## FRAGILE BY DESIGN

# The Princeton Economic History of the Western World $\label{eq:conomic History} \mbox{Joel Mokyr, Series Editor}$

A list of titles in this series appears at the back of the book.

### FRAGILE BY DESIGN

The Political Origins of Banking Crises and Scarce Credit

CHARLES W. CALOMIRIS and STEPHEN H. HABER

PRINCETON UNIVERSITY PRESS
Princeton and Oxford

### Copyright © 2014 by Princeton University Press

Published by Princeton University Press, 41 William Street, Princeton, New Jersey 08540 In the United Kingdom: Princeton University Press, 6 Oxford Street, Woodstock, Oxfordshire OX20 1TW

press.princeton.edu

Jacket illustration: © Anne-Lise Boutin/Marlena Agency. Design by Jessica Massabrook.

All Rights Reserved

Library of Congress Cataloging-in-Publication Data

Calomiris, Charles W.

Fragile by design: the political origins of banking crises and scarce credit / Charles W. Calomiris and Stephen H. Haber.

pages cm.—(The Princeton economic history of the Western world)

Includes bibliographical references and index.

ISBN 978-0-691-15524-1 (hardcover : alk. paper)

- 1. Banks and banking—History. 2. Bank failures—History.
- 3. Credit—History. I. Haber, Stephen H., 1957- II. Title.

HG1561.C35 2014 332.109—dc23 2013033110

British Library Cataloging-in-Publication Data is available

This book has been composed in Sabon with Whitney display by Princeton Editorial Associates Inc., Scottsdale Arizona.

Printed on acid-free paper. ∞

Printed in the United States of America

1 3 5 7 9 10 8 6 4 2

#### TO OUR DAUGHTERS

Eleni Sophia Calomiris

Zoi Nicoletta Calomiris

Natalie Camila Haber