

VITA

ROBERT L. HETZEL

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Biographical Data

Date of Birth: July 3, 1944
Family: Married, 3 children

Education

B. A. University of Chicago (1967)
Ph. D. University of Chicago (1975)

Dissertation

Short-Run Reserve Position Adjustment of New York City Banks
(Chairman: Milton Friedman)

Professional Experience

Member Executive Committee, Western Economic Association, 1989-1991
Economist, Federal Reserve Bank of Richmond, 1975-1980
Research Officer, Federal Reserve Bank of Richmond, 1981-1984
Vice President, Federal Reserve Bank of Richmond, 1985- 2004
Senior Economist and Research Advisor, Federal Reserve Bank of Richmond, 2004-present

Current Work Responsibilities

Participate in preparation of Federal Reserve Bank of Richmond's president for FOMC meetings and attend FOMC meetings three times yearly. As of June 2012, involved in the preparation for and briefings following 310 FOMC meetings.

Regularly give talks to college groups.

Past Work Responsibilities

Organized hiring for Ph.D. economists from 1976 through 1986 (jointly with Marvin Goodfriend after 1978). Started the practice of advertising nationally and interviewing job candidates at the annual ASSA meetings.

Hired research associates from 1976 through 1995. Responsible for changing the

classification for the job from administrative assistant to research associate and for installing a new, higher pay scale. Started practice of hiring RAs in between undergraduate and graduate work. (Hired John Walter and Alex Wolman as RAs.)

During presidency of Robert Black, regularly talked to Baltimore, Charlotte, and Richmond directors. Performed this function intermittently under presidency of Al Broadus.

Starting in fall 1975, persuaded the Richmond Fed to challenge FOMC Chairman Arthur Burns by arguing that the Fed was responsible for inflation. At that time, only the San Francisco Fed had joined St. Louis in this view.

Involved in organizing bank conferences, for example, in October 1987, organized a conference at the Richmond Fed on the LDC debt crisis with Allan Meltzer and speakers from Citibank and the IMF.

Books

The Monetary Policy of the Federal Reserve: A History. Cambridge: Cambridge University Press, 2008.

The Great Recession: Market Failure or Policy Failure? Cambridge: Cambridge University Press, 2012.

(These books constitute the only basically complete history of the Federal Reserve. Nearest competing book only extends through mid-1980s.)

Publications

"The Federal Reserve System and Control of the Money Supply in the 1970s," *Journal of Money, Credit and Banking*, 13 (Feb. 1981), 31-43.

"The October 1979 Regime of Monetary Control and the Behavior of the Money Supply in 1980," *Journal of Money, Credit and Banking*, 14 (May 1982), 234-51.

"Estimating Money Demand Functions," *Journal of Money, Credit and Banking*, 16 (May 1984), 185-93.

"A Mandate of Price Stability for the Federal Reserve System," *Contemporary Policy Issues*, 3 (Fall 1985), 59-67.

"A Congressional Mandate for Monetary Policy," *Cato Journal*, 5 (Winter 1986), 797-820.

"Will Recent High Growth Rates of Money Revive Inflation?" *Contemporary Policy Issues*, 5 (January 1987), 41-53.

"The Behavior of Money Demand in the 1980s," *Journal of Money, Credit, and Banking*, 21 (November 1989), 455-63. (with Yash Mehra)

"The Political Economy of Monetary Policy," in ed. Thomas Mayer, *The Political Economy of American Monetary Policy*, Cambridge: Cambridge University Press, 1990. also reprinted in Mayer, Thomas and Steven M. Sheffrin. *Fiscal and Monetary Policy*, vol. II, The International Library of Critical Writings in Economics, Elgar, 1995, 99-60.

"A Better Way to Fight Inflation," in ed. Frederic Mishkin, *Readings to Accompany The*

Economics of Money, Banking, and Financial Markets, Harper Collins, 1992.

"Indexed Bonds as an Aid to Monetary Policy," *Economic Review*, 78 (January/February 1992), 13-23, reprinted in "Inflation-Indexed Treasury Debt as an Aid to Monetary Policy." Hearings before the Commerce, Consumer, and Monetary Affairs Subcommittee of the Committee on Government Operations, House, 102 Cong., 2nd sess., June 16 and 25, 1992, 162-73. Also reprinted in Gerald J. Miller, *Handbook of Debt Management*, New York: Marcel Dekker, 1996, pp. 781-91.

"Too Big to Fail: Origins, Consequences, and Outlook," in ed. Peter S. Rose, *Readings on Financial Institutions and Markets*, Richard D. Irwin, 1993 and in ed. Robert W. Kolb, *The Financial Institutions and Markets Reader*, Kolb Publishing Co., 1993.

"Currency Boards: Their Past, Present, and Possible Future Role: Comment," Carnegie-Rochester Conference Series, December 1993, vol. 39.

"A Note on Theories of Money Stock Determination," Finance and Economics Discussion Series, Division of Research and Statistics, eds. Marvin Goodfriend and David H. Small, Federal Reserve Board, Operating Procedures and the Conduct of Monetary Policy: Conference proceedings, March 1993.

"Making Monetary Policy," *The Cato Journal*, 5 (Spring/Summer 1992), 255-78.

"Why the Price Level Wanders Aimlessly." *Journal of Economics and Business*, 47(May 1995), 151-63.

"Milton Friedman - A Biographical Sketch." *Encyclopedia of Keynesian Economics* David Colander and Geoff Harcourt, eds., Edward Elgar, 1996.

"Achieving Consistency in Policy While Encouraging Open Debate" in *Regional Aspects of Monetary Policy in Europe*, Jurgen von Hagen and Christopher Waller, eds., Kluwer Academic Publishers, 2000, pp. 275-8.

"Price Stability and Japanese Monetary Policy." Bank of Japan *Monetary and Economic Studies* 22 (October 2004), 1-23.

"The Case for Inflation Targeting." *Cato Journal*, 27 (Spring/Summer 2007), 273-81.

"Lessons from the Depression for the Recession of 2008." Centre des Professions Financieres, *Les Cahiers du Centre* 4 (January 2009), 40-46.

"World Recession: What Went Wrong?" IEA *Economic Affairs*, Oxford: Blackwell Publishing, September 2009, 17-21.

"Government Intervention in Financial Markets: Stabilizing or Destabilizing?" in Banca D'Italia *Financial Market Regulation in the Wake of Financial Crises: The Historical Experience*. Eds. Alfredo Gigliobianco and Gianni Toniolo. Banca d'Italia, November 2009.

"Central Bank Accountability and Independence: Are They Inconsistent?" *Journal of Macroeconomics*, 34 (March 2012), 616-25.

"The Great Inflation." in Randall Parker and Robert Whaples, eds., *The Handbook of Major Events in Economic History*. New York, NY and Oxford UK: Routledge Publishing, 223-238, 2013.

Book Reviews

"The Impact of the Federal Reserve System's Monetary Policies on the Nation's Economy (Second Report), Staff Report of the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance and Urban Affairs," *Journal of Money, Credit and Banking*, 13 (Nov. 1981), 533-35.

"Central Banks' Independence in Historical Perspective," *Journal of Monetary Economics*, 25 (1990), 165-76.

"Inflation Stabilization: The Experience of Israel, Argentina, Brazil, Bolivia, and Mexico," by Michael Bruno et al, *Journal of Economic Literature*, 29 (March 1991), 92-4.

"Monetary Policy and the Great Inflation in the United States: The Federal Reserve and the Failure of Macroeconomic Policy, 1965-79." By Thomas Mayer, *Journal of Economic Literature* 38 (December 2000), 947-8.

Miscellaneous

"A Better Way to Fight Inflation." *Wall Street Journal*, April 25, 1991.

"Maintaining Price Stability: A Proposal." *Economic Review*, 76 (March/April 1990), 53-55.

"Indexed Bonds as an Aid to Monetary Policy." *Economic Review*, 78 (January/February 1992).

(These articles initiated the beginning of a process that led to the introduction of TIPS (Treasury Inflation-Protected Securities). My idea was picked up by a congressional staff economist, Don Tucker, who organized hearings on the proposal. Those hearings took place June 16 and 25, 1992 and led to a Treasury study. In the Clinton administration, the Treasury responded favorably to the study and began to issue TIPS.)

"Remembering Milton Friedman: The Power of Markets." *Richmond Times Dispatch*, 11/29/06, p. A13.

Publications Federal Reserve Bank of Richmond (a sample of articles that have been cited by other economists)

"The Rules versus Discretion Debate over Monetary Policy in the 1920s," *Economic Review*, 71 (November/December 1985), .

"Monetary Policy in the Early 1980s," *Economic Review*, 72 (March/April 1986).

"Henry Thornton: Seminal Monetary Theorist and Father of the Modern Central Bank," *Economic Review*, 73 (July/August 1987).

"The Monetary Responsibilities of a Central Bank," *Economic Review*, 74 (September/October 1988).

"A Mandate for Price Stability," *Economic Review*, 76 (March/April 1990).

"Free Enterprise and Central Banking in Formerly Communist Countries," *Economic*

Review, 76 (May/June 1990).

“Too Big to Fail: Origins, Consequences, and Outlook.” *Economic Review*, 77 (Nov/Dec 1991).

"Sterilized Foreign Exchange Intervention: The Fed Debate in the 1960s," *Economic Quarterly*, 82 (Spring 1996).

“The Case for a Monetary Rule in a Constitutional Democracy,” *Economic Quarterly*, 83 (Spring 1997).

“Arthur Burns and Inflation.” *Economic Quarterly* 84 (Winter 1998).

“Japanese Monetary Policy: A Quantity Theory Perspective,” *Economic Quarterly*, 85 (Winter 1999).

“The Taylor Rule: Is It a Useful Guide to Understanding Monetary Policy?” *Economic Quarterly*, 86 (Spring 2000) .

“The Treasury-Fed Accord: A New Narrative Account,” *Economic Quarterly*, 87 (Winter 2001). . (with Ralph F. Leach)

“After the Accord: Reminiscences on the Birth of the Modern Fed,” *Economic Quarterly*, 87 (Winter 2001), 57-64. (with Ralph F. Leach)

“German Monetary History in the First Half of the Twentieth Century,” *Economic Quarterly*, 88 (Winter 2002).

“German Monetary History in the Second Half of the Twentieth Century: From the Deutsche Mark to the Euro,” *Economic Quarterly*, Spring 2002.

(These last two articles constitute the only basically complete overview of the history of the Reichsbank and Bundesbank.)

“Japanese Monetary Policy and Deflation,” *Economic Quarterly*, 89 (Summer 2003).

“How Do Central Banks Control Inflation?” *Economic Quarterly*, 90 (Summer 2004).

“What Difference Would an Inflation Target Make?” *Economic Quarterly*, 91 (Spring 2005).

“Milton Friedman and Liberty.” *Region Focus*, Winter 2007.

“Making the Systematic Part of Monetary Policy Transparent.” *Economic Quarterly*, 92 (Summer 2006).

“The Contributions of Milton Friedman to Economics.” *Economic Quarterly*, 93 (Winter 2007).

“What Is the Monetary Standard, Or, How Did the Volcker-Greenspan FOMC’s Tame Inflation?” *Economic Quarterly*, 94 (Spring 2008).

“Should Increased Regulation of Bank Risk-Taking Come from Regulators or from the Market?” *Economic Quarterly*, 95 (Spring 2009).

“Monetary Policy in the 2008-2009 Recession.” *Economic Quarterly*, 95 (Spring 2009).