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Volume Title: A Program of Financial Research Vol 1: Report of the Exploratory Committee on Financial Research

Volume Author/Editor: Exploratory Committee on Financial Research

Volume Publisher: UMI

Volume ISBN: 0-870-14458-8

Volume URL: <http://www.nber.org/books/expl37-1>

Publication Date: 1937

Chapter Title: Specific Projects

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Chapter URL: <http://www.nber.org/chapters/c0617>

Chapter pages in book: (p. 22 - 23)

financial groups. However, to formulate the principles that make for sound credit standards in any fundamental sense will require their active cooperation, not only in providing data covering their operating experience, but also in lending the services of their most expert operating personnel.

The inventory also reveals the relatively limited areas in which specialists in finance at the universities are carrying on basic financial research. Such participation as there is in broader projects, in fact, exists for the most part in connection with those publicly financed or sponsored by research bureaus. This situation reflects the inability of the universities to finance individual programs and the absence of a coordinating agency capable of bringing the university specialists into effective contact with programs inaugurated by other agencies. The costly nature of current financial research has had the unfortunate consequence of separating work at the universities from close contact with work at the frontiers of inquiry. It should be one of the important tasks of a coordinating body to reestablish such contact and to restore to financial research the assistance of those most favored by their position to exercise unbiased judgment.

SPECIFIC PROJECTS

The Committee recommends the following major research projects to the central staff. All are necessary and merit its immediate attention. This program of financial research is in no sense complete. It is advanced rather as a sketch of the principal areas in which a considerable amount of research is needed to repair the deficiencies outlined above. In Part Two there are outlined several additional projects, more specific in nature, which are

designed to illustrate the manner in which these major areas may be broken down for analytical purposes.

Comprehensive Survey of the Financial Structure

As indicated above, a comprehensive survey of the financial structure as a whole is urgently needed to provide a background for the analysis of financial problems and to give perspective to proposals for changes in the financial structure. Before we, as a society, can make great progress in the reform of our financial structure, before we are in a position to provide respectable answers to the questions, 'What are the essential financial functions?' and 'What social institutions or organizations are best fitted to perform them?' we need relatively satisfactory answers to the more elementary questions, 'What financial services are now being rendered?' and 'What institutions and organizations are now providing these services?' In other words, we need, as a basis for further analysis of the functioning of our financial institutions, a much more comprehensive picture of the current scope and range of their activities.

This survey must not be limited to central banks and commercial banks where our information is now relatively most complete. It must include the activities of savings banks, building and loan associations, Morris Plan banks, mortgage banks, investment banks, insurance companies, finance companies, and underwriting houses. It must be sufficiently comprehensive, furthermore, to show not only the structure and functions of these various types of financial organization taken individually, but also their relative importance and their interdependence. Without this basic financial survey, comprehensively outlined and filled in with some detail, it is impossible to come to any well considered opinion concerning many of the