



Without fear and without favour

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Greenspan's Fed was more ignorant than libertarian

From Mr Adrian Day.

Sir, Henry Kaufman ("How libertarian dogma led the Fed astray", April 28) has a peculiar concept of libertarianism. I could appreciate how a casual observer might have been misled by Alan Greenspan's early writings, but his actions at the Fed – some of which Mr Kaufman cites – should have disabused anyone of the idea that the Greenspan Fed was in any sense libertarian or *laissez faire*.

Securitisation, quantitative risk modelling, and the infamous failure to recognise bubbles are in no sense libertarian; the last, indeed, is just ignorance and stupidity.

Mr Greenspan was constantly berated by informed libertarian economists throughout his tenure. The "Greenspan put" (by creating an asymmetry between risk and reward); which rests at the root of many of the economic problems of today, can in no sense be deemed *laissez faire*.

Indeed, the very concept of the Federal Reserve is the very antithesis of libertarian dogma: it is a price fixer (interest rates) and a government-enforced monopoly (issuer of monetary notes).

We might agree on some of the failings of the Greenspan Fed, but let's not call it what it wasn't.

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