Projects reported in this area are those types that are devoted to problems of: (a) defining fundamental financial concepts; (b) describing the mechanisms and processes by which credit functions under modern economic conditions; (c) analyzing theoretically the stabilizing and unstabilizing effects of credit; (d) evaluating the alternative mechanisms of control and supervision of credit with respect to social needs. Such projects are primarily analytical or theoretical in approach and method.
PART V

Functions of and Needs for Credit

A. Concepts of Money, Currency and Credit

(a) Meaning of money and currency

- Functions of and needs for money
- Nominalism, metallism, and commodity theory
- Types of monetary standard

(b) Meaning of credit

- Time-space elements and the need for credit
- Types of credit
- Instruments of credit
- Use of credit in payments, clearings, collections
- Velocity of circulation

(c) Relationships among currency, credit and prices

B. Credit and Economic Organization

(a) Supply of credit

- Individual savings
- Corporate savings
- Public savings
- Currency and bank credit expansion
(b) Demand for credit

- Working capital demands
- Investment demands
- Speculative demands
- Consumer demands

- Adequacy of facilities
- Availability of information
- Guidance of investment
- Terms, as interest, priority, repayment method

(c) Allocation of credit

- Capitalization of income
- Volume of circulating and other credit
- Volume of debt service
- Output of producers' and consumers' goods

(d) Relation of credit terms to

- Output of producers' and consumers' goods

(e) Flow of credit and the mechanism of adjustment

- Effects on prices, exchange rates, incomes, trade

C. Credit and Economic Stability

(a) Credit as a cause of instability

- Instability of prices and production as related to the quantity of credit
- Costs of credit and the rate of debt formation
- Fixed debt charges and fluctuations in income
- Non-liquid assets of credit agencies vs. fluctuating withdrawals of deposits and other liabilities
- Interest changes and fluctuations in security prices
- Income distribution as related to changes in the quantity of credit
Use of credit to stabilize production and prices
Role of credit in accelerating capital formation, output and consumption
Credit and the anticipation of income
Function of credit in equalizing incomes and outlays
Objectives of currency and credit management

(b) Credit as an aid to stability and expansion