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The Federal Reserve System in Wartime

ANNA YOUNGMAN

OUR ECONOMY IN WAR

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Preface

IN PEACETIME, the Federal Reserve System serves primarily as a banker's bank, whose expressed responsibility is to maintain monetary conditions favorable to a balanced employment of the nation's resources and to a stable expansion of production and consumption. In wartime, the System is more important as a banker to the government and it has the responsibility of assuring an ample supply of funds for financing the government's borrowing for war.

This study answers the question of how war finance has affected the functions and operations of the System. It is one of a series in preparation by the Financial Research Program dealing with effects of war financing upon banking and the financial structure of business. The research through which the series is being developed is made possible by grants from the Association of Reserve City Bankers and from private foundations. None of these sources is to be understood as approving, by virtue of its grant, any of the statements made or conclusions reached in any of the studies.

Anna Youngman, the author, is a member of the editorial staff of the *Washington Post*, a position which she has held since 1933. From 1924 to 1933, she was Associate Editor of the *Journal of Commerce*, New York, N. Y., and from 1919 to 1922 she was a member of the staff of the Division of Analysis and Research of the Federal Reserve Board.

In the initial stages of work, Dr. Youngman was aided by Edith Elbogen, and in the later stages Willis J. Winn gave generously of his assistance. Donald Dunham was in charge of the editing.

RALPH A. YOUNG
Director, Financial Research Program

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