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Chapter Author: Winfield W. Riefier, Chairman, David Friday, Walter Lichtenstein, J. H. Riddle

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## PART III

### *Control and Supervision of Credit*

#### TYPES OF PROJECT

*Projects grouped together in this area include only those types that expressly investigate existing systems of control and supervision of credit with the purpose of: (a) supplying a more accurate description of the prevailing statutory framework of credit regulation; (b) determining the effectiveness of the several parts of the present system of regulation in attaining the functional ends for which they were devised; (c) evaluating the deficiencies and limitations of extant measures and instrumentalities of regulation in terms of the regulative functions that need to be performed; (d) examining critically the general effectiveness of governmental control and regulation of credit.*

## PART III

### *Control and Supervision of Credit*

#### A. *Statutory Framework of Control*

- |                      |             |   |  |
|----------------------|-------------|---|--|
| (a) Federal statutes | } affecting | { | The organization of financial institutions |
| (b) State statutes   |             |   | The quantity of credit                     |
|                      |             |   | The quality of credit                      |

#### B. *Administrative Control and Regulation—Quantitative*

- |                                   |   |  |
|-----------------------------------|---|--|
| (a) Treasury                      | } | Monetary policies—gold, silver, foreign exchange |
|                                   |   | Administration of Federal debt                   |
|                                   |   | Management of trust funds, Social Security, etc. |
| (b) Federal Reserve System        | } | Discount and open-market policies                |
|                                   |   | Regulation of margins on security loans          |
|                                   |   | Regulation of member bank reserves               |
| (c) Other Federal authorities     |   |  |
| (d) State supervisory authorities |   |  |

C. *Administrative Control and Supervision—Qualitative*

- (a) Comptroller of the Currency { Chartering policies  
Examination policies  
Investment regulations
- (b) Federal Reserve System { Membership policies  
Examination policies  
Rediscount rules  
Restraint of unsound practices
- (c) Federal Deposit Insurance Corporation { Membership policies  
Liquidation policies  
Examination policies
- (d) Securities and Exchange Commission { Registration of securities  
Regulation of securities exchanges
- (e) Other Federal authorities
- (f) State supervisory authorities

D. *General Effectiveness of Public Control and Supervision*

- (a) Control of the quantity of money, currency, credit, etc.
- (b) Regulation of financial practices
- (c) Social and economic consequences of control and supervision

