of interviews of businessmen and consumers with regard to the influence of credit cost and availability conditions on their spending decisions. Other studies have employed modern statistical and computer technology in an attempt to extract such information from data on past behavior.[22] With regard to spending on housing, there has been general agreement that the cost and availability of credit are highly important. A number of studies have also found varying degrees of influence on business spending for plant and equipment and for inventories as well as on consumer spending for durable goods such as autos and appliances. All these studies, however, have also found factors other than cost and availability of credit to be highly important. Moreover, a large degree of disagreement exists with regard to the exact quantitative importance of the financial factors.

Given the serious technical problems that surround these studies, major areas of disagreement are virtually certain to exist for some time to come. Nevertheless, studies of the type referred to here appear to offer the hope at least that firmly grounded and widely accepted conclusions on the importance of money in the business cycle may ultimately be reached. Of particular interest are large-scale econometric models which attempt to provide quantitative estimates of the timing and magnitude of the effects of central bank actions on the money supply and other financial magnitudes and the subsequent effects, in turn, of these variables on each of the various major components of aggregate demand. One such model is currently under construction by members of the Federal Reserve Board staff in cooperation with members of the Economics Department of the Massachusetts Institute of Technology.[23] Granting the major technical problems still unresolved, projects of this kind appear promising as a means of eventually tracking down the importance of money in explicit, quantitative terms.

---

[22] For a summary of some of these studies, see Michael J. Hamburger, "The Impact of Monetary Variables: A Selected Survey of the Recent Empirical Literature" (Federal Reserve Bank of New York, July 1967). Copies of this paper are available on request from Publications Services, Division of Administrative Services, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

[23] Some preliminary results of this work are discussed in "The Federal Reserve-MIT Econometric Model" by Frank deLeeuw and Edward Gramlich, *Federal Reserve Bulletin* (January 1968), pages 9-40.