

CHARLES R. GEISST



A GUIDE TO
FINANCIAL
INSTITUTIONS

A GUIDE TO FINANCIAL INSTITUTIONS

By the same author

A GUIDE TO THE FINANCIAL MARKETS

FINANCIAL FUTURES MARKETS (*with Brendan Brown*)

**RAISING INTERNATIONAL CAPITAL: International
Bond Markets and the European Institutions**

A GUIDE TO FINANCIAL INSTITUTIONS

Charles R. Geisst

Manhattan College, Riverdale, New York

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For Margaret the Elder

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CHARLES R. GEISST

Introduction

In the late 1970s and early 1980s, the major topic of discussion within and among financial institutions was high interest rates, especially those in the United States, and the various problems they created. When worldwide rates did begin to subside, the discussion shifted to institutional changes that were becoming necessary as a result of the changes in the financial climate of the previous decade. The net result has been a significant change in the attitudes of regulatory authorities that direct financial institutions as well as structural changes in the institutions themselves.

The methodological problem that immediately presents itself to anyone interested in these changes is that they are essentially international in character. It is no longer possible to classify developments in the American or British banking industries as purely domestic in nature. The free flow of capital between the major international capital centres, prompted by foreign exchange and real rate of return motives, has made what were once international counterparts now international competitors in the quest for commercial or investment banking fees. While it may still be a bit early to draw conclusions concerning the end effect of these multitudinous institutional changes this book does attempt to begin its discussion of financial institutions with the international sector.

This present volume is intended to be a companion volume to this same author's *A Guide to the Financial Markets*, first published by Macmillan and St. Martin's in 1982. The treatment of the subject matter also follows the same *modus operandi*. This volume is intended to be an introduction to the topic; it does not attempt nor pretend to cover it exhaustively. Therefore, readers more accustomed to textbook presentations will find a distinct lack of familiar pedagogical devices such as the