Danielle DiMartino Booth: Fed Up with the Federal Reserve
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Erik: Joining me next on the program is noted author Danielle DiMartino Booth who wrote of course the book Fed Up which has gotten a lot of attention recently. Danielle, I read your book cover to cover this weekend and I'm really glad that I did because frankly it's not about what I thought it was going to be about and I found it much more interesting than I expected. I want to come back to that later but I just want to share with you, reading the book just kept reminding me of this movie that I saw years and years ago it was a documentary about the space shuttle Challenger disaster and of course NASA's party line was this was unforeseeable it was just a horrible unforeseeable terrible disaster.

As it turns out there was actually an engineer who at every turn was trying to warn people saying look there was badly scorched solid rocket boosters, there was blow by past the O-rings that clearly indicates that we have a flight risk problem, we need to do something, there was just one problem, this wasn't one of NASA's Ph. D. scientists, this guy only had a master's degree he was a lowly engineer and they would not take him seriously.

Danielle, you are that guy, but twenty years later at the Fed and it's not O-rings things this time, its housing crisis and it's amazing it was amazing to me reading the book.

Danielle: But before you jump in and before I forget the anecdote, I did get a second Masters while I was still working on Wall Street at Columbia University. Now forget the Columbia part it was to me the best journalism school in the country and I wanted to hone my writing skills for my retirement years. Well I will tell you one Ph. D. walked up to me and said well at least your second Masters is from Columbia and you dress better than anybody else in the building so I guess that makes you OK.

I sat there looking to him going you're just a poster child for diversity or sensitivity or some kind of training but they don't have Ph. D. sensitivity training.

Erik: Well and the thing that's amazing to me your background to me is extremely impressive, you were an investment banker seven years working on the street at DLJ which at the time was one of the biggest investment banks on Wall Street before it was acquired you, had an excellent track record there but then you went on to journalism and you were writing about your own prediction of a housing crisis being on the horizon going back to 2003 so you totally nailed it. You understood what was happening, why it was happening, you really had an amazing track record, you'd go get a job in research at the Dallas Fed.

Now for people who have never worked with academics before a reasonable thinking person might assume that when you got there there's a bunch of people with academic backgrounds and no real world experience, they ought to embrace you and say Danielle you've got all this real world experience were so anxious to have you give us feedback on our models because we need to know how it relates to the real world but that's not the culture that you encountered at the Dallas Fed in the research department, tell us what it was like there.

Danielle: Well you know it was very surprising to me the first time I was out on a trading floor in the middle of the day and you kind of smelled red meat kind of raw red meat and you felt this energy and I only put that out there to contrast it with the library meets the morgue sensation that I got when I stepped to the Federal Reserve bearing in mind there was nothing to offend the factory senses until you got close to the subsidized cafeteria where a lot of people spent a lot of their days but inside the research department bearing in mind I came in as house prices were peaking and rolling over and as the mortgage implode-meter subprime mortgage, I mean there was a website dedicated to blowing up subprime lenders as this thing was getting up and running and gaining a cult following and I walked in and it was just kind of like another day let's just whistling pass biscuits nothing going on here, nothing to see, it was genteel people going about their days trying to get published in prestigious journals.

Erik: It was amazing to me one of the things I remember going back to 2007 when I started reading and learning about the shadow banking system which of course is the network of non-bank financial entities such as hedge funds, private equity firms and so forth that actually by 2007 had become bigger than the official banking system and it's very complicated to get your head around what are the knock on effects of re hypothecation of collateral in the tri-party repo system and holy cow this is complicated stuff and if you had asked me at that time, well OK who really is the grand expert who really understands how all this stuff works and how it fits together? I would have guessed that this army of Ph. D. economists at the Fed would be the experts because they're challenged with having to regulate and govern the global economy, I mean in theory the U.S. economy but by extension it really is the global economy and it just shocked me to read this story in your book that the Fed literally didn't even know how the shadow banking system worked until almost by accident they hired this guy Zoltan Pozsar tell us the story of how that happened and what he did and how that affected the Fed's understanding of the financial system.

Danielle: Well I can tell you that it was not Timothy Geithner on to whose radar screen happened that Mr. Zoltan Pozsar who became a good friend, it was it was more Bill Dudley coming from Goldman Sachs. So, he kind of sort of understood the shadow banking system because the firm that he had come from had its own warehouses and what have you off the balance sheet.

Goldman Sachs in many ways has been the architect of a lot of the components of the shadow banking system over time and I would say that they are also leaders in regulatory arbitrage in other words in making sure that the way they conduct finance and the way they engineer the financial system is incapable of being comprehended by regulators.

So, it was Bill Dudley who found Pozsar but even he hadn't been able to connect all of the dots if you will that Pozsar had and we laughed that our backgrounds are both in finance but that neither of us were Ph. D.'s but he came to be a very crucial individual in the aftermath of the crisis mind you because he was able to build out the liquidity lines that had frozen up during the crisis. In other words he was on the ground, he was liquid plumber and it wasn't as we were arguing to Bernanke at the time which was falling on deaf ears, you're giving the patient the wrong medicine, it's not the level of interest rates, it's that liquidity is frozen between investors and between the borrowers we need to unfreeze these lines and it was Pozsar's map that helped them understand where these lines had frozen up in between the conventional and shadow banking systems in the middle of this subprime bubble that later became the subprime crisis.

Erik: Well, it comes as no surprise to me that this one guy Pozsar who actually had real experience on the street as opposed to just an academic background maybe he didn't have a Ph. D. but he was the guy who actually brought some reality to the Fed as you describe and helped them to understand what was important. So, please tell me five years later that this guy now has moved on and occupies a position of great higher responsibility at the Fed.

Danielle: No, actually he was told in no uncertain terms that that he needed to pass along this data and research to the doctors and give it up and let them do the important work and he needed to stay on the desk doing the work of the busybody at which point he said no and now he's at Credit Suisse.

Erik: So, it sounds like the feds culture is basically a bunch of academics that have never had a real job and when they get somebody who comes in and shows them up who actually knows what they're doing and understand how the system really works and for our registered users at macrovoices.com Mr. Pozsar wrote a fantastic paper while he was at the Fed in 2010 we have a link to that in your research roundup email which I recommend reading.

This guy who can really pull it all together instead of being rewarded as the guy who helped them to understand what was really important as opposed to their academic models, he basically gets pushed out of the organization in recognition for his contribution. It's just an amazing story.

Danielle: hard to believe absolutely.

Erik: I want to move on to another thing speaking of hard to believe that just blew my mind I think everybody listening to this program knows that in finance FOMC days are probably the biggest event in terms of data bigger, than non-farm payroll or GDP is that 2 P.M. on a Wednesday when the FOMC statement comes out every six weeks or so and every single trading floor everything stops every is glued to that T.V. set at one second before 2 P.M. liquidity literally dries up in the market because nobody wants to have orders open until they can hear those crucial words they're going to be so important.

Now considering that the Fed staff does not get any pre-briefing only the people on the FOMC know what the statement is going to say when it's released again a thinking person might conclude if they had never worked with academics before, that the people inside the Fed would be even more excited to see what the next FOMC statement is because it's going to affect their work in terms of briefing the FOMC members for the next meeting coming up.

So, it just blew my mind Danielle in your book you describe that at the Dallas Fed where you worked there are only two T.V. sets in the building, one in the president's office the other one was in the coffee room and on FOMC days you had to go to the coffee room to find out what the outcome was and you were the only one there all of these other people in the research department apparently didn't think it worth their time to go watch the FOMC statement come out live, that just blows my mind. So, what are these people doing at the Fed if they're not interested like the rest of us are in these FOMC statements that have so much effect on markets?

Danielle: Well, you know what they're doing is truly working on a lot of what they worked on when they got their Ph. D.s and it is let's say that there are – call it thirty, thirty Ph. D.s in any given research department well they are assigned a briefing maybe two, three at the outside times a year where they're actually preparing a briefing for the president to take with them to the FOMC meeting other than that they really are working on expanding their body of knowledge, many times which has to do with the topic of their dissertation and getting published in the next prestigious publication of economics.

The way that the pre-brief so to speak, this is the briefing made to others in the research department started was by the director of research rewarding those who'd had their papers accepted into these publications with a bottle of wine and everybody would clap politely and enviously because “oh, boy they got into that one” but that was one of-- when I spoke to people at the Fed who had left the Fed, one of the pragmatists if you will, main regrets was the inability to turn the research department into more of a machine that produced output specifically for matters that were pertinent to the FOMC.

You may think that I may have said a lot of nothing but concentrate on what I just said, matters that were pertinent to people setting interest rate policy that was one of his lifetime regrets after 40 years on the inside was that he hadn't been able to turn his machine into something that was a little bit more pragmatic and applicable to the real world.

Erik: I remember in the wake of the 2008 crisis we had a whole alphabet soup of government programs from TARP, to a whole bunch of other ones. One that really stuck out in my mind and you wrote about in the book was TSLF and I don't remember what it actually stands for because I always called it Treasuries Lent for Toxins we're basically you've got a whole bunch of worthless securities because you took crazy risks and the government or the Fed I should say decides to directly bail out Wall Street elected Fed officials decide that they're going to bail out Wall Street by allowing them to essentially swap this worthless paper for Treasuries.

That was very criticized in the blogosphere at the time I was absolutely fuming mad about it, I thought it was immoral. So, I'm really curious what's the attitude inside the Fed? People that were working for the Fed at that time feel like they were a party to doing something that was selling out the country to bail out Wall Street or did they not see it as a wrongdoing at all?

Danielle: Well bear in mind you're talking about decisions that are really made at the New York Fed and in Washington D.C. and these are the places that were considered to be the authorities within the broader organization and in terms of the politics of it and the optics of it and whether or not it was right or wrong or in between it was just the way things were done and if you look back so much of this has been made money good in terms of there not being any losses incurred for taking on the risk of holding that paper.

But that's neither here nor there I think that that is more a reflection of the fact that the Fed made it plain that through recurring iterations of quantitative easing that it would make sure that none of these markets collapsed and that in fact people who came in as scavengers if you will into these markets made a ton of money in the aftermath.

But to your point I don't think that the Fed, when you listen to Janet Yellen on T.V. say we're not political, I daresay quite a few of them believe what they're saying which is so amazing to me given just the prima facia evidence that they're anything but a political institution.

Erik: Well and along those same lines something that really struck out to me I didn't know until reading your book that your boss at the Dallas Fed was actually one of the only people on the FOMC who thought that there needed to be some equivalent to insider trading rules and what blows my mind if I understand this correctly if Janet Yellen tomorrow called Lloyd Blankfein at Goldman Sachs and said, "hey listen I got a secret for you know we're going to go with Q.E. four starting at the next meeting nobody knows about it go ahead and front run it and then you can give me a better job when I don't get reappointed by President Trump, when my term is up."

Obviously if she did such a thing and I don't think Janet would ever do that but if hypothetically she did she'd be selling out the entire country so that Goldman could make billions. If that happened would anybody have violated any law that's actually on the books right now?

Danielle: A law that's on the books well something that you just described would certainly be--

Erik: Because I don't think it would, I think that's actually illegal.

Danielle: Well, what you described is actually illegal. However the ability for Federal Reserve policymakers to meet with those in the private sector has not been reined in and I think we saw evidence of that with a recent Brookings Institution private audience with the vice chair Stanley Fischer and some of the people who sat on that board are members of some of the largest shadow banking entities on planet Earth.

The Fed I think would be convicted if what you described actually occurred but I think the opportunities for there to be leaks and if we've learned anything from Lacker and his assertion that he was simply the corroborator and not the source of the leak, if we've learned anything it is that the culture and the environment is such that leaders within the Federal Reserve don't feel that there's a conflict of interest involved in having private audiences with those who can benefit the most profit-wise.

So, that's a problem, that is a problem and it is a problem that has not been addressed, it shook me to my bones when Daniel Tarullo in his last few days at the Fed, in his capacity bear in mind as a lawyer but it shook me to my bones that Tarullo said that the Lacker matter had been resolved properly and legally and that the matter itself was going to be put to rest, that was highly unsatisfactorily for me and I don't even think we should honor the Fed, I'm not even in that camp.

Erik: Why don't we talk then about what we should do because obviously Ron Paul the libertarian from Texas, your state, has tried unsuccessfully to mount campaigns to end the Fed or to audit the Fed, I think you don't agree that those are the right solution so what is the right solution, what needs to happen in order to rein this organization in and make it accountable to the best interests of the country?

Danielle: Well, there are a lot of things we can do. You discussed something that could be very elegantly satisfied by bringing Glass Steagall back, I know people hate to hear that but you know if you're going to bring deposits in and the commercial safety-net of the U.S. government under you, don't take the taxpayers' money to Vegas and borrow and play with it and speculate with it keep investment banking activities outside of anything that will ever touch the taxpayers purse. Slice the dual mandate that was doubled in 1977 back in half, leave job creation in the hands of the private sector, in the times of recession, if we need to extend unemployment benefits maybe once, fine then Congress can step in in times of emergency but otherwise the Fed does not have the correct tools to address the labor market it is what's caused mission creep within the institution, remove that from the Federal Reserve and leave them simply with safeguarding the buying power of the U.S. dollar period and I mentioned earlier the fact that there are power seats in Washington D.C. and at the New York Fed I would argue that those need to be distilled and dispersed throughout the country and that the original lines drawn in 1913 of the 12 Federal Reserve districts be readdressed that three of them that are in the Midwest vanished because they're no longer economically relevant and that when you add one on the West Coast because clearly Janet Yellen's San Francisco Federal Reserve during the years that of the buildup to the housing bubble there wasn't enough in the way of eyes, ears on the ground supervision regulation. You'll end up with ten Federal Reserve districts give all permanent vote and make sure then that you slash the number of Ph. D.'s and you bring in more people who are on the receiving end of that policy, who don't have an agenda, who aren't the host of the canes or some other economic school of thought and who can come in and help you make much more pragmatic policy decisions going forward, that's just my short list.

Erik: That's the short list and I'll just point out for listeners that the entire last chapter of your book is the long list and I really found it quite enlightening. I want to move on now though to some of the knock on consequences of what's happened here because I hear so much talk about rate normalization and everybody saying oh we're just but about to begin returning to historically normal treasury yields and I just think wait a minute if you look where we are now on the ten year yield you'd have to double or triple it in order to get back to historically normal yields, that by definition means you would have to double or triple the cost of borrowing for the U.S. government to finance its operations and now that we're at twenty trillion dollars of debt half of it having been created after the financial crisis, if we went back to a ten year yield of six percent plus it would bankrupt the federal government.

So, my contention is we're stuck here because the government cannot afford to do what it claims it wants to do which is to normalize rates, am I right to think that the Fed has basically boxed us into a liquidity trap where we're going to be stuck with economic stagnation and super low interest rates for many years to come or have I missed something here?

Danielle: I think you're spot on. I think that you speak to the crime if you will and I don't use that word lightly. The crime of a bunch of doctors who cannot write prescriptions thinking that they know how to solve the world's problems and imposing themselves upon our economy as they have in the form of low interest rates has not only left our government vulnerable to rising interest rates and made it such that we can never have rising interest rates, it has committed the same exact crime against U.S. households and corporations all entities, all three of those depend on interest rates never being normalized.

Erik: And this just leads me to the next thing which I think is literally the biggest story of our lifetimes which is you know a lot of people would say well the big financial story was the great depression of the 1930s and the next story after that was the great financial crisis of 2008. I don't think 2008 was the story, I think the pension crisis of the 2020s and 30s that hasn't happened yet which you write about in the book that is to me where I think the biggest story of our lives is going to come in and I just think how many people on the street, how many lay people, understand they're upset about the bailout of the Wall Street banks because they think it was unfair, but how many of them understand that the price that we paid for that is that pension systems globally are under-capitalized to the tune of at least $75 trillion.

Laurence Kotlikoff research says that in the United States the total fiscal gap if you include unfunded liabilities like Medicare and Medicaid and Social Security is $202 trillion. Ten times the size of the national debt. If we agree Danielle that rates are stuck low for a long time, I don't see any possible way that could lead to anything other than a massive pension crisis in our lifetimes in the next 10 to 15 years I don't think hardly anybody comprehends that that's the price that we have yet to pay but we're about to pay how many of the hardworking firemen and policemen and factory workers who have been told the strongest social contract that we have in civilized society is this promise of a pension.

You work hard all your life, there's these really really smart finance guys some of them have Ph. D.'s and they've been entrusted to design and run this system that guarantees you financial stability in your retirement, guess what they're not going to see that money it isn't going to happen and it isn't going to happen because of what the Fed has done. Am I out of my mind to think that it's that extreme?

Danielle: No, you're not and you don't even describe a situation that is necessarily just American I won't go off on this tangent but the minister of finance of Germany informed Mario Draghi that if he insisted on maintaining his low interest rate policy that German life insurance companies would start to go under beginning in 2018 I think it was sort of next year.

You know every single time I write about pensions and I write every single week for my blog but every time I write about pensions I'm amazed at the hand to hand combat that breaks out in my comments section because you've got somebody whose wife was a teacher for her entire career and she has two master's degrees and she retired after a lifetime of hard work and by golly that pension is something that she earned and legally deserves and then you've got somebody on the other side who says but I'm having to pick up my family and leave this state because my property taxes in my retirement years have become so onerous that I can no longer afford to live here because they keep raising my property taxes to top off the pension system.

Guess what, both of those people commenting on my fed are absolutely correct, they're both in their rights in terms of being outraged and it's not just in response of Federal Reserve policy but it's also in response to people who were corrupt in terms of backing these pensions, politicians, the people, the unions etc. It took two to tango but it was years and years ago inside of the Federal Reserve, I had lunch with Richard Fisher and it was when there were riots in the streets of Athens and it just happened to be when he and I were having lunch to celebrate my fortieth birthday this is years ago, I said what is your greatest fear in your lifetime that you will see and he said I fear that we will see those riots in our streets and that got us on a discussion about the pension system.

It's a huge problem that nobody wants to talk about they prefer to think that Meredith Whitney made a bad prediction a few years ago on 60 Minutes and that it didn't come to fruition inside of twelve months' time and ergo we don't need to talk about it anymore and let's be polite that is not the case the pension situation is not going to go away, it's going to end up being a Federal issue not that anybody wants that to be the case that it's going to end up being an issue for federal taxpayers.

Erik: Well you say next year it's already happening in your state of Texas this year where you have public employee pensions that are in just disastrous crazy situations what has to happen next Danielle? Because I mean as much as I enjoyed your book I don't think that the masses of everyday Americans are going to be reading a book about the Federal Reserve, do we need a movie along the lines of The Big Short that says hey did you know you're never going to see your pension and it's the Fed's fault and we need reform and we need people to pay attention to this what needs to happen in society in order for these wrongs to be corrected because I think we're headed in the 2020s for a massive crisis and the thing is when we get to that point it's not like the federal government can just say hey we'll bail everybody out they do they don't have enough money to bail everything out and eventually you get to the point where as far as I'm concerned, we're already at a point where $20 trillion of national debt that can never ever be repaid in real terms, it can be paid in nominal terms if you inflate away the purchasing power but you can never repay that and it would only get worse and I think that if you tried to have a government bailout of all of the pension systems that are going to fail in the next ten years it would result in the dollar losing its reserve currency status and a massive treasury crisis.

So is it really as bad as I think and more importantly what do we as a society need to do in order to fix the wrongs that have already occurred is it recoverable at this point and what needs to happen next?

Danielle: These are just impossible questions to answer as bad as the situation is going to be for public pensions individuals who have their retirement savings in 401K. plans and haven't been able to get any return on their cash, they're also going to get hit by the same exact series of events that hit pensions.

So, in terms of where will we be able to find relief, all four of my children take Mandarin because I'm concerned that the problem is going to become global that everybody won't be able to inflate away their debts nicely and elegantly and that you will end up with something beyond a currency war in terms of potentially a real war because who's going to end up having enough money to address a situation especially if you look forward a few years down the line and consider the Chinese are in the process of working through their foreign reserves, so who's going to be stepping up to our auctions when these things occur to our treasury auctions as these things are culminating and at some point you have to consider the possibility that our reserve currency status does not hold.

Erik: And I would definitely agree with that, I think the only reason it has held this long is because there is thus far no viable alternative to U.S. Treasuries as central bank reserve assets but boy folks like Sergey Glazyev in Russia and the Chinese are working pretty hard to solve that problem and they see it as a problem, they think that we need for the world to have alternatives to the US dollar as a reserve currency and I'm very curious to hear your view if you accept my argument that you can never repay the national debt in real terms, you can only pay it back by debasing the currency, doesn't that mean that if we're at all time high prices and low yields that really doesn't make any sense that you're paying top dollar for some loan that can never be repaid.

You kind of beat me to the punch on this one if you look at what history teaches us about this when you have a situation where governments cannot possibly bail situations out, the solution that actually works if you want to consider it a success is going to war so are we headed for a global sovereign debt crisis that leads to a global military confrontation, is it really that bad, I think it could be I don't think it's a dire Oh my gosh this is going to happen tomorrow prediction, but I think in the next ten to twenty years we could be looking at a global military conflict that results from the fact that there is no solid sovereign debt or reserve asset if somebody doesn't replace the dollar, what would be the reserve asset, how would the global financial system continue to function or would the international monetary system collapse in some kind of global sovereign debt crisis, are these ideas just too crazy to be real or am I on to something that could actually happen?

Danielle: Well I think that one of the reasons that China, there was a very informative story about China's trilemma so to speak and they're trying to manipulate their currency at the same time that they're trying to modernize capital flows and they can't have everything at the same time but a lot of the reasons that they were trying to modernize was to have the Yuan accepted into a basket of four currencies.

Well, if you look at who is inside the basket basically you're talking about United States Europe Russia and China and if you want to talk about the longest continuous border in the world that would be that between Russia and China and my greatest concern is the Yuan is nowhere near the status where it could potentially replace the dollar but things happen really fast if you're the country with a few trillion dollars extra set aside versus the country that is not, if these things were to come to fruition at least China has put themselves in the position to potentially be part of the basket and or take the dollar out as the reserve currency.

If you speak to textbook economists the kind who love me so much that they've all taken me off their Christmas card list, OK I was never on them, but if you listen to them if there's going to be a sweet gentlemen's agreement whereby all of the debt is formally monetized and goes away, I can't see that happening, I can't see our enemies allowing that to happen and for us to walk away with reserve currency status peacefully. I just don't see it and by that same token until there's an alternative or some kind of an event that throws things and I think that that will be the next recession in the United States that gets the ball rolling but until that happens all that markets reflect right now with interest rates still at ridiculously low levels, is the lack of alternatives, but it doesn't reflect what the end game could potentially be.

Erik: So, do you think that that means that there is a U.S. Treasury bond crisis that is on the horizon but the catalyst that causes it to happen is the emergence of an alternative that doesn't exist yet, is that the correct interpretation of your last comment?

Danielle: I think so, I think that bitcoin is not viable per se, but I do think that its emergence is a reflection of global distress in the dollars prospects to be able to retain its reserve currency status given the behavior of our politicians, excuse me, given the lack of behavior among our politicians to address what's to come.

Erik: What would your guess be Danielle if you had to speculate as to what will eventually emerge to replace the U.S. dollar as the world's reserve asset, as the world's reserve currency? Is it the currency of another nation or is it an innovation along the lines of bitcoin that ends up doing that how do you see this playing out?

Danielle: Oh gosh, you're talking about the ultimate crystal ball and I wish I could help you out because A. I don't understand crypto-currency, I don't understand bitcoin, I've got some real crazies on my Twitter feed who have tried to explain it to me even though I don't want to have it explained to me and I cannot envision a world in which there is not a superpower because we just live in an alpha world where whoever prevails is the one who's currency gets to be it and it was British pound sterling at a time when Britain was a colonial nation and controlled most of planet Earth and as things stand today at least economically speaking we control most of planet Earth judged by the amount of global payments that occur in dollars.

I cannot envision some kind of a bitcoin successor coming about, I don't see sovereigns behaving that way. I see sovereign behaving as one of the dominant and the others are subservient in some way at some level.

Erik: Well, I would love to go on for another hour talking to you about the potential knock on effect to me it's just an absolutely fascinating subject but unfortunately we are running out of time before we close I just want to share with our listeners my experience with your book. I made the wrong assumption about what it was going to be about, I thought it was going to be a tutorial to help the lay person understand the mechanics of monetary policy and what the conventional tools are and how quantitative easing works and how it's different and so forth and I kind of thought I'm pretty knowledgeable about that already, I'm probably not going to learn very much from reading this book,

My experience was the exact opposite Danielle, the way I want our listeners to think about this, you remember if you've been in this market for a while the 2007 and 8 event you remember the monetary policy response with initial accommodation of eventually getting to the zero bound into Q.E. in Operation Twist and so forth, this really is an insider's diary telling that whole story exposing the politics and the culture of the Fed and how dysfunctional so many aspects of it are and I think that even people who are expert at monetary policy and so forth who are not insiders will gain a lot of insight into how things really work in this organization that so many people put on a pedestal and think is just so all knowing about all things and it's simply not true and you do a fantastic job of telling the story.

So, the book is fed up by Daniele DiMartino booth but I know a lot of our listeners are going to want to follow your work even more closely than that so what's on your website , what other writing do you do besides the book, where can people learn more about you and what you do?

Danielle: please I'm invited to come on to my website dimartinobooth.com Follow me on Twitter @DiMartinoBooth you will not be unhappy, I promise I don't waste anybody's time on Twitter and subscribe to my weekly and you can also go on Bloomberg I'm one of their new prophets, so I write a weekly commentary for Bloomberg as well and I think you'll find that I have opinions on all sorts of things they're all grounded though in that near decade I spent on the inside of the Federal Reserve and how that has definitely changed the way I see the world.

Erik: Well I cannot thank you enough for a fantastic interview Danielle and I definitely recommend the book to our listeners. Patrick Ceresna and I will be back as Macro Voices continues right here at macrooices.com.