BANKING STUDIES

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By Members of the Staff

Board of Governors of the

Federal Reserve System

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PREFACE

The seventeen papers in this book were written by members of the staff of the Board of Governors of the Federal Reserve System, under the editorial supervision of a staff committee. They are published in the hope that such light as they cast upon the past and present in the field of money and banking may help to illuminate the approach to the future. The purpose has been to present in brief form and simple language the substance of a large mass of information bearing on banking and monetary problems that the Federal Reserve System has accumulated during its quarter century of operation, and particularly during the past decade.

Although in a field as controversial as this it is impossible for an author to remain entirely neutral, the aim throughout has been to present the material in an objective and impartial manner. The seventeen papers cover a wide range, and therefore inevitably traverse ground that is beset by controversy and sharp differences of opinion. The authors of the studies have specialized in the particular subjects of which they write, and in the preparation of their papers they have sought to present facts and not opinions. These studies, while assembled in one volume, were not intended to be a series of related chapters of a book, but to be, as the title indicates, separate studies of some of the important aspects of this country's banking and monetary system and of the role that it plays in the functioning of the economy.

The authors and editors are indebted to a number of economists, bankers, and other students to whom early drafts of the papers were submitted for comment and criticism. Particular thanks are due to Robert B. Warren and to Donald B. Woodward for their help in organizing the studies into a series which it is hoped, notwithstanding separate approaches by individual authors, nevertheless has some features of an organic whole. Acknowledgment is also made to Marie Butler Leven for editing the studies and preparing them for publication.

It is hardly necessary to add that the points of view and the distribution of emphasis in the studies are those of the authors, and do not necessarily reflect the views of the Board of Governors or of the Editorial Committee.

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Washington, D. C.
August, 1941.

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BRAY HAMMOND

Chief

Correspondence and Publications Section

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FEDERAL RESERVE PUBLICATIONS

Copies of the publications and releases listed below may be obtained from the Board of Governors of the Federal Reserve System, Washington, D. C.

CURRENT RELEASES

Daily

Foreign Exchange Rates (for previous day).

Weekly

Monday:

Condition of Reporting Member Banks in Leading Cities.

Bank Debits—Debits to Deposit Accounts, except Inter-bank Accounts.

Tuesday:

Money Rates—Open-Market Rates in New York City. (Also monthly).

Thursday:

Condition of the Federal Reserve Banks.

Condition of Reporting Member Banks in Central Reserve Cities. (Also included in statement of Condition of Reporting Member Banks in Leading Cities, released on following Monday).

Department Store Sales—Index for United States and Percentage Changes by Federal Reserve Districts.

Monthly

The Federal Reserve Bulletin. Released about the 10th of the month. $2.00 per annum, or 20 cents per single copy, in the United States and certain countries of Central and South America; elsewhere, $2.60 per annum, or 25 cents per single copy. Group subscriptions for 10 or more copies, in the United States, 15 cents per copy per month, or $1.50 for 12 months.

Brokers' Balances Released about the 20th of the month.

National Summary of Business Conditions. Released about the 18th of the month.

Business Indexes. Released about the 18th of the month.

Bank Debits—Debits to Deposit Accounts, except Inter-bank Accounts. Released between the 6th and 12th of the month.

Foreign Exchange Rates. Released about the 1st of the month.

Department Stores Sales—Percentage Changes by Federal Reserve Districts and by Cities. Released about the 22nd of the month.

Department Stores Sales—Percentage Changes by Departments. Released about the end of the month.

PUBLICATIONS

Quarterly

Member Bank Call Report. Released about two months after call date.

Semi-Annually

Federal Reserve "Par List" (Banks upon which checks will be received by Federal Reserve Banks for collection and credit). Released in January and July, with monthly supplements about the 7th of the month.

Annually

List of Stocks Registered on National Securities Exchanges. Supplements issued quarterly. 25 cents for list and supplements.

Bank Debits—Debits to Deposit Accounts, except Inter-bank Accounts. Released ordinarily in February.

Annual Report, covering operations for the preceding calendar year.

BOOKS

The Federal Reserve System—Its Purposes and Functions. Obtainable in cloth binding at 50 cents per copy and in paper cover without charge. 128 pages.

Digest of Rulings—to October 1, 1937. Digests of Board rulings, opinions of the Attorney General and court decisions involving construction of the Federal Reserve Act, together with compilation showing textual changes in the Act. $1.25 per copy. 683 pages.

Chart Book I, Federal Reserve Charts on Bank Credit, Money Rates, and Business. New edition, completely revised, February 1941. 72 pages of charts with space for plotting through 1942. 50 cents per copy; in quantities of 10 or more, 45 cents per copy.

Chart Book II, Federal Reserve Charts on Industrial Production. October 1940. 224 pages of charts, with space for plotting through 1946. $1 per copy; in quantities of 10 or more, 85 cents per copy.

Banking Studies. Comprising seventeen papers on banking and monetary subjects by members of the Board's staff. August, 1941. 512 pages. $1.50 per single copy; 75 cents per copy in quantities of 10 or more.

Banking and Monetary Statistics. Containing a comprehensive compilation of domestic and international banking and monetary statistics, with some earlier historical data, but directed principally to the period since the establishment of the Federal Reserve System. Now in preparation; will be available about January 1, 1942. Approximately 1,000 pages. $1.50 per copy.

REPRINTS

(From Federal Reserve Bulletin except as stated otherwise. Partial list.)

Constitutionality of Legislation Providing a Unified Commercial Banking System for the United States. Opinion of the Board's General Counsel. 21 pages. March 1933.

PUBLICATIONS

SUPPLY AND USE OF MEMBER BANK RESERVE FUNDS. Explanation of analysis of sources of member bank reserve funds and uses to which such funds are put. 31 pages. July 1935.

MEMBER BANK STATISTICS. A discussion of the statistics compiled and published by the Board covering the operations and condition of member banks. 28 pages. November 1935.

SUMMARY OF PROVISIONS OF STATE LAWS RELATING TO BANK RESERVES. 33 pages. March 1937.

ANALYSES OF THE BANKING STRUCTURE—As of December 31, 1935. Number, deposits, and loans and investments of banks classified by size of bank and town and by other factors. 33 pages. August 1937.

PROBLEMS OF BANKING AND BANK SUPERVISION. Excerpts from the 1938 Annual Report. 33 pages.

THE HISTORY OF RESERVE REQUIREMENTS FOR BANKS IN THE UNITED STATES. 20 pages. November 1938.

MONETARY MEASURES AND OBJECTIVES. Three statements by the Board on objectives of monetary policy, on proposals to maintain prices at fixed levels through monetary action, and on legislative proposals relating to monetary measures and objectives. 8 pages. July 1937, April 1939, and May 1939.

REVISED INDEXES OF FACTORY EMPLOYMENT. Bureau of Labor Statistics indexes adjusted for seasonal variation by Board of Governors. 32 pages, October 1938; 10 pages, October 1939.

THE PAR COLLECTION SYSTEM OF THE FEDERAL RESERVE BANKS, by George B. Vest. 8 pages. February 1940.

HISTORICAL REVIEW OF OBJECTIVES OF FEDERAL RESERVE POLICY, by A. B. Hersey. 11 pages. April 1940.

GENERAL INDEXES OF BUSINESS ACTIVITY, by Frank Garfield. 8 pages. June 1940.

NEW FEDERAL RESERVE INDEX OF INDUSTRIAL PRODUCTION. 77 pages. August 1940.

MEASUREMENT OF PRODUCTION, by Woodlief Thomas and Maxwell R. Conklin. 16 pages. September 1940.

GOLD RESERVES OF CENTRAL BANKS AND GOVERNMENTS. 18 pages. September 1940.

SPECIAL REPORT TO THE CONGRESS, submitted December 31, 1940. 2 pages. January 1941.