

Les banques centrales pendant la Grande Guerre

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The Federal Reserve System and World War I: Designing Policies without Precedent

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Summary

The Federal Reserve System failed to prevent the collapse of intermediation during the Great Depression (1929-1933) and took action as if it was unaware of policies that should have been taken in the event of widespread bank runs. The National Banking Era panics and techniques to alleviate them should have been useful references for how to alleviate a financial crisis. We suggest that the overwhelming effort to finance World War I combined with a perspective held by contemporary Federal Reserve officials that the central bank legislation was sufficient to overcome financial crises are key reasons why the historical experiences were overlooked.

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