Monetary Policy and Economic Activity: A Postwar Review

Members of the staff of the Board of Governors of the Federal Reserve System made a Staff Presentation in audio-visual form to the "Symposium on Money, Interest Rates, and Economic Activity," which was held in Washington, D.C., in April 1967, under the sponsorship of the American Bankers Association. The materials used on that occasion—with such modifications of charts and text as are necessary for printing in the BULLETIN*—are shown below.*

The original presentation was made by Daniel H. Brill, Senior Adviser to the Board; Robert C. Holland and Robert Solomon, Advisers to the Board; and Albert R. Koch, Deputy Director of the Division of Research and Statistics. Graphics were designed under the supervision of Mack Rowe.

The task on which we are setting out—a review of monetary policy over the entire postwar period—borders on the impossible. Just to read off the list of topics suggested to us for possible coverage would take most of our allotted time. Therefore, we will have to be highly selective.

We will spend some time discussing postwar developments in financial markets, since it is through these markets that policy actions are communicated to the rest of the economy. But we must spend time, too, on nonfinancial developments, since they determine the stance of policy and reflect how fully the ultimate goals of policy are realized. And we will consider the international as well as the domestic aspects of policy actions.

For the selection of developments in these areas on which to focus, and for the interpretation of events, let me first exonerate our principals. This is purely a staff view of the lessons of the postwar years; it is not in any way an official history of the period.