

June 24, 1948

REPORT ON THE STATISTICAL ACTIVITIES OF THE BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM

Prepared in response to the April 29, 1948,
Letter of Inquiry of the National Bureau of Economic Research

The following statement has been prepared in response to the request of April 29, 1948, of the National Bureau of Economic Research for information that will be useful in a survey of the statistical agencies of the Federal Government which the Bureau has undertaken for the Commission on the Organization of the Executive Branch of the Government. This statement is restricted to those activities of the Board of Governors of the Federal Reserve System which entail primarily the collection, compilation, and publication of statistical materials.

The statement follows the general framework suggested in the Bureau's letter of inquiry. The answers in individual sections take account of the extent to which such a framework is not appropriate to the Board's statistical work.

1) PRESENT ORGANIZATION AND STATISTICAL ACTIVITIES OF THE
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

The statistical and research work of the Federal Reserve System is carried on by two divisions of the Board of Governors and by the research departments of the Federal Reserve Banks. The Division of Research and Statistics of the Board is primarily concerned with analysis of general economic and credit conditions, using statistics obtained from various sources, including a limited amount collected by the Division through the Reserve Banks. The Division of Bank Operations, in addition to its other duties, collects and tabulates a large volume of banking statistics, operating to a large extent through the Federal Reserve Banks. The Federal Reserve Banks collect statistics for the Federal Reserve System in their respective districts, and they also engage in research on general economic conditions as well as on banking and credit matters, with particular emphasis on developments and problems of their respective regions.

General character of statistical services

The statistical activities of the Board of Governors have been developed, directly and indirectly, in carrying out its responsibilities under the Federal Reserve Act, as amended. These responsibilities are indicated more specifically in subsequent sections of this statement. Most of the data developed are made available in published form.

The major classes of statistical services fall into two groups, statistical series and other statistical services. Briefly, these are:

Statistical series

- (a) The development, collection, and maintenance of data on condition and operations of the Federal Reserve Banks.
- (b) The development, collection, and maintenance of numerous statistical series relating to the condition and operations of banks, especially member banks. These include detailed statistics for member banks: condition statements (abbreviated--weekly and monthly--as well as detailed--call reports), earnings, reserves, and borrowings. Other important series include principal assets and liabilities for major classes of all banks, number of banks and bank offices, and interest rates charged on business loans.
- (c) The development and maintenance of important monetary and credit series, especially those directly related to Federal Reserve credit policies. Among these are the series on member bank reserves, Reserve Bank credit, and related items; statistics on the volume of deposits and currency and on deposit activity; estimates of the ownership of liquid assets; and consumer credit estimates.
- (d) The development and maintenance of certain non-banking series. An important series is the index of industrial production, which is based on production data of various types secured mainly from other organizations and which consists of indexes for about 140 component series. Other important series cover department store trade. In this group also are seasonally adjusted series relating chiefly to business conditions; they include some of the subject material mentioned--production data and department store trade statistics--as well as series on construction and employment.
- (e) Special surveys to cover major gaps in information in the monetary and credit fields. These provide detailed statistics on bank loans to businesses and to farmers, consumer finances, and ownership of demand deposits.
- (f) Assembly of international financial statistics from foreign primary sources. These include gold reserves and gold production of foreign countries, gold movements, international capital transactions of the United

States, assets and liabilities of foreign central banks and commercial banks, exchange rates, money rates, commodity prices, and security prices in foreign countries. These data comprise a set of international financial statistics published in the Federal Reserve Bulletin and widely used.

A more complete listing of the statistical series described under (a)-(f), together with information as to the frequency of the series, where published, and general procedures involved in their preparation, appears as Appendix A.

Other statistical services

- (a) Turning to a more general type of service than specific series of data, the staff at the Board of Governors, as well as at the Reserve Banks, devotes considerable time to the coordination of the statistical activities of the Washington and the 12 district organizations. This topic will receive further consideration in another section.
- (b) The staff at the Board also devotes considerable time to work on the statistical problems of other organizations, chiefly Federal agencies, and this contributes to improvement in the quality of both banking and nonbanking statistics. In the international field, considerable staff time is devoted to activities in connection with the work of the National Advisory Council on International Monetary and Financial Problems, and the encouragement of the development of improved uniform banking and monetary statistics among foreign central banks and governments, chiefly in the Western Hemisphere and the Philippine Republic.
- (c) Another general service is the publication of basic statistics in convenient form for use by the Federal Reserve System, the banks, other financial organizations, and the public. Publication includes the Federal Reserve Bulletin (largely the statistical tables), releases of certain data prior to their publication in the Bulletin, and some pamphlets. About three-fourths of the number of pages of Bulletin tables consist of data described under (a)-(d) and (f) above. Back data and descriptive text for major banking and monetary series are available in a basebook, Banking and Monetary Statistics.

Statistical data are also available to the public in chart form, chiefly in the chart book "Bank Credit, Money Rates, and Business", as well as in the chart books "Industrial Production" (out of print) and "Consumer Credit."

Administrative organization of the statistical services

The administrative organization of the Divisions of Research and Statistics and of Bank Operations of the Board of Governors is shown in the attached organization charts as of December 3, 1947, and November 15, 1947, respectively. The charts in all substantial respects represent the organization at the present time. Each of these Divisions performs other duties in addition to the statistical services covered in this statement. This is illustrated by the brief statements concerning the work of the Divisions that appear in the attached chart describing the functions of the divisions and offices of the Board of Governors. The organization of the statistical activities of the Federal Reserve Banks is described below (Item 7, Field organization).

Total budgets of the two divisions

The following budget figures for the Divisions of Research and Statistics and of Bank Operations of the Board of Governors are for the most recent fiscal period, the calendar year 1947. The expenditures cover all activities of the divisions. It is not feasible to segregate cost of statistical services from the cost of the research, supervisory, and administrative functions for which the statistics are used. Also the expenditures of these divisions do not include the cost of printing the Federal Reserve Bulletin or of duplicating some of the statistical materials that appear in other forms for distribution to the public.

1947 Expenditures ^{1/}

	<u>Division of Research and Statistics</u>	<u>Division of Bank Operations</u>
Total expenditures	\$773,210	\$206,330
Personal services	605,874	193,119
Non-personal services	167,336 ^{2/}	13,211

^{1/} Retirement System contributions by the Board are not included; Divisions do not have such data.

^{2/} Includes \$119,891 for work on Survey of Consumer Finances by the Survey Research Center of the University of Michigan.

Personnel and chief categories of personnel of the two divisions

The information requested on number of employees follows:

Number of employees, December 1947

	<u>Division of Research and Statistics</u>	<u>Division of Bank Operations</u>
Total personnel	1/ 152	47
Number holding positions corresponding to grades CAF-13 to CAF-15 or P-6 to P-8, inclusive. (This excludes positions of Assistant Director and above, which are unclassified.)	13	2

1/ As shown in the organization chart appended to this report.

None of the professional or technical positions corresponding to the grades specified above involves entirely statistical activities, since professional and technical personnel is engaged to analyze economic and financial conditions, not to engage solely in statistical work.

2) CHRONOLOGICAL RECORD

The total budgets of the Divisions of Research and Statistics and of Bank operations and the personnel employed, as requested, for the years 1929, 1934, and 1939-47 are shown in Appendix B. There has been no attempt to separate these figures as between statistical and other activities; as noted earlier it is not practical to compile such statistics. Most of the increase shown has been due to analytical and other activities rather than to additional statistical work.

A chronological record of the major administrative and other changes affecting the statistical services of the Divisions during the last decade is also given in Appendix B. This record indicates the following important trends:

(a) Considerable improvement in banking data, as to coverage of bank activities, extent of reporting required of banks, and development of data especially pertinent to monetary and credit policies.

(b) Steady progress in coordination of statistical procedures of the three Federal banking agencies.

(c) Development of closer integration of statistical activities of the Reserve Banks and the Board of Governors.

(d) Increasing use of one-time, or relatively infrequent, surveys applying modern sampling methods to secure detailed statistics and other information that cover major gaps in the monetary and credit picture.

(e) Introduction of mechanical tabulation, at first by arrangement to use installations in another organization and later by installation at the Board.

(f) Publication of major revisions in basic series at intervals-- such as the revision of the production index published in August 1940, incorporating the results of continuous critical inspection, appraisal, and revision of component series over a number of years.

(g) Increasing emphasis on the publication of statistics in a form that will facilitate more general use, such as the basebook, Banking and Monetary Statistics, and the chart books.

3) STATUTORY BASES OF ACTIVITIES

The powers and functions of the Board of Governors of the Federal Reserve System are prescribed by the Federal Reserve Act of December 23, 1913 (38 Stat. 251), as amended, and by a number of other statutes including the Securities and Exchange Act of 1934 (48 Stat. 881), the Act of May 12, 1933 (48 Stat. 51), the Banking Act of 1933 (48 Stat. 162), and the Banking Act of 1935 (49 Stat. 684).

Legal authority for the performance of the Board's statistical activities is necessarily implied from the numerous duties and responsibilities imposed by the Federal Reserve Act and other statutes upon the Board and the Federal Open Market Committee which is composed of Board members and representatives of the Federal Reserve Banks. The accumulation of statistical information is essential to the effective exercise of the Board's statutory powers directed toward the control of credit, such as the conduct of open market operations (U. S. Code, title 12, sec. 263), the review and determination of discount rates (U. S. Code, title 12, sec. 357), the fixing of reserve requirements of member banks (U. S. Code, title 12, sec. 462b), and the prescribing of maximum rates of interest on time and savings deposits (U. S. Code, title 12, sec. 371b). In order to enable the Board to perform the functions conferred upon it by the Securities and Exchange Act of 1934, including the fixing of margin requirements, that Act specifically requires brokers and dealers and other persons to make such reports to the Board as it may require as necessary or appropriate (U. S. Code, title 15, sec. 78q).

Other provisions relevant to the statistical services performed by the Board are those of section 9 of the Federal Reserve Act which require member banks of the Federal Reserve System to make reports of condition and of payments of dividends in such form as the Board of Governors may require (U. S. Code, title 12, sec. 324), and the provisions of section 11 of the Federal Reserve Act which authorize the Board to require such statements and reports from the Federal Reserve Banks as it may deem necessary and requires the Board to publish weekly statements of condition of each Federal Reserve Bank (U. S. Code, title 12, sec. 248). Section 10 of the Federal Reserve Act provides that the Board shall determine and prescribe the manner in which its obligations shall be incurred and its disbursements and expenses allowed and paid (U. S. Code, title 12, sec. 244).

The Board of Governors and the Federal Reserve Banks collect from member banks, both national and State, such information as may be required for the performance of their functions under the law. They obtain a number of special reports including the abbreviated condition reports obtained weekly from selected member banks in leading cities, periodical reports of deposits and reserves of all member banks, quarterly reports of interest rates on business loans charged by selected member banks in a few leading cities, surveys of ownership of deposits from a sample of member banks, and statistics relating to consumer loans.

4) SOURCES OF DATA USED

The statement on this item is confined to the use of respondents, that is, to some indication of the extent and frequency of the demands upon respondents in the collection of original data.

For the banking data the respondents are chiefly the Federal Reserve Banks and member banks of the Federal Reserve System. The more frequent use of respondents--daily, weekly, monthly, and quarterly--occurs for the Reserve Banks and for a relatively small number of the larger member banks. Such use of member banks, moreover, is for collection of a few major items. Collection of data from all member banks is at call report dates (3 or more a year) and covers considerable detail. It should be noted, however, that such data for national banks (members of the Federal Reserve System) are collected by the Office of the Comptroller of the Currency. Through use of the survey method some detailed data are secured from samples of member banks.

For other data, the principal series for which respondents are used are shown below. Further details for the various series originating with the Board appear in Appendix A, Sections I and III.

<u>Statistical Series</u>	<u>Respondents</u>	<u>Frequency of collection</u>
Consumer credit statistics (largely amounts outstanding and amounts loaned)	About 4,350 financial agencies and retail stores	Monthly
Brokers balances, etc. (debit and credit balances)	About 300 member firms of N. Y. Stock Exchange	Semi-annually
Department store trade statistics (largely sales and stocks)	About 1,500 department stores ^{1/}	Monthly
Consumer finances survey (interviews)	About 3,500 individuals	Annually
Retail credit survey (schedule of data)	About 8,650 retail stores	Annually

1/ Smaller groups are used for series other than monthly indexes of sales.

5) PURPOSES AND USES

The purposes and uses of the statistical services of the Board of Governors cannot be classified by the categories included in item 5 of the letter of request of the National Bureau.

For a statement of purposes and functions of the Federal Reserve System there is attached a copy of the recently revised booklet, The Federal Reserve System. Generally speaking, the statistical activities at the Board of Governors are for the purpose, directly or indirectly, of assisting the Board to discharge effectively its responsibilities under the Federal Reserve Act, as amended, and for providing other Federal agencies and the public with factual information in connection with these and related activities.

The most important function of the Board relates to the formulation of general monetary and credit policy for the purpose of influencing business and credit conditions. Questions of general credit policy must be resolved with reference to current developments generally-- in fact with reference to the entire range of economic and credit problems

of the country. Many of the statistical series on domestic banking, money, and business conditions maintained at the Board, as well as the statistics on international financial conditions and the special surveys in the credit and monetary field, are in constant use in the consideration of these broad problems.

This part of the Board's work comprises, in the main, (1) the operation, development, and refinement of reporting services relative to the current course of Reserve Bank credit, member bank credit, money rates, and related factors, and the organization of data relative to security issues, corporate profits, Treasury receipts and expenditures, gold movements, and foreign exchange rates; (2) the creation and maintenance, on a very extensive scale, of data on gross national product, production, employment, prices, and the like; and (3) the persistent search, largely through cumulative consideration of recurring problems, for appropriate methods of analyzing the credit and business situation--methods that will be most illuminating to the Board in the light of the particular circumstances, frequently unprecedented in the history of central banking, in which the Federal Reserve System is called upon to take action in the field of general credit policy.

A concrete indication, in summary form, of some of the principal subject matters to which organized investigation is regularly addressed, as well as an illustration of certain of the methods of summarizing the data that are utilized, is afforded by the Federal Reserve Charts on Bank Credit, Money Rates, and Business, which are prepared primarily for use of the Board and its staff.

Another important function for which the Board's statistical materials are essential is the determination of the method of regulating the volume of credit or money and the analysis of the effect of any change in regulation. Here are involved the general regulation, through discount rates, open market operations, and reserve requirements, and the special regulations, such as margins required for purchasing or carrying stock market securities (Regulations T and U) and, during the war, the terms for extension of consumer credit (Regulation W).

Another important use of statistical data is in connection with the Board's responsibility for supervising the operations of the Reserve Banks and the System's responsibility for supervising member banks. As indicated earlier some of the statistical series that are developed and maintained for such purposes are required by law.

Statistics are not developed at the Board primarily for the work of Congress, but many of the series are used by the Board, in its Annual Report to Congress and on other occasions, to inform Congress of the activities of the Federal Reserve System in relation to its responsibilities under existing legislation, and also to indicate the need for additional legislation.

Most of the statistical series developed at the Board also serve important purposes for other organizations, both public and private, and especially the member banks and the Federal Government agencies. As indicated in a later section, the three Federal bank supervisory agencies--the Board of Governors, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency--have so coordinated their work on the compilation of banking statistics that the major series provided by any one agency serve the other two to an important degree. Other series, such as the index of industrial production, department store statistics, consumer credit estimates, and the consumer finances surveys, are also major tools in the analytical work of other agencies such as the Council of Economic Advisers, the Bureau of Labor Statistics, the Department of Commerce, and the Department of Agriculture.

Two documents are attached which illustrate uses made of statistics developed at the Board of Governors. One, "Uses Made of the Call Report by the Federal Reserve System", spells out the numerous and varied uses made of the detailed statistics on condition of banks secured through the Call Report. The other, "The Federal Reserve Chart Book as an Aid to Bank Managements", an article published in the April 1948 issue of the Federal Reserve Bulletin, illustrates for bank management the uses that can be made of data shown in the Federal Reserve Charts on Bank Credit, Money Rates, and Business.

6) RELATION OF THE WORK OF THE BOARD OF GOVERNORS TO THE WORK OF THE GOVERNMENT AS A WHOLE

Services rendered to other Federal agencies in the form of statistical data are covered largely in the preceding section. Other services of a statistical nature include advice on statistical problems of other agencies, especially those related to the development and maintenance of statistical series. A considerable amount of time is spent in the review of material prepared in other agencies, which involves Board statistics or use of techniques with which the Board's staff has considerable familiarity. Major fields for which this occurs are banking (Office of the Comptroller of Currency and Federal Deposit Insurance Corporation); census data on business conditions (Bureau of the Census); construction and real estate (Department of Commerce, Bureau of Labor Statistics, and Housing and Home Finance Agency); labor force and employment (Bureau of the Census, Bureau of Labor Statistics, Social Security Administration); corporate financial data (Department of Commerce, Securities and Exchange Commission, Federal Trade Commission); consumer finances (Bureau of Labor Statistics and Bureau of the Census).

On the matter of coordination of statistical activities with those of other Federal agencies, the Division of Statistical Standards of the Bureau of the Budget has established sound and effective procedures for coordination in such respects as are specified in the National Bureau's

letter of inquiry, and is doing a constructive job in developing these procedures. The Board cooperates fully in the Budget Bureau's program. Members of the staff serve on numerous inter-departmental committees established by the Bureau of the Budget to effect coordination in different fields of statistics.

The staff of the Board makes constant use of statistical series developed in other agencies and in turn contributes what it can to the statistical data of other agencies, in the interest of avoiding unnecessary overlap. In this connection it should be emphasized that there are research and statistical organizations similar to the Board's in other Government departments and agencies, and that differences in their duties, responsibilities, and objectives are necessarily reflected in the statistical series, as well as in the analyses that they develop. In most instances the variation in development or in analytical approach to a particular series of data reflects a different use because of a difference in function of the agency, and not duplication in staff time spent within the Government on a particular set of data. As noted earlier, there is a constant interchange of information and statistics among agencies; in the interest of obtaining the best results, the Board's research staff constantly draws on the work and statistics of these other groups and contributes what it can to their material.

7) FIELD ORGANIZATION

Each of the twelve Federal Reserve Banks has a Research Department at its head office. Statistical activities of the type discussed in this report are not carried on to any great extent at the branches of the Reserve Banks. The greater part of the activity of each Bank's Research Department consists of work in connection with the regular operations of the Bank and with research on problems important to the region in which the Bank is located. In connection with this work the Banks provide statistical services in their respective districts and publish economic and statistical materials.

As pointed out under item 1, the development of statistical data by the Board of Governors is, to some extent, in cooperation with the Research Departments of the Reserve Banks. In this report comment on the work of the Bank research staffs is restricted to those phases that represent matters of System cooperation.

The Banks participate actively in the preparation of the regular statistical series maintained by the System in such fields as banking, consumer credit, and retail trade. Each Reserve Bank collects data from and maintains contact with respondents in these various series in its district, compiles data for the district, and forwards data to the Board for compilation into national totals. Similarly, the country-wide surveys--

both single and periodic--are conducted on a regional basis and the data for individual Federal Reserve districts are transmitted to the Board for consolidation; recent examples are the Survey of Deposit Ownership and the Retail Credit Survey. Specific details for individual series appear in Appendix A.

An exception to the use of the Research Departments of the Reserve Banks in the collection of data is the Survey of Consumer Finances. The work of contacting respondents, conducting interviews, and tabulating the questionnaire results is done for the Board by the Survey Research Center, University of Michigan, a non-government agency, specializing in this type of activity.

Incident to the collection, tabulation, and publication of data, many problems arise which are common to all Reserve Banks and which are also of primary concern to the Board. Arrangements have been set up for consideration of these mutual problems through the establishment of system research committees to provide closer cooperation between the research staffs of the Board and the Reserve Banks in the planning and coordination of research and statistical activities.

The principal research groups are the System Research Advisory Committee and the Subcommittee of the Presidents' Conference Committee on Research and Statistics. The permanent chairman of the former group is the Director of the Board's Division of Research and Statistics, and the remaining membership is composed of the heads of research at six Federal Reserve Banks serving on a staggered, rotational basis. The membership of the latter group consists of the heads of research at all of the Reserve Banks and a chairman is elected annually who also serves as vice-chairman of the System Research Advisory Committee. Special groups represent the staffs of the Banks and the Board in various fields through a subcommittee arrangement. While each of these committees deals to some extent with the statistical services of the System, three committees--the Committee on Banking and Credit Policy, the Committee on Current Reporting Series, and the Committee on Current Business Developments--spend considerable time on the statistical work of the System.

This committee procedure has made possible concerted action on problems falling within the System's area of responsibility. It has also provided a better common understanding of statistical problems encountered in the various districts and of the relationship of these regional problems to one another and to the national problems of which they are a part.

8) TECHNICAL EQUIPMENT, PROCEDURES, AND PERSONNEL

First phase - mechanical operations. Use of machine tabulation equipment at the Federal Reserve Banks dates back some years, but at the Board of Governors it is a recent development, dating only from early 1947. Prior to the Board's own installation, however, necessary tabulation work was done through the International Business Machines service bureau or through arrangements to use the facilities of another agency.

The Board's present installation includes one sorter, one tabulator, one gang punch-summary punch, and one key punch. Duplicate machines will be added as needed, and it may become desirable to add a divider (I.B.M.-602--this machine not available at the present time).

The organization of the Federal Reserve System lends itself to effective use of machine tabulation. Each of the twelve Federal Reserve Banks has an installation, in some cases large and in a few cases small, depending upon the stage of development of mechanical tabulation. In connection with Systemwide survey projects, it has been the practice where feasible to have cards punched and regional data tabulated at the Federal Reserve Banks. With a duplicate set of cards, there have been prepared at the Board such national tabulations as are not available on the basis of work done at the Banks. It is the plan to extend the scope of mechanical tabulation as rapidly as practicable to all System projects adapted to mechanical methods.

Second phase - procedures. Procedure in the collection and publication of primary statistics and in the publication of derived measurements. Questions in the National Bureau's letter of inquiry will be taken up seriatim.

Extent to which work entails census-type or complete coverage. Basic tabulations of banking data such as all tabulations for Federal Reserve Banks and call report or semi-annual tabulations for banks on condition, earnings, and number of banks and bank offices are of the complete, that is census-type, coverage. These are the major tabulations involving such coverage. Again it should be noted that this coverage is attained through cooperation by the three Federal supervisory agencies in which data for State member banks are collected by the Federal Reserve System, national (member) banks by the Office of the Comptroller of the Currency, and non-member insured banks by the Federal Deposit Insurance Corporation.

Extent to which sampling procedures are employed. Samples selected according to modern sampling methods are used in most of the surveys--business loans of banks, commercial bank loans to farmers, deposit ownership, and consumer finances; estimates for the respective universes are developed from these samples. Sampling--in sense of a small group of regular respondents--is used in other cases such as the abbreviated

weekly condition statements of member banks in leading cities and the quarterly interest rates on business loans. Indexes such as those on department store sales and stocks are constructed on the basis of a group of regular respondents. Over-all estimates, such as those for consumer credit, are based on data reported by a group of financing agencies and retail outlets. Further specific details concerning the sample for individual series appear in Appendix A.

Further extension of sampling procedures. This is desirable. By using samples, statistical data reliable for analytical purposes can be developed on the basis of a limited number of respondents.

Important limitations encountered in the application of sampling procedures are: (1) practical difficulties of securing cooperation from groups selected for inclusion in samples surveys; (2) with small samples, derivation of estimates for minor classifications or State totals, and often for regional totals, are precluded; and (3) limited public understanding about use and adequacy of the type of results secured through sample.

Publication of descriptions of circumstances of collection, meaning of figures, errors, and limitations. For major series, these are available in special articles presenting results, published chiefly in the Federal Reserve Bulletin and in the basebook, Banking and Monetary Statistics.

Third phase - personnel. Quality of personnel required for work and present availability of adequately trained personnel.

The general qualifications given below relate to those below the level of Assistant Director. The reply covers four types of positions--economists, drafting, clerical, and stenographic--each of which is essential for the statistical services discussed.

The qualities needed for economists are demonstrated professional ability in economic research requiring specialized experience and competence, and, in supervisory positions, the capacity to participate in the training and guidance of personnel in other positions, professional and otherwise. Graphic presentation of economic and financial statistics requires persons with considerable skill, experience, and flexibility. Clerical positions generally require a high school education and considerable skill in the use of some type of calculating machine. The stenographic work is of a somewhat advanced nature in which the essentials are speed and accuracy in tabular material as well as text; skill in using a specialized vocabulary of economic terms; and good judgment in handling unfamiliar subject material.

The major difficulties in securing suitable professional personnel at the present time are (1) inadequate standard salary scale for attracting and/or holding economists of the quality required and; (2) shortage of mature and experienced economists in professional categories equivalent to P-5 and above, who are capable of directing research and statistical work and of supervising and training economists with relatively little experience. For stenographic and clerical positions there is a general shortage of well qualified applicants at the recruitment salaries.

9) RECOMMENDATIONS ON SUBJECTS SPECIFIED

The topics of reducing costs, enhancing efficiency, and improving quality of personnel will be treated together. Since the end of the war the Board of Governors of the Federal Reserve System has endeavored to keep down costs. Meanwhile, the responsibilities of the Board have been increasing with respect to problems relating to credit controls; the need for up-to-date information on current developments during a period of inflation has been urgent; a rapidly growing Federal program on international economic and financial problems has increased the demands on staff specializing in international fields; and areas of research which became inactive during the war, because of the emphasis on Federal Government financing and the general shortage of personnel, have been reopened. Because of the demand for personnel in this field, experienced personnel in all types of positions have left positions at the Board for higher-salaried positions elsewhere.

With regard to means of improving statistical services, the Board has a policy of continuous review of statistical services to eliminate those which can be spared, to undertake improvements in existing series, and to establish new series needed for analysis. At the present time all statistical series compiled by the Board, in cooperation with the Reserve Banks, are undergoing a systematic review by System Committees.

Examples of discontinued services include the cooperative project with the Robert Morris Associates, conducted during the period 1944-47, to secure annual financial statement data for small and medium-size concerns in manufacturing and trade. This project was discontinued at the end of 1947 when the joint Securities and Exchange Commission-Federal Trade Commission project for compiling quarterly income and balance sheet data of manufacturing concerns was launched. The survey of deposit ownership, which was conducted semi-annually during the years

1943-46, was put on an annual basis in 1947. Consideration will shortly be given to the discontinuance of the annual Retail Credit Survey which was a part of the consumer credit statistics taken over from the Department of Commerce.

Needed extensions and improvements in existing statistical series are also given continuous attention. In this category at the present time are a revision of the index of industrial production (in process and scheduled for completion about 1950); further improvement in the basic data for consumer credit estimates; revision of the quarterly interest rates on bank loans to business; development of new monthly or quarterly series of bank loans by types of borrowers; and publication of a supplement to the basebook, Banking and Monetary Statistics, covering the years 1942-47.

Among the new series which are in process or under consideration are current quarterly estimates of the flow of money through major sectors of the economy; a technique for compiling indexes of physical stocks in manufacturing and trade; and an historical chart book to supplement the regular chart book, Bank Credit, Money Rates, and Business. A major experiment now in progress at the Board is the statistical analysis of trends for major categories of gross national product and Treasury financing and their relationships to money and credit, and to financial organizations generally. This project is of an exploratory nature and is likely to remain so for some time. It promises, however, to throw considerable light on the use of our statistical materials for broad economic purposes.

On the means of achieving more effective coordination with the activities of other agencies, the major area to consider is banking statistics, taking account of the three Federal supervisory agencies in this field--the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency. Each agency has definite statutory functions for the collection of banking statistics, which are closely related to their supervisory and other functions in the banking field as laid down by law. The general problems of bank supervision that result from conflicting powers and jurisdictions, overlapping authorities, and gaps in authority were presented to Congress in some detail in the Board's Annual Report for 1938, a copy of which is attached.

It will probably be useful, in connection with the National Bureau's inquiry into Federal statistics, to have available the following brief comments on banking statistics, with special reference to the subject of avoiding duplication. Some of the facts brought out earlier are repeated here in order to summarize briefly the work of the three banking agencies.

The problem of possible duplication in the field of banking statistics arises basically from the existence of three Federal banking agencies. Duplication of statistical work has been avoided only by close and continuous cooperation among the three agencies. Federal banking statistics would be provided more efficiently and at lower cost if they were collected and tabulated by a single agency. However, such organization of the statistical activities in the field of banking involves consideration of important problems outside the statistical area, and such problems lie outside the scope of the letter of inquiry of the National Bureau of Economic Research. Speaking strictly on the question of banking statistics, it is desirable that the single agency that has responsibility for banking and monetary statistics of the Federal Government should be the agency which has the main responsibilities for the use of such statistics in the formulation of national monetary and credit policies.

In the actual collection of statistics at the present time the three existing agencies have so divided the field that there is little duplication. In analysis and interpretation there is a certain amount of overlapping since the responsible officials of each agency need separate analyses for their own purposes, but in this respect also there is considerable cooperation among persons in the different agencies. Subdivision of the field among the three agencies results in unnecessary expenditure of time and money in maintaining comparability among the various statistics collected and in effecting decisions when changes are needed. Another important difficulty is that decentralization of the work of compiling data for all banks coming under Federal supervision--State member banks, national banks, and insured nonmember banks--cannot be effected as long as the actual work of collection and tabulation is divided among the three agencies.

Condition reports. The Office of the Comptroller of the Currency obtains Call Reports of condition and earnings and expense reports from national banks, tabulates figures from these reports and publishes the results. The Federal Reserve System performs similar tasks, with respect to reports from state member banks of the Federal Reserve System, and the Federal Deposit Insurance Corporation does the same thing for insured state banks not members of the Federal Reserve System. The Federal Reserve System combines the national and state member bank figures in order to obtain totals for member banks of the Federal Reserve System, and the Federal Deposit Insurance Corporation consolidates all of the reports into composites of all insured banks.

Operating ratio analysis. The Federal Reserve Board and the Federal Reserve Banks compute ratios from certain items of earnings and expenses and condition of member banks, both national and state, and work up detailed analyses of these data. The Federal Reserve Banks distribute

these data to the member banks in their respective districts. The Board of Governors publishes summary data. The Federal Deposit Insurance Corporation makes somewhat similar analyses of the nonmember insured banks and also makes use of Federal Reserve data from member banks.

Other regular and special reports. As indicated earlier, the Federal Reserve System is authorized by the Federal Reserve Act to collect such information as it may need from member banks, both national and state, and a number of special reports are obtained. These include abbreviated reports of condition obtained weekly from selected member banks in leading cities, tabulations of which are regularly published; periodical reports of deposits and reserves from all member banks; quarterly reports of interest rates charged on loans by selected banks in a few selected cities; semi-annual surveys of the ownership of demand deposits; and monthly statistics of consumer loans. The System also collects, in some cases through clearing house associations and in others directly from reporting banks, statistics of debits to deposit accounts. Various special reports are obtained from time to time on such matters as loans, deposits, interest rates, etc., from member banks.

The Federal Deposit Insurance Corporation compiles from examiners' reports of insured banks--national, state member and nonmember--a number of items and ratios which it analyzes and publishes in its annual report. It also collects periodic data on total deposits of all insured banks and from time to time obtains special reports on deposits by size of account.

Publication. Results of the research and statistical work of the Federal Reserve System are published in the monthly Federal Reserve Bulletin, in the Board's annual reports, in regular and special press releases issued by the Board and the Reserve Banks, and in monthly reviews of economic conditions published by the Reserve Banks. The Comptroller of the Currency gives a great deal of statistical data in his annual report and occasionally issues press releases. The Federal Deposit Insurance Corporation includes a large amount of detailed statistical data and also analyses of the data in its annual reports and issues semi-annual call report abstracts giving detailed figures of the condition of insured banks by states. The research divisions of the Board of Governors and the Reserve Banks supply results of their research and analysis to their respective officials in unpublished memoranda and reports.

10) DEMANDS ARISING OUT OF A POSSIBLE NATIONAL EMERGENCY

This topic cannot be adequately discussed in a survey devoted to the statistical services of the Board of Governors. The most appropriate answer is a brief statement of the functioning during the past war of the Divisions under discussion.

The Divisions of Research and Statistics and of Bank Operations are part of the staff serving the Board of Governors of the Federal Reserve System. Their part in the war effort consisted principally in contributions made to the Board's effectiveness, but also in direct advisory and other services to numerous Government agencies directly and indirectly engaged in war work.

The Divisions provided information and analyses that were essential to the Board in the formulation of policies and the performance of functions, which were necessary for the prosecution of the war. These policies and functions included:

- (a) Operation of the Federal Reserve System and supervision of banking, credit, and monetary conditions--all of which were of basic importance to the financing of the war.
- (b) Use of System powers to assure an ample supply of funds for financing the war, promotion of the sale of United States Government securities, and maintenance of orderly market conditions essential to the success of Treasury borrowing operations.
- (c) Operations under Executive Order 9112, which provided for government guarantee of bank financing of war production contracts. These operations were essential to increased war production.
- (d) Administration of the provisions of the Executive Order 8843, which provided for the regulation of consumer credit--a measure designed to aid in combating inflation.
- (e) Participation in formulating policies, for which other organizations were primarily responsible, regarding taxation, financing war production, price and consumption controls, anti-inflationary measures, etc.
- (f) Participation with the Foreign Funds Control Division of the Treasury in the handling of foreign funds and assets. Participation in other phases of the Government's international relations, such as the work of the Joint Economic Committees of Canada and the United States, Money and Banking Handbooks for the Civil Affairs Division of the War Department, series of special memoranda for Department of State, and preparatory work for the United Nations Monetary and Financial Conference at Bretton Woods.

APPENDIX A

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe				
			Census type	Sample Sampling method-S; Other-G	Approx. size of sample		
I. Banking and monetary series							
A. <u>Condition and operations of Federal Reserve Banks</u>							
1. Statement of condition	Weekly Monthly Annually	Release, Bulletin Bulletin Annual Report	Yes <u>2/</u>			Yes <u>2/</u>	
2. Maturity distribution of loans and U.S. Government security holdings	Weekly	Release, Bulletin					
3. Federal Reserve notes--Federal Reserve Agents' accounts	Weekly	Release, Bulletin					
4. Earnings and expenses	Semi-annually	Bulletin, Annual Report					
5. Volume of operations in principal departments	Annually	Annual Report					
6. War production loans guaranteed by Armed Services through Federal Reserve Banks under regulation V	Monthly	Release Bulletin					
7. Industrial loans	Monthly	Bulletin					

Footnotes at end of Appendix.

- 2 -
APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		Census type		
			Sample	Approx. size of sample			
1. Banking and monetary series (Cont'd)							
B. Condition and operations of banks							
1. Condition of banks							
(a) Member bank call report <u>3/</u>	3 or more calls per annum	Release, pamphlet	Yes <u>4/</u>			No	
(b) All banks in the U.S., by classes (condensed) <u>3/</u>	Semi-annually	Bulletin	Yes <u>4/</u>			No	
(condensed, partly estimated)	Monthly	Release, Bulletin	Partly	Partly G	6,900	Yes	
(c) All insured commercial banks <u>3/</u>	Semi-annually	Bulletin	Yes <u>4/</u>			No	
(d) Weekly reporting member banks in leading cities	Weekly	Release, Bulletin		G	450	Yes	
(e) Deposits, reserves, and borrowings of member banks by Federal Reserve districts	Semi-monthly	Release, Bulletin	Yes			Yes	
(f) Deposits of country banks according to population, by districts and States	Monthly	Bulletin	Yes			Yes	
(g) Member bank reserves and borrowings	Weekly	Bulletin		G		Partly	

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilati on (x); Other techniques (*)
			Coverage of universe		Census type		
			Sampling method-S; Other-C	Approx. size of sample			
1. <u>Banking and monetary series</u> (Cont'd)							
B. <u>Condition and operations of banks</u> (Cont'd)							
2. Earnings of member banks							
(a) Member bank earnings (preliminary)	Semi-annually	Release	Yes			Yes	
(final) <u>3/</u>	Semi-annually	Bulletin	Yes ^{1/}			No	
(b) Earnings ratios of member banks (based on aggregate dollar amounts)	Semi-annually	Bulletin	Yes			No	
(c) Operating ratios of member banks (based on averages of individual bank ratios)	Annually	Bulletin	Yes			Yes	
3. Number of banks							
(a) Changes in number of banking offices in the U. S.	Semi-annually	Bulletin	Yes			Yes	
(b) Number of banks and branches according to par list status	Monthly, semi-annually	Bulletin	Yes			Yes	

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		Census type		
			Sampling method-S; Other-G	Approx. size of sample			
<u>I. Banking and monetary series (Cont'd)</u>							
<u>B. Condition and operations of banks (Cont'd)</u>							
4. Suspended banks--number and deposits	Monthly, annually	Bulletin	Yes			Yes	
5. Interest rates on business loans of banks	Quarterly	Bulletin		G	85	Yes	
<u>C. Other credit and monetary data</u>							
1. Member bank reserves, Reserve Bank credit, and related items	Weekly, monthly	Release, Bulletin	Yes			No	
2. Analysis of changes in gold stock of the U.S.	Monthly	Bulletin	<u>5/</u>			<u>5/</u>	x
3. Federal Reserve Bank rates Discount rates Buying rate on bankers' acceptances Rates on industrial advances and commitments Maximum rate on time deposits paid by member banks		Bulletin				No	

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		Census type		
			Sampling method-S; Other-G	Approx. size of sample			
I. <u>Banking and monetary series</u> (Cont'd)							
C. <u>Other credit and monetary data</u> (Cont'd)							
4. Bank debits and deposit turnover	Monthly	Release, Bulletin		G	1,600	Yes	
5. Deposits and currency	Monthly	Bulletin	Partly	Partly G		No	
6. Money rates, etc.							
(a) Short-term open-market rates in New York City	Weekly, monthly	Release, Bulletin				<u>6/</u>	<u>7/</u>
(b) Average yields on 7-to 9-year taxable U.S. Government bonds	Weekly, monthly	Release, Bulletin					x
(c) Average prices on long-term taxable U.S. Government bonds	Weekly, monthly	Release, Bulletin					*
7. Outstanding commercial paper and bankers' acceptances	Monthly	Bulletin		G		<u>6/</u>	
8. Liquid asset holdings of businesses and individuals (estimated)	<u>8/</u> Annually			Partly S		No	
9. Brokers' balances--credit extended customers and related items	Semi-annually	Bulletin		G	300	No	

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available 1/	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Census type	Coverage of universe			
				Sampling method-S; Other-G	Sample size of sample		
I. <u>Banking and monetary series</u> (Cont'd)							
C. <u>Other credit and monetary data</u> (Cont'd)							
10. Consumer credit estimates - largely amounts outstanding and credit extended, covering major parts of short-term consumer credit by type and by major financial agencies and retail stores	Monthly	Releases, Bulletin	G		Yes <u>9/</u>		
Financial agencies:							
Commercial banks				400			
Small loan companies				650			
Credit unions				1,000			
Industrial loan companies				100			
Industrial banks				100			
Sales finance companies				150			
Retail stores:							
Department				500			
Household appliance				400			
Furniture				800			
Jewelry				250			

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		F. R. Bank district tabulation sent to Board	
			Census type	Sample		
			Sampling method-S; Other-G	Approx. size of sample		
II. Nonbanking series						
1. Department store trade statistics	Monthly ^{2/}	Release, Bulletin ^{2/}	G ^{2/}		Yes ^{2/}	
(a) Indexes, unadjusted and seasonally adjusted, total and F.R. districts				10/1,500		
Sales				950		
Stocks						
(b) Indexes, unadjusted	Weekly			450		
Sales						
Sales and stocks, by departments				350		
Sales, accounts receivable, and collections				475		
(c) Other	Weekly			450		
Percentage change in sales, selected cities						
Dollar amount of sales, stocks, and orders ^{1/}				300		
2. Industrial production indexes	Monthly	Release, Bulletin				*
About 100 component series combined into about 40 subgroups, groups, major divisions, and total index; unadjusted and seasonally adjusted						

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations; Compilation (x); Other techniques (*)
			Coverage of universe		Census type		
			Sampling method-S; Other-G	Approx. size of sample			
II. Nonbanking series (Cont'd)							
3. Corporate financial data							
(a) Earnings and dividends of large corporations	Quarterly	Release, Bulletin					x
(b) Income and balance sheet data of large corporations	Annually	Bulletin article					*
4. Seasonal adjustment of data originating with other organizations ^{12/}	Monthly ^{2/}	Bulletin ^{2/}					^{2/}
(a) Construction contracts awarded - Total, residential, and other; residential - public and private		Release also					
(b) Employment-factory and non-agricultural							
(c) Revenues, expenses, and income of Class I railroads							
(d) Freight car loadings, total and classes		Release also					
(e) Currency in circulation							

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System			F. R. Bank district tabulation sent to Board	Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		Census type		
			Sampling method-S; Other-G	Approx. size of sample			
<u>III. Special surveys to secure detailed data for major gaps in statistics</u>							
1. One-time surveys							
(a) Business loans of member banks	Late 1946	Bulletin articles		S	2,000	Yes	
(b) Commercial bank loans to farmers ^{13/}	Mid-1947	Bulletin articles		S	^{13/} 1,200	Yes ^{13/}	
(c) Finance companies	End of 1947	<u>14/</u>	Yes			No	
2. Repeated surveys							
(a) Consumer finances	Annually	Bulletin articles		S	3,500	No ^{15/}	
(b) Ownership of demand deposits	Annually <u>8/</u>	Bulletin articles		S	3,000	Yes	
(c) Retail credit	Annually	Pamphlet, Bulletin article		G	8,650	Yes	

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Type of series	Frequency of series	Where available <u>1/</u>	Data collected originally by F.R. System				Data from other organizations: Compilation (x); Other techniques (*)
			Coverage of universe		F. R. Bank district tabulation sent to Board		
			Census type	Sample			
			Sampling method-S; Other-G	Approx. size of sample			
<u>IV. Compilation of international financial statistics</u>							
Leading current source in the United States of certain major international financial series	Monthly, annually ^{2/}	Bulletin ^{2/}					<u>x^{2/}</u>
(a) Gold reserves of central banks and governments							
(b) Gold production outside USSR, by countries							
(c) Gold movements to and from the U.S., by countries			<u>5/</u>			<u>5/</u>	
(d) International capital transactions of the U.S.			Yes			Yes ^{16/}	
(e) Central banks -- principal assets and liabilities							
(f) Money rates in foreign countries							
(g) Commercial banks in leading countries -- principal assets and liabilities							
(h) Foreign exchange rates	Weekly also	Release also		G	6-8 reporting banks	<u>17/</u>	
(i) Price movements in foreign countries							

Footnotes at end of Appendix.

APPENDIX A (Cont'd)

MAJOR STATISTICAL SERIES ORIGINATING WITH THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM (Cont'd)

Footnotes

- 1/ Except where otherwise specified, "Bulletin" refers to the regular statistical tables in the Federal Reserve Bulletin.
- 2/ This designation applies to all series under this heading except as otherwise indicated.
- 3/ Data for national (member) banks are supplied by the Office of the Comptroller of the Currency and for nonmember banks by the Federal Deposit Insurance Corporation.
- 4/ Federal Reserve System collects for state member banks only.
- 5/ Data on gold under earmark from Federal Reserve Bank of New York.
- 6/ Rates on commercial paper, bankers acceptances, and stock exchange call loans and also data on outstanding commercial paper and bankers' acceptances collected by Federal Reserve Bank of New York.
- 7/ Yields on some short-term U. S. Governments compiled by Board on basis of Treasury data.
- 8/ Semiannually prior to 1947.
- 9/ Except for sales finance companies, which report directly to Board.
- 10/ The smaller respondent groups for other series include stores which are also in this group.
- 11/ Figures for reporting group only; no national estimates.
- 12/ In addition to seasonal adjustments of series under II, 1 and 2, above.
- 13/ Survey in cooperation with Federal Deposit Insurance Corporation. For member banks data were collected and tabulated by the Federal Reserve System; for insured nonmember banks, by the Federal Deposit Insurance Corporation. Size of sample is total reporting group.
- 14/ Survey not yet completed.
- 15/ Collection of information and tabulation performed for Board by an outside (private) agency.
- 16/ Data collected by Federal Reserve Banks in accordance with Treasury regulation of November 12, 1934.
- 17/ Data collected by Federal Reserve Bank of New York.

Note. - This appendix includes the major series originating with the Board of Governors that are made available to the public.

APPENDIX B

CHRONOLOGICAL RECORD REQUESTED IN ITEM 2 OF NATIONAL BUREAU INQUIRY

The following tabulation shows the total budgets of the Divisions of Research and Statistics and of Bank Operations and the personnel employed, as requested, for the years 1929, 1934, and 1939-47. There has been no attempt to separate these figures as between statistical and other activities.

<u>Calendar Year</u>	<u>Division of Research and Statistics</u>		<u>Division of Bank Operations</u>	
	<u>Total budget</u>	<u>Number of employees^{1/}</u>	<u>Total budget</u>	<u>Number of employees^{1/}</u>
1929	\$117,328	37	\$ 80,431	27
1934	152,968	48	131,707	51
1939	293,665	103	145,849	43
1940	338,981	120	141,048	41
1941	365,583	120	147,348	44
1942	356,804	113	134,512	36
1943	449,702	124	139,765	34
1944	524,754	130	141,171	34
1945	^{2/} 533,942	125	149,275	37
1946	^{2/} 629,940	136	184,353	44
1947	^{2/} 773,210	154	206,331	47

^{1/} As of December 31.

^{2/} Includes for work by an outside organization on the Survey of Consumer Finances the following amounts: 1945 - \$7,500; 1946 - \$52,500; and 1947 - \$119,891.

A chronological record of the major administrative and other changes affecting the statistical services of the Board of Governors during the last decade follows:

1938

Banking statistics general - Revised form of condition report for all banks submitting reports to Federal authorities adopted for use beginning December 31, 1938, by each of the Federal agencies, together with detailed instructions for the assistance of banks in compiling reports of condition. This standardization resulted from work extending over several years.

Corporate bond statistics - Board of Governors began to cooperate, along with other public and private agencies, in a project conducted by National Bureau of Economic Research to assemble data, beginning 1900, for study of the characteristics and market behavior of corporate bonds.

APPENDIX B (CONTINUED)
CHRONOLOGICAL RECORD (CONTINUED)

Publication of statistics - Discontinuance of long edition of Annual Report of Board of Governors, which included large number of statistical tables. Data to be made available to public in separate volume or monthly Bulletin.

1939

Number of banks and branches - First publication of regular series.

Bank rates on commercial loans - Basic revision of customer rate series (bank rates on business loans).

Industrial production - Indexes of durable and nondurable manufactures published.

Chart books - Federal Reserve charts on bank credit, money rates, and business first made available to public.

1940

Industrial production - New index (basic revision) published.

International financial statistics - Revised data published for gold reserves of central banks and governments.

Government bond prices - New indexes published.

Mechanical tabulation - Arrangement made with Federal Deposit Insurance Corporation to have certain tabulations made with their machine installation.

1941

Department store sales - New weekly index of sales published.

Industrial production - Further revisions published.

1942

Banking statistics general - Substantial revisions in reports required of banks: year-end reports on condition reduced one-half; earnings and dividend reports revised and simplified; bank debits reports changed from weekly to monthly basis and reporting group expanded.

Commercial loans of member banks - Special survey of commercial loans made during period Apr. 16-May 15, 1942.

Consumer credit statistics - Statistics taken over from Department of Commerce. Consumer loans of commercial banks -- collection and tabulation of statistics centralized.

APPENDIX B (CONTINUED)

CHRONOLOGICAL RECORD (CONTINUED)

Chart books - Industrial production chart book published.

Organization - Regional research program initiated in part to coordinate research and statistical work of the Federal Reserve System.

1943

Deposit ownership - First and second survey of deposit ownership, as of Jan 31 and July 31.

Bank debits - Reporting group expanded.

Consumer credit - First retail credit survey (taken over from Department of Commerce).

Industrial production - Index revised to take account of war production and its effect on basic data.

1944

Banking statistics general - Publication of basebook, Banking and Monetary Statistics. Bulletin tables revised to increase information on current changes in condition of all banks and in nation's money supply.

Consumer credit statistics - Revisions in series. Further revisions were published in each of the years 1945-47.

Department store sales - Revised monthly indexes and revised weekly index.

Government securities - Revised figures for certain yields and revised price series.

Business financial data - Joint project undertaken with Robert Morris Associates to secure income and balance sheet data, 1939, for large, medium-sized, and small concerns in manufacturing and trade.

1945

Consumer finances - Experimental survey of liquid asset holdings.

Liquid asset holdings of individuals and businesses - Semi-annual estimates beginning December 1939.

APPENDIX B (CONTINUED)

CHRONOLOGICAL RECORD (CONTINUED)

1946

Consumer finances - First national survey of liquid assets.

Business loans of banks - Survey of outstanding business loans of member banks, November 20, 1946.

Department store stocks - Revised indexes by major departments.

1947

Bank loans to farmers - Survey of outstanding commercial bank loans in mid-1947, in cooperation with Federal Deposit Insurance Corporation.

Deposit ownership - July 31 survey omitted.

Banking statistics general - Further improvements: (a) Weekly reporting member bank series -- coverage increased and improved; (b) All bank data -- single semi-annual series of assets and liabilities replaced three series previously compiled and published separately by the three agencies; new monthly series (partly estimated) of assets and liabilities of all banks and principal classes of banks published by Board of Governors.

Money flows through the economy - Special project to construct current measurements using accounting techniques.

Government securities - Certain yield series revised.

Business financial data - Joint project with Robert Morris Associates discontinued.

Chart books - Federal Reserve charts on Bank Credit, Money Rates, and Business issued monthly. Federal Reserve charts on Consumer Credit made available to public.

Mechanical tabulation - Machine tabulating equipment installed.

Material attached to Report of the National Bureau of Economic Research
on the Statistical Activities of the Board of Governors

Organizations charts

Board of Governors of the Federal Reserve System, May 1948

Division of Research and Statistics, December 3, 1947

Division of Bank Operations, November 15, 1947

Federal Reserve Act as amended

Federal Reserve System -- Its Purposes and Functions

Uses Made of the Call Report by the Federal Reserve System

The Federal Reserve Chart Book as an Aid to Bank Management -- reprint for

Bulletin for April 1948

Annual Report for 1938

Banking and Monetary Statistics

Federal Reserve Bulletin for June 1948

Call Report

Chart Book

Federal Reserve Publications -- reprint from Bulletin for December 1947

Sample set of releases and publications bearing on statistical activities