



The Age of Turbulence: Adventures in a New World

Alan Greenspan

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The most remarkable thing that happened to the world economy after 9/11 was ...nothing. What would have once meant a crippling shock to the system was absorbed astonishingly quickly, partly due to the efforts of the then Chairman of the Federal Reserve Board, Alan Greenspan. The post 9/11 global economy is a new and turbulent system - vastly more flexible, resilient, open, self-directing, and fast-changing than it was even twenty years ago. The Age of Turbulence is an incomparable reckoning with the nature of this new world - how we got here, what we're living through, and what lies over the horizon, for good or ill, channelled through Greenspan's own experiences working in the command room of the global economy for longer and with greater effect than any other single living figure.

The Age of Turbulence: Adventures in a New World Details

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From Reader Review The Age of Turbulence: Adventures in a New World for online ebook

Brian says

The first half of the book is a pretty straight forward memoir. He details the beginning of his career, his consulting firms, old-school number crunching, and all the other things one would expect from an economist.

The second half of the book is a whirlwind "Around the world in 80 criticisms." Greenspan tells us what he thinks is wrong with every national economy. The answer is always "cut back government and let the market do its job" -- even in the fact of glaring inequalities like India. He doesn't quite sidestep issues of rapid advancement for some segments of society, but he fails to mention anything that would help those excluded from progress. Then again, that's the job of "The Invisible Hand" set forth by Adam Smith. Government interference would be the wrong thing to do.

I couldn't even finish it. I hoped I'd learn something about the man that oversaw the Federal Reserve that would explain some of the decisions that have placed our economy on the skids. Instead, I got really angry. I'm glad I borrowed this one rather than purchasing it.

Ryan says

While I've always respected Greenspan, I had no idea he was such a renaissance man. The first half of the book, his biography, is fascinating. His first career was as a jazz musician - a musician who did the other bandmembers taxes, because he enjoyed it! He became a part of Ayn Rand's circle, and she was actually a humanizing influence on him! Maybe I shouldn't be surprised, but it isn't exactly what I expected from the world's leading living authority on economic matters.

As for the second half of the book, I also found it interesting, especially since several of his predictions have come to pass, even in the short period between the publication of the book and now, January of 2008. However, while the first half of the book makes good reading for anyone interested in learning a little bit about one of the most influential men of the last 30 years, the second half can be skipped by anyone who doesn't have a more specialized interest in economics.

One thing that I found interesting was his discussions of happiness as it relates to individual economic welfare, and immigration. Greenspan has always been a proponent of free markets, in the belief that free markets are the most powerful engine for improving material well-being. He acknowledges, however, that it has become very clear in his career that there is not a straight-line correlation between increases in material prosperity and happiness. Once basic needs have been met, you don't get happier as you get more - you have a brief spike in happiness as you reach a new level, and then happiness drops down to the baseline. Rather than the absolute level of material prosperity, your RELATIVE prosperity, (relative to your peers), becomes more important to your level of happiness. Take that as point one.

Second, overall happiness in the U.S. is low right now, in part because there is a large disparity between low income households and high income households. The disparity is caused by a shortage of highly educated individuals in certain fields. The fastest way to increase the number of highly educated people available, and therefore decrease the premium paid for their education, is to loosen the barriers to immigration for highly

educated people. This will lower the incomes of the highest paid segment of the population, decreasing the wage disparity - and thereby increasing the overall level of happiness in the U.S. (Greenspan does not make this argument. He discusses relative wealth and happiness, and he discusses the shortage of highly educated people and how to alleviate it. If his claims are correct, however, my argument follows from his.)

I find this interesting because immigration and employment protection are two of the most sensitive issues in the country right now. Many people who are unhappy because they feel that their relative level of wealth has declined, want to limit immigration, so that "foreigners don't steal our jobs." Other groups protest the WTO and World Bank as primary drivers of globalization, which is "stealing jobs from the poor around the world," as well as from workers at home.

The irony is that, at least in the U.S., we don't have any real worries about our absolute level of wealth. Most of us know where our next meal is coming from. It's our relative level that decreases our happiness, and the best way to fix that is to encourage immigration, and discourage job protection. Those very people who don't want immigrants stealing their jobs would be happier if we had more immigration.

There are many more small ironies to be found in "Age of Turbulence," if you know where to look. A worthwhile read.

Clackamas says

This book actually made me want to meet the man. I thought that anyone who would pick a career like this had to have the personality of a water cracker, but he seems to have a sense of humor. Yes, he does name drop a lot, but who cares?

I think my favorite thing about this book is that he had to have written the stuff about what's wrong with our political system and his forecasts for our country and the world before he retired... he makes some pretty ballsy statements.

Betsy says

Picked this up for \$1 at the library book sale and read it on vacation because the cover screamed "beach read." But it was good. I liked his writing style. A little mathy (my word) and facty (also my word) but entertaining. He has been a part of so much of the last 70 years of this country's history so he's fascinating. Because it came out in 2007, I admit that I skimmed the second half where he talked about his predictions for the future.

Stephen Cafaro says

Greenspan writes like he talks. The content is largely concerned with his logic and defense of his economic decisions during his reign at the FED. If it were up to him, we would have another 18 years of similar decisions. In his words, he is right and time may or may not justify his FED policies!! In a nutshell, he presents piles of ambiguity and loads of innuendo inserted among his nebulous terminology. He is a true master of economic and financial spin!

Willy says

Interesting at first, because the book takes you in the world of one of the most influential people of late. Disappointing at the end. I have the feeling he doesn't tell all he should have. He sure ain't telling how todays financial troubles started out.

Todd N says

I read the hard cover book and then downloaded the "epilogue" on my Kindle.

I was going to read it over last Xmas break, but my wife grabbed it and started reading it before I could. This sat on my nightstand for almost a year when my curiosity about the recent financial problems made me pick it up.

The first half of the book is a straight forward memoir/autobiography and is easy reading. There are lots of interesting anecdotes (AG was in a big band! And he did his bandmates taxes!) and name droppings (AG dated Barbara Walters!).

The main puzzle of this part of the book is why our staunch free market advocate AG needs to rush from crisis to crisis throughout the book. There is a certain irony in AG discussing how great the invisible hand is as he rushes around trying to bail it out of trouble.

The second part of the book is AG's take on different sections of the world and various topics related to economics. He ends with an interesting chapter where he lays out his thought process as he tries to predict the state of the economy in 2030, a topic of great interest to me because I hope to Christ that I am retired by then.

The Epilogue is a new chapter that was added to the paperback edition. Fortunately it is unbundled as an ebook. This is AG's attempt to bring his book up to date with the events of mid-2008, around the time that Bear Sterns failed.

Considering the stock drop, bailout, and credit problems since then, I'm eagerly anticipating the epilogue to the epilogue.

Mamdouh Abdullah says

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Ice Bear says

After reading this it is no wonder we got into such a mess.

If success in life is about luck, disposition and discipline, how come so many people forget about the first element.

I recognise the capacity of intellect and being in a social circle of similar people of influence can have it's benefits, and that hindsight makes all things easier to explain.

But greed & inequality do not seem to change over history, and mother nature is a dynamic system of which we still know very little.

Greenspan's element of luck is missing, but the legacy we have today of those unbalanced times will be the historical record.

Al says

The good things about this book are that Greenspan is a free marketeer, and he has an immense store of economic knowledge to draw on. The bad things are that the book is too long, and tries to cover too much (maybe he was being paid by the page). One thing I hadn't known was that Greenspan was a disciple (and friend) of Ayn Rand (who knew?). It's not surprising that he provides no advice to investors; just hopes that we don't spend ourselves into oblivion. One surprise, given his political leanings, is how little concern he seems to have about the continuing shredding of human rights in some of the world's developing nations. Honestly, I never would have read this if it hadn't been given to me, and I can't say I'm much the wiser for having done so.

Claudia says

This book is a go-to resource for anyone with an interest in the economy, global studies and international and transdisciplinary perspectives in finance. What we have got is an extensively researched and profound discussion of key aspects of macroeconomics by Alan Greenspan, who is surprisingly easy to read, in spite of some of the dry technical aspects.

The book is divided into two parts. In the first part, the Author looks at his own life and biography. We find out he was a musician from a largely Jewish community in New York. We learnt of this family situation and how he became an entrepreneur in services directly after playing the trumpet and jam with known celebrities across the country. We hear about his famously following of Ayn Rand. We learnt how he became the FED chairman for nearly 2 decades and his relationships with Presidents from Nixon to George W. Bush.

The second part of this book is meatier and explains the macroeconomic situation of key regions in the world. We learn about Asian Tigers development prior to the Chinese takeoff and afterwards. The Chinese

revolution from a largely agricultural to a more urban society undergoing quick urbanisation of the Pearl River Delta, following record internal migration and Greenspan concerns about the kind of growth the country is experiencing because of its non-democratic system and authoritarian nature of its regime but ending on a hopeful note that China may continue free-market reforms and propel the world to a more prosperous level in the process. We read about the situation in South America and its seemingly unending cycle of economic populism. We hear the story of how Margaret Thatcher modernised the UK and opened its borders to more integration and economic opportunities, despite its Fabian socialist roots. We read about India and its growing bureaucratic and governance issues and we learn about Australia's sprawling and successful economy. We read his discussion about Russia and how its eroding democratic system appears to be having economic consequences and what they could be in the future and we read a sobering account of the development and nature of the situation in continental Europe following the WWII to the fall of the Berlin Wall and the introduction of the Euro.

Above all, however, this book speaks from an American perspective and experience. Greenspan is a man of his time. I got a definite sensation of a man speaking from an industrial and wealthy point of view. Perhaps such things are unavoidable when you are the Fed Chairman for such a long time. At the end of this enriching book, we get some a surprising oracle of Delphi exercise.

There's a phenomenon I find happens a lot to older writers... some of them seem so focused on the past they lived, that it's a bit harder for them to look at the now and the future. You often get quite a few older authors appearing to be locked in their youth days and dismissive of the present. Greenspan attempts to get out of that particular straight jacket and instead of being lost speaking of the 50s or 60s, he looks at the past 200 years and makes a temporal correlation and analysis that allows readers to follow his mind track as he forecasted possible developments for the future. As this was written in 2007 and read (by me) on 2017 it's interesting how current and correct Greenspan's forecasts turned out to be. I am sorry he didn't dwell much on the 1987 and Asian crisis as I think there are important lessons in both sets of circumstances. But I note that above all, this is an intellectually demanding if generous book and deserves the 5 stars I am giving it.

James says

This book is interesting on many levels. First, for all his elusiveness while in office at the Fed (which he says was intentional and refers to as "fedspeak"), Greenspan writes clearly, directly, and entertainingly. There's a clear humanity to the writing - and the story - that came as quite a shock. Yes, Greenspan was a mathematics and economics geek from an early age. But he was also a professional musician when he was younger, and knowing things like that makes it a lot easier to follow him through the story, which at times delves deep into the guts of the economy. It helps the reader trust him, that he'll explain so we can understand. He also uses this part of the book to lay the foundations of economic theory as they stood then, and to follow their evolution through the story at hand.

And explain he does. Greenspan's service in the federal government began in the Ford era, during the financial turmoil of the day - double digit inflation, economic stagnation, Nixon's prior attempts at wage and price control. He details the Whip Inflation Now - WIN - program, which I can vaguely recall seeing buttons for (along with the more sarcastic LOSE buttons), and why the program didn't - and couldn't work). He goes into considerable detail of why the economy was the way it was then.

And so the story proceeds, from Ford, skipping Carter, to Reagan, Bush1, Clinton, and Bush2. Politically, Greenspan seems to settle in the small-l libertarian range, and so his biggest problems with government are when populism or special interest result in runaway spending and/or pork spending in Congress. As a result, he has great respect for Ford, under whose administration inflation finally was whipped by raising interest

rates - but the rebound came too late to save Ford's election. He comments little on Carter, as he wasn't in the business at the time. He had great hopes for the Reagan administration, but they weren't realized because once again, Congress couldn't keep the purse strings closed. Skipping ahead, it's surprising (at least, to anyone who hasn't read the reviews), that he had great respect for the Clinton administration. He felt Clinton had a good understanding of the economy, and used his veto powers effectively to control federal spending. Which, in Greenspan's eyes, all went to hell with Bush2 and the Republican Congress.

He covers Black Friday, the fall of the Berlin wall (with intriguing insight into how the market economies that came up in formerly-Eastern Bloc countries succeeded or failed due to factors of the societies, and the way the changes were executed)the growth and bursting of the internet bubble, the growth and bursting of the real estate bubble, and, of course, 9/11. All the major economic events of the last 30+ years, all the ones I can remember, he covers from the inside, and details what was done, by who, and why to try and make the economy work better.

And, of course, he lays out how the future might go, projecting forward for the next 30 years what might happen in the U.S., England, China, Japan, Europe, and Russia.

The book gets drier and drier as you go from Greenspan's life and the turbulent events he witnessed further into theory and prediction, and by the end, it's a bit of a slog through.

It's worth reading. It takes a long time to digest once it's read. And if economics is a new subject for you, you might want to read "Economics for Dummies" first, as I did, so you have some framework to absorb what he's saying.

Abdulaziz Alseja says

A lot of data. Greenspan trying to shift the blame of his 25 years as Fed chairman on to things "out of his control". Redundant, You really have to get into the mood for this one and again some.

Don says

It took me an extraordinary amount of time to finish this book. When I first started, I dug in with excited vigor, eager to learn what drives our economy. I am a lover of the complex and global economics is about as complex as it gets. Mr. Greenspan begins the book detailing where he was during the events that transpired on September 11th, 2001. He describes how his flight from Zurich was re-routed back to Switzerland where he awaited news of his wife, news correspondent Andrea Mitchell who might have been at the Pentagon. During this intense period of time, Mr. Greenspan also had to deal with the stability of the U.S. economy as it reacted to the perceived financial destruction and oozed fear. The compelling and charged beginning launched me into this well constructed biography.

I have tremendous respect for this self made man. He is much more well rounded than is commonly known. He is an accomplished saxophone player and jammed professionally with the likes of Stan Getz. For a hard-lined Republican and self described Libertarian, he has remained remarkably apolitical during his tenure as

chairman of the Fed. Through Ford, Carter, Regan, Bush Sr. Clinton and Bush Jr., he has been consistent with his fiscal policies. As a younger man, he was partially ideologically molded by Ayn Rand and her fellow New York Objectivists. I have read both The Fountainhead and Atlas Shrugged so I know the dogma, I get the dogma and from a purely personal perspective, I subscribe to a certain subset of Objectivist values. After reading this book, I can safely say that Alan Greenspan feels similarly. While he may buy into the notion that every human should have it in them to take care of themselves, he nonetheless supports a financial backbone that facilitates a wealth of socialized programs: public education, welfare, medicare, social security, fed backed securities and the list goes on.

I was in the middle of reading Turbulence when Alan Greenspan testified before the Senate Banking Committee stating that he did not see the massive collapse of global financial institutions coming. I didn't expect him to, no rational thinking person could expect any one person to see that deep into such a chaotic and unpredictable system; that's not what bothered me. His statements that day tainted the rest of the book. Many assertions I read were now followed by, "but, look what happened." Many people blame Alan Greenspan personally for these global woes we're experiencing. Many people feel that he should have foreseen corruption and illegal behavior. I sit before this keyboard and tell you that I cannot live in a society where I assume people will ignore the law. How would I ever coast confidently through a green light ever again?

I learned a fantastic amount of detail I will likely never be able to accurately recall about free market economies, China's regulations, central banking throughout the world and the financial system supporting and spewed out of the oil industry. The oil industry is vastly more complicated than I could have ever, in my wildest imagination, dreamt. I can thank Alan Greenspan for a glimpse into the depths of this issue that will forever put a pause into my brain.

This is not a light read. It is beefy and meaty served with starch and gravy. It took me a very very long time to get through but I am glad I did it. If the middle did drag on a bit as details about every major world economies will, for the perspective I have briefly gained on the very fundamental structure on which our economy is based, I thank you, Mr. Greenspan.

Ilya says

Revisited 10/8/08-

Okay so in light of the financial meltdown currently going on- I'd like to bring attention to my comments on Greenspan's flawed view of "minimally regulated capitalism"... I was right!!! The deregulation (and, in retrospect, easy credit years) of the Greenspan era isn't really Greenspan's fault, since this isn't the Fed's primary role. He has always advocated deregulation, however, and argued throughout his reign (and in his book) that that government regulators aren't capable of regulating complex and highly sophisticated derivatives and "innovative" financial products.

I dunno- how does the government create institutions that effectively regulate anything?!? The FDA and pharma/biopharma clinical trials? Regulation of all things nuclear? Stem cell research? These are not easily understood and regulated things, yet somehow the government doesn't throw its hands up and say "Well, looks like this is too tough to regulate. Better let 'the market' take care of this".

Summary: Good if you can get through it and know what to expect

Overall I liked it. Greenspan is basically a living legend and it was interesting to get his account of the economic events of the past 30 years, and predictions for the next 30. I would say however, that this book isn't for everyone. It's pretty damn dry- I would suggest some kind of econ or financial background, or at least a serious interest in monetary and fiscal policy. Even then, don't expect to be blown away (contrary to The Economist review, which basically called it refreshing and readable). What do you expect from a central banker?

The book starts with a little peak into Greenspan's personal life and upbringing (was a musician, consultant, and entrepreneur), and mentions by name all of the famous / A-list politicians and world leaders he is "friends" with (this eventually gets annoying and is sometimes pointless). He then moves on into his lengthy career at the Fed and provides comment for every major economic policy decision made during his tenure. Sprinkled throughout you'll find all kinds of libertarian propaganda and his mantra- minimally regulated capitalism is resilient, flexible, and the economic system that provides the greatest hope for human advancement... The enterprising reader might supplement this read with "World on Fire", "No Logo", or "Theory of the Leisure Class" to understand the problems with that stance.

It doesn't take much to figure out how one-sided his life has been and to some degree how it has guided his views. One of the most telling passages is about his first trip (in middle age) to Venice- when he "realizes" that not all societies are obsessed with progress and the advancement of GDP. I found it to be a bit sad actually...

For all of his raging republicanism, he takes some very liberal stances on education and immigration reform in the later chapters, though there are inherent contradictions in his views that he conveniently ignores (i.e. where one gets the funding for sweeping social programs like education overhaul).

Mengran Xu says

This book has been too big and too hard a piece for me to digest. I have never taken any courses on economics, let alone macroeconomics or finance. I know utterly nothing about equities, securities, derivatives, or hedge funds. I was more interested in Alan Greenspan's life and American politics and diplomacy, assuming he must have close ties with all the passing presidents. To some extent, this book did not fail me completely—but it was incredibly dry to read. The size of this book was not an issue—if a book is well written and you happen to have the background knowledge, you can finish five hundred pages within a week or two. I felt so for the first part, when Greenspan reflected on his childhood and career path, but certainly not enjoyable for the last part when he commented on more theoretic issues. I also like the chapters that Greenspan devoted to China, India, Russia, Europe, and Latin America—he shared many good insights and many of them have withstood the test of time.

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??Here are a few messages that I took away from reading this book:

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??1. Greenspan is a firm believer and advocate for free market economy. He has been arguing throughout the book that no system so far has been more productive and efficient than market economy. All we need to

do is to create the fertile ground for the free market to emerge, which includes the rule of law, absence of central planning, protection of property right, and minimum governmental regulation. Market economy has shown to be stable, robust, and flexible over the long term and given we don't have a solid understanding of how it works, our best option is to leave the work to the invisible hand. From his perspective, the best example is the recent transformation of Soviet economies (China and Eastern Europe).

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??2.A fiat currency system is inevitable but beneficial. It enables massive improvements in productivity and therefore lifts our standard of living. It also facilitates globalization, free capital flow, and international trades. However, the downside is that it leads to inflation.

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??3.Although much of our economy is regulated relatively well by the invisible hand, there is always one thing we cannot control—human psychology. We always have periods of euphoria and fear. The way Greenspan put was incredible—he said that despite going through the same pattern for generations, our fear does not seem to follow a learning curve. In other words, history does not alter human responses and emotions, and hence, bubbles and depressions will repeat themselves.

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??But I am also critical with a few things that might bias his perspective:

??1.He is a republican at his core. True he survived many presidents from both parties, it is hard to say how much of his facts and predictions is influenced by his political standpoint and interests.

??2.I am still dubious about the close ties that exist between the Feds and Wall Street. I need to be convinced that Greenspan is not serving the interests of those banking conglomerates.

??3.He is too much an economist and tends to explain everything using the market framework, which makes me wonder if he really is that naive towards geopolitics and diplomacy.

??4.Please Greenspan, tell us how do you account for the 2008 financial crisis?

Matthew says

One can't help coming to this book with the starting premise that, smart of this man was, he got it wrong. Wrong about beating inflation, wrong about being too laissez faire on financial regulation, wrong about keeping rates and policy too loose for too long. Indeed one embarks on this book asking how Greenspan explains himself.

For all that though it's an educational read. The first half is more interesting, as Greenspan discusses his career history as a pioneering industrial economist, and then his political involvement with various White House administrations. The second half is less interesting, not because his opinions on the economic future of the US and her trading partners, or on issues of demography, productivity, technology, corporate governance, regulation, etc, are not worth reading, but because they are not especially unique. Perhaps the one thing that stood out here was his belief that by 2030, inflation in the US will be 4-5% -- because the disinflationary forces of globalisation and IT driven productivity will have been maximised, concomitantly the developing country savings pool will also have stopped expanding -- and US long term bond yields could be 8%. (This was published in 2007.) This was ironic to me because people see the Greenspan Fed as thinking they beat inflation -- which perhaps they did, but at least he attributes it to structural forces and doesn't take the credit for himself as suggested.

So how does Greenspan fare in the first half? I'm not American, so perhaps I'm more forgiving. He comes across as a policy-maker whose instinctive stance is hawkish, but turned less so for various reasons. In 1991 he was hawkish, and remained so through the mid 1990s during which the Fed pulled off a soft

landing. In the late 90s, though, he came to believe the IT boom had led to a permanent improvement in productivity, which allowed an above trend growth rate without leading to inflation -- allowing the Fed to remain more dovish on rates. This was compounded in 1998 by the Russian debt crisis he felt any tightening could be destabilising in the fragile environment, and that this risk over-weighed the potential inflationary risk from a dovish stance. Then in the lead up to the dot com bubble, the Fed backed away again from watching asset prices, deciding that any attempt to control the bubble by raising rates would be futile, and hence going back to watching CPI inflation. They did raise rates though. But after 9/11, rates were lowered aggressively -- again because of fear that Fed tightening might destabilise markets (it does seem here the Fed believed its actions matters to asset prices on the way down but not on the way up). Rates were further lowered in 2003 because in the aftermath of the dot com bust there were concerns over deflation. Yet shortly after, house prices started rising sharply -- Greenspan notes this but his discussion of rates ends here, rather blurred over.

Other interesting tidbits are his positive views on the Henry Ford and Clinton administrations, and negative ones on the 2 Bush administrations. In addition, he is a fiscal hawk, and makes the case for fiscal conservatism very convincingly. On this point it surprised me greatly that in the final years of Clinton's house, in 2000, the Treasury was in a budget surplus and was actually forecasting a very high level of surpluses going forward, to the extent that they expected to pay down the US debt fully within a decade and then have the problem of the Fed not being able to execute Open Market Operations because there was no US debt market. (Incidentally I believe Singapore doesn't need to incur debt either as our books balance regularly but the government issues debt in order to have a SG bond yield curve and presumably also for policy flexibility.) This gave Bush II the political ammunition with which to push through his tax cuts -- even though after the dot com crash and before the cuts were implemented the budget deficit sank sharply and surprisingly into a large deficit; amazingly the forecasters hadn't realised the significant impact of capital gains tax returns that reversed sharply following the 2001 dotcom crash.

So, all in all, a read that starts out interesting, gets a little tedious but is overall worth the time. Even if you disagree with, dislike, or disrespect Greenspan, he was Fed governor for 18 years and his perspective is worth knowing.

Steven Peterson says

This is a solid autobiography with some interesting twists. Thus far, many reviewers focus their attention on his assessment of presidents. While this is interesting, there is a lot more to this book than that. Indeed, a brief line on page 14 is a subtext throughout those portions of the book dealing with his public life (page 14): "If the story of the past quarter century has a one-line plot summary, it is the rediscovery of the power of market capitalism." He also notes, as another subtheme, that (page 18) "It is in our nature. . . to persevere and advance in the face of adversity."

The biography begins with a straightforward but not necessarily very insightful depiction of his younger years, from birth through college and into business. His association with Ayn Rand is an interesting "plot twist." Those not familiar with this part of Greenspan's life (myself included) will find it useful to place his career in context. It is interesting to learn of his interest as a youth in music and baseball.

In terms of his public life, this work well depicts the growing circle of heavy weights, and how this networking culminated in Greenspan's accession as head of the Federal Reserve Board. We get insights into

a number of major economic figures--Arthur Burns, Paul Volcker, Herb Stein, Bob Rubin, and so on.

His work with presidents began with his role as an economic advisor to Richard Nixon. Because of some strange moments (when Nixon lost his cool and went berserk), Greenspan chose not to serve in his Administration, until the very end. He rated Nixon (with Bill Clinton) as the two smartest presidents that he ever worked for.

Next, he took on an expanded role with the Ford Administration. He notes that Ford was admirable in his simplicity and lack of airs. His economic values (federal spending restraint, a balanced budget, and stable long-term economic growth) were concepts that Greenspan was most comfortable with. His evaluation of Jimmy Carter is not so positive. When Reagan assumed office, Greenspan became more engaged. E.g., he served on a panel to "save" Social Security. In the end, he was named Chairman of the Federal Reserve Board. There follows his many years in that role, working under very different presidents and economic perspectives--from Reagan to George H. W. Bush to Bill Clinton, to George W. Bush. His evaluations of Reagan and Clinton are far more positive than toward the two Bush's, one of whom he felt disengaged from the economy (the elder) and one of whom was irresponsible with the public treasure (the younger). Again, it is the analyses of presidents that many have fastened upon.

However, the later chapters are intriguing in their own right, when he judges major economic issues such as the nature of economic growth, the Chinese accession as a major player on the world scene, debts, globalization, his aversion to regulation as a policy tool, the challenges of an aging world, and energy. His last chapter, in a sense, is quite interesting, as he tries to project the state of the economy in the year 2030. Those who have read and appreciated the recent book "The Black Swan" will probably be amused by Greenspan's analysis, as he begins by saying that his analysis is based on certain assumptions, but if unexpected events occur, then everything is up for grabs.

The book is functionally but not compellingly written. I would have appreciated a bit more self-reflection on his earlier years. But this is a useful work to read because of the author's key role in the economic and financial world for so many years.

Robert says

An absolute must read for anyone with an interest in finance. For a generation, Chairman Greenspan was the most powerful man in the world, controlling the economies of the world, though he tried his best to let them sort themselves out. This is a burden that clearly weighed on him, and he became adept and beating the politicians at their own game: speaking for hours without saying a thing.

In this book, you finally get inside his head, albeit through the lens of his hindsight (20/20 anyone?). This man is a genius, and explains some of the most complex subjects of economics with an elegance that is suitable to all levels of sophistication. The most fascinating part of this book is his dissection of the necessary preconditions for the sustainment of capitalism within a society. Absolutely incredible.

Confusing though, is how a man who dedicated his professional life to free markets and belief in mankind goes so far the other way at the end of his book (and his career) to once again embrace some keynesian principals. A testament to the corrupting forces of absolute power, I suppose.

Where has Al been this year anyway? Staying out of the limelight since his economic policies are getting slammed in the press, I suppose. I hope his health is OK. In another five years when he crawls out from under whatever rock he is hiding under, he will have some incredible insight into the mess we are in now.

todd says

Blaise Pascal apologized to a correspondent for a long letter because he didn't have time to make it short. Alan Greenspan may have been similarly constrained.

The Age of Turbulence consists of three main parts in its 505 pages. The first half is an autobiography where we learn of his New York roots, his love of music and the development of the economic analyst and political entrepreneur. Next are chapters reviewing the economic development of China, India, Russia and Latin America. The final chapters are devoted to Greenspan's view of the "big themes," including education, an aging demographic, corporate governance and energy.

The autobiographical material is smartly paced, but drops more names than page 6 of the New York Post. Many lines are devoted to his active social life. For example, in the early days of his relationship with Andrea Mitchell, he tells of having to turn down her invitation to a Washington press black tie event because he was already going with Barbara Walters. Swell.

The major disappointments come from the balance of the book where too often he paints with a very wide brush.

As an example, he asserts that Amaranth's failure in 2006 didn't cause the problems of LTCM's collapse because our free markets had become better risk shifters over eight years. He omits the fact that virtually all investment banks and broker dealers in 1998 held similar positions to LTCM, while very few people were exposed to Amaranth's natural gas positions. The financial dominoes were lined up in 1998 for a massive fall that the Fed avoided. If 2007's liquidity events had happened before the book went to press, the truth could not have been side stepped.

Similar blurring of details surrounds the 1987 Crash and other major events of Greenspan's tenure. But more disappointing is the hyperbole that one simply cannot believe. In the chapter on governance, he begins by stating he had never seen a company "fall from icon to pariah to virtual nonexistence so quickly" as when the market stopped extending credit to Enron. Was he asleep at the helm when Drexel, a most venerated and successful brokerage house went bankrupt almost overnight after it faced RICO charges and lost the confidence of its creditors? One finds it impossible to believe Greenspan's grasp of these events is as loose as it appears.

Perhaps these generalizations were meant to appeal to a broader target audience than professional economists, bankers, or market participants. If that is true, however, then one struggles to understand how Chapter 18, Current Accounts and Debt, ever made the final cut. Reciting lists of statistics so numbingly dull that his various Congressional testimonies almost sound pithy, Greenspan tries to demonstrate how deficits (probably) matter. Unfortunately, by the time we follow the logic and the data, we lose sight of why we should care about the problem.

In the end, we are left with a flawed book by a talented, if honorable, man. Individuals named seem to include only "friends" and "close friends." Perhaps this was done because a gentleman, having little good to

say about someone, says nothing at all. But there are many invisible actors in this history, including at least a couple of Vice Chairmen at the Fed, who are today wondering whether they actually went to work for all those years.

This is, without a doubt, the only shot we'll get from Greenspan. That is too bad. Many would rather have seen a detailed look of what it was like to run the Fed for almost two decades. That is something from which we could have learned. This history is way too shallow to afford a true understanding of events. And for those who are looking for the libertarian case for economic growth, go back to Friedman's *Capitalism and Freedom* or almost anything by Hayek. Both of those great minds spent the time necessary to write the proverbial short letter.
