies were established to regulate the financial industry

U.S. Congress, House. Garn-St. Germain Depository Institutions Act of 1982. H.R. 6267. 97th Cong., 2nd sess. (May 4, 1982).

I cited this law because it is one of the earliest examples of financial deregulation starting from the Reagan era. A common justification for deregulation was that they made America less competitive on the global market. The Garn-St. German Act allowed banks to provide adjustable-rate mortgage loans, a decision that would open the floodgates for subprime mortgages. This act helped me understand why the subprime market went mainstream.

U.S. Congress, House. Riegle Community Development and Regulatory Improvement Act of 1994. H.R. 3474. 103rd Cong., 2nd sess. (November 9, 1993).

The Home Owner and Equity Protection Act is actually a subtitle of a greater law, the Riegle Community Development and Regulatory Improvement Act of 1994. This subtitle was implemented amid the backlash of the Savings and Loan crisis. It implements regulations to prevent predatory practices regarding high-cost mortgages. Despite given the power to do so by this law, Alan Greenspan never tried to regulate the mortgage industry during the housing bubble or enforce this law. Subsequently, detrimental lending practices were still practiced by unscrupulous lenders. I primarily cited this law as an example of the vast powers regulators still had after deregulation. I contrasted this example of on-paper strength with the reality that Chairman Alan Greenspan never actually used those powers in carrying out his regulatory duties. He just allowed banks to set their own regulations. This law is essential to understanding why it was so consequential that financial regulations were only lightly enforced in the years preceding the 2008 financial crisis.

U.S. Congress, House. Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994. H.R. 3841. 103rd Cong., 2nd sess. (February 10, 1994).

I cited this law because it is a classic example of Clinton-era deregulation. Arguing that other countries did not prohibit interstate (or interprovincial) banking, and that regulations were detrimental to a bank's efficiency, Congress decided to overturn a banking law that had been in place even before the Great Depression. Along with GLBA, I researched this law to understand what deregulatory legislation was passed during the Clinton administration.

U.S. Congress, Senate. Gramm-Leach-Bliley Act. S. 900. 106th Cong., 1st sess. (April 28, 1999).

The Gramm-Leach-Bliley Act (GLBA) is the poster child of Clinton Era deregulation. It effectively neutered the most famous component of the financial regulatory edifice, the Banking Act of 1933 (Glass-Steagall). I researched the contents of this law and analyzed its rhetoric (including the title of the law) to understand the justifications that the Clinton administration gave for financial deregulation.

U.S. Congress, House. An Act Making consolidated appropriations for the fiscal year ending September 30, 2001, and for other purposes. H.R. 4577. 106th Cong., 2nd sess. (June 1, 2000).

The Commodity Futures Modernization Act (CFMA) was a subtitle of this appropriations bill. CFMA's chief sponsor, Senator Phil Gramm, snuck the bill into this bigger bill through amendment. Understanding the subtitle law CFMA is essential to understanding how an unregulated derivatives market may have encouraged people to make trade decisions that were detrimental to the long-term health of the US financial industry.

U.S. Congress, House. Sarbanes-Oxley Act of 2002. H.R. 3763. 107th Cong., 2nd sess. (February 14, 2002).

I primarily cited this law as an example of the various regulations that were not enforced. Despite being given the power to do so, neither Congress nor regulatory agencies attempted to increase the fairness or accuracy of credit reports. This lead to many individuals buying high-risk securities packaged as AAA. When many of the 'gold-standard' securities went insolvent in 2008, it destroyed the lives of many people.

U.S. Congress, House. Emergency Economic Stabilization Act of 2008. H.R. 1424. 110th Cong., 2nd sess. (March 9, 2007).

This law is a perfect example of the remedies that the government implemented to combat the 2008 financial crisis. In this case, the government spent $700 billion of taxpayer money trying to bail out the banks. I used this source to understand why popular opinion shifted towards more stringent regulation of the banks. Apparently, taking $700 billion from taxpayers to help usually well-off individuals avoid bankruptcy was an extremely unpopular decision. The argument detractors made was that Wall Street got off scot-free and received a bailout after its foolish actions contributed to the financial crisis. Understanding the law that bailed out Wall Street is essential to understanding why the public demanded regulation of Wall Street after the 2008 financial crisis.

U.S. Congress, House. Dodd-Frank Wall Street Reform and Consumer Protection Act. H.R. 4173. 111th Cong., 2nd sess. (December 2, 2009).

The contents of this legislation help me, as a historian, understand the perspectives and motivations of those who responded to the 2008 financial crisis with more regulations. Analyzing the provisions of this law can also help me understand why critics may rebuke it as not going far enough. However, I primarily engaged this source to find out precisely what efforts were made by Obama to prevent a financial crisis like 2008 from happening again.

Secondary Sources

Amadeo, Kimberly. “Subprime Mortgage Crisis and Its Aftermath.” The Balance. Last modified November 20, 2019. http://www.thebalance.com/subprime-mortgage-crisis-effect-and-timeline-3305745.

This article offers a brief summary of the history of the 2007 subprime crisis. Although it separates the subprime crisis into a 2006 subprime crisis and a 2007 banking crisis, for the sake of familiarity, I have chosen to combine the two events mentioned into a single 2007 subprime mortgage crisis. In the brief outline of the financial crisis that I give, this source is extremely vital.

Backhouse, Roger E. *The Penguin History of Economics*. London: Penguin Books, 2002. Digital.

Backhouse offers a clear and comprehensive view of the history and factors of economics. I primarily viewed his book as a means of understanding how economists shifted their general consensus from the Keynesian (pro-regulation) standpoint dominant during the Great Depression to one that is more laissez-faire (anti-regulation). According to Backhouse, economists saw the Keynesian model's apparent inability to stop 1970s stagflation, which made them lose their faith in an economic system that had been in place for decades.

Benston, George J. *The Separation of Commercial and Investment Banking: The Glass-Steagall Act Revisited and Reconsidered*. London: Macmillan, 1990. Print.

This book examines the impetus behind the Glass-Steagall Act, and attempts to evaluate its feasibility. Writing from a pro-deregulation standpoint, Benston ultimately concludes that Glass-Steagall is more harmful than helpful to the banking industry. This book succinctly depicts the mentality of the deregulation movement, but I primarily used it to chronicle the events of the Great Depression and understand the historical context when Glass-Steagall and other financial barriers were erected.

Chen, James. "The Volcker Rule." Investopedia. Last modified December 9, 2019. http://www.investopedia.com/terms/v/volcker-rule.asp.

This article is about a provision in Dodd-Frank that has been praised as the reincarnation of Glass-Steagall. It offers a baseline summary of the Volcker Rule, and laments how the rule was not ultimately implemented into Dodd-Frank (it had to be tacked on later). The author writes from an objective, informative standpoint. I used this article to research the Obama administration's various responses to the 2008 financial crisis. President Obama instituted many new regulations.

Dorgan, Byron L. *Reckless!: How Debt, Deregulation, and Dark Money Nearly Bankrupted America (and How We Can Fix It!)*. New York: Thomas Dunne Books, 2009. Print.

This book focuses on the broader purpose of denouncing corporate greed as a threat to the US. However, I read the chapter that discusses the role of deregulation and subprime lending in the 2008 financial crisis. It offered some insight into why the author, Senator Dorgan, vociferously opposed financial deregulation. I prominently featured Dorgan's opposition to GLBA in my paper.

Federal Reserve Bank of San Francisco. "How Does the U.S. Banking System Compare with Foreign Banking Systems?" April 1, 2002. https://www.frbsf.org/education/publications/doctor-econ/2002/april/us-banking-system-foreign/.

This article was written by the San Francisco Federal Reserve before the financial crisis. It helped me understand why the US would suddenly scrap regulations that had been around since the Great Depression. By giving me a global picture, this document helped me realize that in the 1980s and 1990s, deregulation seemed perfectly reasonable because the American financial institutions had to compete with less regulated foreign firms. Abolishing 'handicap regulations' was a way to level the playing field.

Inside Job. Directed by Charles Ferguson. 2010. New York: Sony Pictures Classics, 2013. DVD.

This documentary provides a general overview of the 2008 financial crisis. It takes a broad but comprehensive look at the various factors contributing to the crisis, most notably deregulation. This documentary essentially provided the outline for my argument about the financial crisis.

Kenton, Will. “Securities Exchange Act of 1934.” Investopedia. Last modified March 12, 2019. http://www.investopedia.com/terms/s/seact1934.asp.

This article explains the creation of the Securities and Exchanges Commission in 1934. It articulates what regulatory agencies Congress created in the Great Depression. Again, the author does not display any bias in his writing, but merely lists the facts of what the 1934 Securities Exchange Act does. This law gave me a basic outline of the 1934 Securities Exchange Act.

Kenton, Will. “Securities Act of 1933.” Investopedia. Last modified August 13, 2019. https://www.investopedia.com/terms/s/securitiesact1933.asp.

This article explains how the Securities Act of 1933 works. It provides an outline of the specific regulations instituted following the Great Depression. The author writes from an informative standpoint, which makes this an excellent source when I’m researching why the regulatory barriers and edifices were erected in the first place.

Kenton, Will. “Emergency Economic Stabilization Act (EESA) of 2008.” Investopedia. Last modified September 10, 2019. https://www.investopedia.com/terms/e/emergency-economic-stability-act.asp.

This article is about a law passed by the Bush administration to prevent an economic meltdown. I read it to understand the various ways the US government responded to the financial crisis.

Krugman, Paul R. "Reagan Did It." *The New York Times*. Last modified May 31, 2009. https://www.nytimes.com/2009/06/01/opinion/01krugman.html.

This article explains how a specific piece of legislation-namely, Garn-St. Germain-contributed to the subprime mortgage crisis. It offers an insightful look at the consequence of a certain facet of deregulation. This resource also explained how the legalization of adjustable-rate mortgages contributed to the growth of the subprime mortgage industry. Mortgages with adjustable interest rates could be easily modified to start out with low interest, but rapidly increase in a few months. I read this source to understand the origins of the subprime market in America.

Liberto, Daniel. "Interstate Banking." Investopedia. Last modified June 25, 2019. http://www.investopedia.com/terms/i/interstate-banking.asp.

This entry in Investopedia explains how the prohibition on interstate banking first came to be, how it was repealed, and what removing barriers on a bank's size did for the economy. When I researched the various government actions that enabled banks to become "too big to fail", the repeal of regulations on interstate banking came up along with the repeal of the Glass-Steagall Act.

Lin, Melissa. “Glass-Steagall Act: Did Its Repeal Cause the Financial Crisis?” Toptal Finance Blog. Last modified June 15, 2017. http://www.toptal.com/finance/investment-banking-freelancer/glass-steagall-act.

This blog analyzes the role of GLBA in concentrating the financial industry around a few banks and making those banks “too big to fail.” It specifically details the exact statistics behind how big those banks came to be. I had a preliminary idea that the bank failures of 2008 started a series of chain reactions that took down the US economy, but this website gave me insight on just how devastating they were, by demonstrating the disproportionate influence of the financial industry on the US economy.

Morgenson, Gretchen, and Joshua Rosner. *Reckless Endangerment: How Outsized Ambition, Greed, and Corruption Created the Worst Financial Crisis of Our Time*. New York: St. Martins Griffin, 2012. Print.

This book is different from my other resources in that it castigates Fannie Mae for contributing to the 2008 financial crisis, rather than Wall Street. However, the book also has its fair share of criticism for Wall Street. In the few instances that it criticizes financial deregulation by the federal government, I have gleaned many good examples of how Alan Greenspan practiced his belief in self-regulation, the idea that markets can regulate themselves most efficiency. However, this source has also helped me understand how even Fannie Mae was a part of the deregulatory wave of the 1980s and 1990s.

Richman, Sheldon. “The Free Market Doesn't Need Government Regulation.” *Fortune*. Last modified August 5, 2012. https://reason.com/2012/08/05/the-free-market-doesnt-need-government-r/.

This article, although dated to a time long after the deregulation of the 1980s and 1990s, perfectly sums up the popular view among laissez-faire economists that government regulations were antithetical to freedom. Instead, those economists were proponents of self-regulation, where people in an industry could mutually agree on a set of rules without government interference and establish an independent enforcement agency. The idea that government had no role in regulation played an important role in 1980s and 1990s deregulation. Learning about self-regulation allowed me to understand why government was willing to delegate regulatory duties to the financial industry even though common sense held that businesses were too motivated by profit to seriously scrutinize their own actions.

Sorkin, Andrew Ross. *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System—and Themselves*. New York: Penguin Books, 2009. Print.

This is a firsthand account of how the 2008 financial crisis unfolded. It explores the perspectives of many people involved in the crisis, including Henry Paulson, Richard S. Fuld (CEO of Lehman), and Lloyd Blankfein (CEO of Goldman Sachs after Paulson), and examines how they realized the true consequence of the unregulated markets they once desired. I found this book useful in explaining how various outcomes of deregulation (like high leverage) hurt Wall Street when the crisis came.

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

This book attempts to trace the origins of the 2008 financial crisis, outlines the alternatives to deregulation, and reveals that, even now, there are choices ahead that can make a difference. Writing from a Neo-Keynesian standpoint, Stieglitz is critical of laissez-faire economics, and exposes the role of government deregulation in contributing to the financial crisis. He especially calls out Greenspan for taking a hands-free approach to the economy when the financial sector was running amok during the Housing Bubble. Finding those charges very relevant, I incorporated them into my paper. This source gave me a good run-down of the 'guilty men' behind the financial crisis.

Time Editorial Board. "25 People to Blame for the Financial Crisis." *Time*. Last modified February 11, 2009. http://content.time.com/time/specials/packages/article/0,28804,1877351_1877350_1877322,00.html.

This article identifies the individuals who contributed to the 2008 financial crisis. It especially castigates Wall Street CEOs and pro-deregulation government officials. Among the list of "guilty men" are Angelo Mozilo (CEO of Countrywide, the largest subprime loan lender), Phil Gramm (author of GLBA), and Bill Clinton. I singled out Bill Clinton, because his administration, though Democrat (and historically, pro-regulation), embraced the neoliberal, deregulatory ideology of the Democratic Leadership Council. It not only refused to stop Reagan-era deregulation but escalated it even further. This source helped me understand Bill Clinton's relationship with the deregulation movement.