

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

# Office Correspondence

Date January 15, 1944

To Chairman Eccles

Subject: \_\_\_\_\_

From Governor Evans

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Attached is a copy of a memorandum which indicates briefly the special projects that have been completed recently and those being undertaken by the research departments of the Federal Reserve Banks.



Attachment

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

R&S 776

# Office Correspondence

Date January 13, 1944

To Governor Evans

Subject: Work of the Banks' research

From John C. Bergelin

departments

The following paragraphs summarize briefly special projects undertaken by the research departments of the Federal Reserve Banks. In addition to these projects, a large part of the research staffs' time at all Banks is spent in supervision of current work, preparation of material in answer to specific inquiries from within and without the System, and the like. The material below contains no mention of this work, which has expanded sharply in recent years and is likely to increase further as the Banks' research work is better appreciated both within and outside the System. Likewise there is little reference made to participation of the research departments in cooperative projects with other agencies. This matter will be discussed in a separate memorandum when replies to an inquiry recently sent out are received.

## Boston

The staff here is very limited and the Bank is still endeavoring to secure a person to head up its research department. Despite this situation some research work is in progress. Rather detailed studies of manufacturing employment, which indicate the importance of various industries in the various localities and changes that have occurred since 1919, have been made for the major cities in Massachusetts. A study of the output of manufactured products in the various localities in the year 1941 is now in progress. This material will provide a valuable background for further studies of particular localities.

## New York

Studies of population trends and of the composition of population, particularly the working population, in the district as a whole and in New York City have been completed. A study has also been made which shows the trends in employment in the important industrial regions of the area. Further work on the current economic position of New York City, with particular emphasis on New York's position as a financial center, is in process. Some regional information and analysis is now contained in the Bank's Monthly Review. A number of banking studies have been planned and, because of the concentration of banking and finance in New York City, it is believed that these will come to be the most important part of the research program in this district.

Philadelphia

This Bank has been working intensively for some time on a study of the economy of the district. The results of this work are being published in a series of articles, the first of which appeared in the January issue of the Bank's Monthly Review. These articles are expected to appear regularly in the Review through July at least. The economy of the district as a whole will first be discussed, followed by detailed analyses of particular industries and communities. In addition to these articles in the Monthly Review, the Bank is preparing a series of articles on the various aspects of member bank policies, the operations of the Federal Reserve Bank, and the history of central banking. These studies are prepared for the use of the officers and directors and are contained in the Bank's confidential "Weekly Review", which is circulated throughout the System. Some clinics on present and prospective problems have been held with leaders in certain areas and it is hoped that this work can be expanded.

Cleveland

At this Bank there has been considerable emphasis to date on frequent attendance at various meetings throughout the district by members of the research staff. This has been done with a view toward having these men know their district at first hand and get to be known by bankers and others. Late last fall a series of county meetings with bankers was begun by Mr. Hays and generally a member of the research staff accompanies him. So far 18 of these meetings have been held and about 80 are scheduled for this year. In particular, Mr. Eckert, the Bank's agricultural economist, has done much through attendance at meetings and personal visits to stimulate the interest of member banks in small communities in general economic problems and in the Reserve Bank. Research work is, of course, being carried on constantly, for a thorough knowledge of developments in the various communities is essential as a background for such public activities. Mr. Eckert now has under way a study, which is nearing completion, of trends in commercial bank lending to farmers.

Richmond

This Bank has been and is making detailed studies of industries important in the district. Along with these it has under way a study of income payments in the district, with the view to finding out the source of income payments and the prospects in regard to them. The industry surveys made to date have been of a preliminary nature and the Bank expects to do more detailed work on these industries as well as others. The results of some of these studies have been published in the Bank's Monthly Review and a special study, "The Economics of Flue-Cured Tobacco", made in cooperation with the University of Virginia, was published separately. Mr. Kincaid spends a considerable portion of his time at various meetings throughout the district and through such personal appearances, as well as through the Review, the results of the Bank's work are disseminated.

### Atlanta

The Atlanta Bank has an adequate and well-rounded staff that has been doing a great deal of work in studying the current problems of particular localities in the Sixth District. Much of the groundwork for these studies comes from visits to the localities and discussion of the problems with representative people in the areas. The Bank has made a vigorous and, I believe, successful attempt to publicize its activities through the medium of its Monthly Review. The Review at present contains many articles dealing with subjects of local interest and these have been well received. In addition to the Review, a series of economic studies is contemplated. These will be published in pamphlet form and will cover such varied subjects as the Mississippi experiment with subsidization of new industries, agricultural credit conditions, and the possibilities for new industries in the South. The Bank also prepares a monthly report for the officers and directors which includes competent and useful discussions of economic developments, both national and local.

### Chicago

This Bank now has a large research staff which is taking an active part in the affairs of the Seventh District. Members of the staff do a great deal of traveling throughout the region, both to study developments in particular localities and industries and to appear on the programs of various meetings. In addition to studies of banking and fiscal problems, the interest of this Bank seems to be centered largely on making extensive studies of particular industries and of particular localities and a considerable amount of work has been done along these lines. The results of the surveys are published as special articles in the Bank's Monthly Review. The Review contains, in addition, frequent discussions of subjects of national and local interest.

### St. Louis

The St. Louis Bank has not as yet had much expansion in research staff. The present members are capable, however, and have done some good work in analyzing the effects of the war on the district's industries and on the local manpower situation. During the past year a monthly report to the officers and directors has been inaugurated and this contains numerous special articles dealing with particular situations. Some of the special studies have been published as articles in the Monthly Review but to date the number of such articles has been limited. The department has developed rather extensive contacts with local bankers through the medium of personal calls supplemented by regular monthly letters asking about developments in particular cities and this, it is believed, has been worth while.

Minneapolis

The staff at this Bank is not large but the research people have been very active in cooperating with other local organizations in the development of economic surveys conducted by particular communities. This has necessitated a great deal of travel throughout the district. It is believed that the Bank has become better known through these activities and has contributed greatly in arousing local interest in economic problems.

Kansas City

This Bank has not done a great deal to date. Mr. Robb made special surveys of the dairy and the sheep raising industries in 1943 but, apart from these, the main work has been that of keeping abreast of current developments in the Tenth District. However, now that the services of Mr. Hardy have been secured, it is expected that the next year will witness a rapid development of research work at the Bank.

Dallas

The Dallas Bank has built up a vigorous staff of well-trained young people. They have made a thorough factual investigation of the economic structure of the district and of communities within it and are now starting on a survey of the war industries, plant by plant, to determine what is likely to happen after the war. This type of survey is possible in the Eleventh District because the number of industrial establishments is limited and manufacturing activity in the district is confined to a relatively few areas. In addition to the industrial survey, several rather extensive projects on banking developments and prospects are about to be undertaken. The Bank's Monthly Review has been improved considerably by the inclusion of special articles based on the studies that have been made.

San Francisco

The research department at this Bank has for years had a considerable prestige in the Twelfth District, particularly outside the Federal Reserve Bank itself whose operating officers have never shown much interest. The department has maintained close contact with other research organizations and has worked with various groups in making special surveys in the area. This type of cooperation is being expanded. In addition, the department is making important studies of the present composition of the district's labor force in order to determine developments in the postwar period. This is particularly important in the Twelfth District owing to the large immigration of population that has been brought about primarily by expansion in the shipbuilding and aircraft industries, which will probably contract markedly after the war. The Bank's Monthly Review has for some time carried competent discussions of current developments in the Twelfth District and of special surveys, and this high standard is being maintained.

*JB*