St. Louis Fed's Review: Lessons From Financial History

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ST. LOUIS-- Rapidly changing technology, financial innovation and increasing linkages among the world's financial markets all influence today's financial world. Yet, those features have also characterized times past. For example, regulators today confront the issue of whether and, if so, how to regulate private electronic money, whereas a similar question was raised in the nineteenth century regarding the private issuance of banknotes.

Economists from around the globe came to the Federal Reserve Bank of St. Louis last fall to consider financial history and its implications for current policy. The latest edition of Review, the St. Louis Fed's bimonthly journal of economic and business issues, features their presentations and commentaries from "Lessons From Financial History," the Reserve Bank's twenty-second annual economic policy conference.

David C. Wheelock, vice president of the St. Louis Fed and the coordinator of the conference, said the papers covered three themes:

- the question of what makes banks unique and how differences in their structures might affect a country's economic performance,
- the evolution and effects of financial reform, and
- the efficiency of alternative payments mechanisms.

Articles and authors in this issue of Review are:

- "Were Banks Special Intermediaries in Late Nineteenth Century America" by Eugene N. White, a professor of economics at Rutgers University.
- "Banking Systems and Economic Growth: Lessons from Britain and Germany in the Pre-World War I Era" by Caroline Fohlin, an assistant professor of economics at the California Institute of Technology.
- "The Financial Crisis of 1825 and the Restructuring of the British Financial System," by Larry Neal, a professor of economics at the University of Illinois at Urbana-Champaign.
- "U. S. Securities Markets and the Banking System, 1790-1840" by Richard Sylla, the Henry Kaufman Professor of the History of Financial Institutions and Markets, and a professor of economics at the Stern School of Business, New York University.
- "Lessons from a Laissez-Faire Payments System: The Suffolk Banking System (1825- 58)" by Arthur J. Rolnick, senior vice president and director of research at the Federal Reserve Bank of Minneapolis; Bruce D. Smith, a professor of economics at the University of Texas at Austin; and Warren E. Weber, senior research officer at the Federal Reserve Bank of Minneapolis and a professor of economics at the University of Minnesota.
- "Did the Fed's Founding Improve the Efficiency of the U.S. Payments System" by R. Alton Gilbert, vice president and banking advisor at the Federal Reserve Bank of St. Louis.
- "American Banks During the Great Depression: A New Research Agenda" by Joseph R. Mason, an economist at the Office of the Comptroller of the Currency.

Providing commentaries in the issue are Naomi R. Lamoreaux, a professor of economics and history at the University of California-Los Angeles; Peter Temin, the Elisha Gray II Professor of Economics at the Massachusetts Institute of Technology; Michael D. Bordo, a professor of economics at Rutgers University; Kenneth A. Snowden, an associate professor of economics at the University of North Carolina at Greensboro; Randall S. Kroszner, a professor in the Graduate School of Business at the University of Chicago; and John A. James, a professor of economics at the University of Virginia.

Subscriptions to Review are free and can be obtained by calling (314) 444-8809. The publication is also available on the Bank's website: http://www.stls.frb.org.

The Federal Reserve Bank of St. Louis has branches in Little Rock, Louisville and Memphis. It serves the Eighth Federal Reserve District, which includes all of Arkansas, eastern Missouri, southern Indiana, southern Illinois, western Kentucky, western Tennessee and northern Mississippi. In addition to serving as a bank for depository institutions and the U.S. government, each Reserve Bank supervises state-chartered member banks and bank holding companies, monitors economic conditions in the District and participates in formulating monetary policy.

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