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EXPLORATIONS IN ECONOMIC RESEARCH

# NBER

Occasional  
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NATIONAL  
BUREAU OF  
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RESEARCH

Volume 1  
Number 2

1974

THE IMPACT OF  
MONETARY POLICY  
ON THE  
ALLOCATION OF  
BANK CREDIT  
David T. Krueg

PRICE CONTROLS  
AND THE  
DISTRIBUTION  
OF INCOME  
James D. Smith

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2. The President of the National Bureau shall submit to the Board of Directors, or to its Executive Committee, for their formal adoption all specific proposals for research to be instituted.

3. No research report shall be published until the President shall have submitted to each member of the Board the manuscript proposed for publication, and such information as will, in his opinion and in the opinion of the author, serve to determine the suitability of the report for publication in accordance with the principles of the National Bureau. Each manuscript shall contain a summary drawing attention to the nature and treatment of the problem studied, the character of the data and their utilization in the report, and the main conclusions reached.

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7. Unless otherwise determined by the Board or exempted by the terms of paragraph 6, a copy of this resolution shall be printed in each National Bureau publication.

*(Resolution adopted October 25, 1926, and revised February 6, 1933,  
February 24, 1941, April 20, 1968, and September 17, 1973)*

# Editor's Overview

## Vol. 1, No. 2

Volume 1, Number 2 of *Explorations in Economic Research* reflects in its contents the original and continuing purpose of the National Bureau of Economic Research, to conduct objective, empirical analyses of economic problems of national importance, and to present the results of these analyses in an impartial manner. All three of the papers contained in this issue report the results of extensive empirical research efforts; all three deal with topics that are of considerable national importance at this point in time; and all three present the results of their studies in an objective, scientific manner.

The papers that comprise this issue also reflect considerable prescience in their selection of problem areas for study, in that all three were undertaken well before the present significance of the topics with which they deal were generally recognized. David Kresge's study of the impact on different segments of the banking industry of tight money conditions, for example, focuses on data derived from the first of what since has become a recurrent series of monetary "crunches," whose long term impacts on the structure of banking and other U.S. financial intermediaries are yet to be fully appreciated. Lester Taylor's study of the savings behavior of individual households during 1959 and 1967, and the response of both the level and composition of savings to cross-sectional differences in inflationary expectations, explores an area of far greater significance now than when the study was initiated. To a lesser though still considerable extent, recent wide, short-term swings in the demand for automobiles and other consumer durables, not apparently related primarily to variations in asset stocks or personal income, point up the need for analyses such as that by Thomas Juster and Paul Wachtel that incorporate not only traditional stock and income variables but also anticipatory data regarding future expenditures by households for consumer capital goods.

Another theme that unifies all the papers that comprise this issue is their ultimate reliance on very large, cross-sectional microdata bases. The paper by Kresge, for example, is based on call report surveys for each of the nation's 13,300 commercial banks during each of 6 time periods, containing 125 data elements per bank per period, or nearly 10 million items of information, overall. Taylor, similarly, works with cross-sectional samples containing thousands of households and hundreds of thousands of data elements, while Juster and Wachtel rely on aggregate statistics derived from repeated, equally large scale, consumer surveys.

Factual analyses of significant economic problems always have characterized the work of the NBER. Analyses that retain much of the richness found at the firm or household level and that include, where appropriate, attitudinal and expectations information as well as traditional "objective" data, provide promising areas for the expansion of economic knowledge, within which the National Bureau is committed to playing an important role.