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ABSTRACT

To provide an overview of objectives, practices, and needs of international/global education programs in elementary and secondary schools, the report investigated four areas--successful international/global programs, curriculum opportunities, teacher commitment, and opportunities in non-school education. Information is based on approximately 150 unstructured telephone interviews with educators and consultants in social studies, foreign languages, and science; school administrators; journalists; museum directors; and personnel in state economic development agencies. The paper is presented in two major sections. Section I presents observations about current international/global education programs and outlines opportunities for program development. Major observations are that current programs are often directed by teachers in spite of local disinterest or hostility and are generally not of particular interest to parents and administrators. Opportunities for program improvement are seen in areas such as using audiovisual materials to increase student interest, encouraging teacher cooperation in developing a core curriculum in global studies, and promoting interdisciplinary studies with a global focus. Section II gives recommendations which include opening lines of communication between teachers, documenting international/global programs, sponsoring a national conference on international/global education, and developing international components of law-related and moral education. (L9)

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THE GLOBAL CONTEXT: THE U.S. ROLE

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TO THE EDUCATIONAL RESOURCES
INFORMATION CENTER (ERIC)."

Possibilities for International/Global Education

A Report

Prepared for session on
DEVELOPING A GLOBAL PERSPECTIVE
at the 1979 Conference on International Education

By Robert G. Hanvey
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Commissioned by the
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Note to Participants

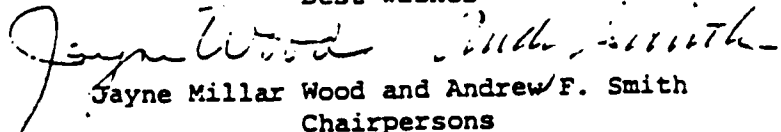
This is a copy of Robert G. Hanvey's "Possibilities and Limitations in International/Global Education," developed for the Global Perspectives Strand at the Conference. Some recommendations are made at the end of the paper. We would like your reactions to these recommendations. You are also invited to generate additional recommendations about global perspectives. It is hoped that many of the panel sections will discuss potential recommendations. You are also welcome to drop off any written recommendations in the Caucas Room at the Shoreham Americana Hotel during the Conference. Recommendations about global perspectives can be forwarded after the Conference to:

Andrew F. Smith
Global Perspectives in Education Inc.
218 East 18th Street
New York, New York 10003

These recommendations will be collected, edited and included in the Conference proceedings. Conference proceedings will be submitted to appropriate individuals, including those in the Office of Education, the International Communication Agency, and the President's Commission on Foreign Language and International Studies.

We look forward to the Conference and hope that it will be productive.

Best wishes


Jayne Millar Wood and Andrew F. Smith
Chairpersons

DEVELOPING A GLOBAL PERSPECTIVE

INTRODUCTION

This is a report of a study conducted in preparation for the February 1979 Conference on International Education, more particularly for the sessions on the development of a global perspective in K-12 schooling. The modesty of the study must be emphasized. This was not a general survey of global education in the schools nor a survey of the programs of the many organizations which devote themselves to the international/global domain.

(The latter survey has been recently completed by the Academy for Educational Development.) Rather, largely through a series of unstructured telephone interviews, a search was conducted in four areas:

Success Stories: At a time when public interest in the wider world is low and public demand for student mastery of basic skills is high, are there nonetheless international/global programs in the schools that enjoy particular success. If there are such "success stories," what characterizes them?

Support for Teachers and School Administrators: Assuming that even in an unresponsive environment there are teachers and school administrators who maintain a long-standing commitment to international education, what might strengthen and amplify their efforts?

Curriculum Opportunities: In what areas of the school curriculum might there be realistic opportunities to introduce or more fully develop an international/global dimension?

Opportunities in Non-School Education: Given that many organizations, institutions and groups (for example, professional associations, museums, government agencies, churches, corporations, etc.) either operate explicit education/information programs or have the potential to contribute to such programs, are there interesting opportunities for developing an international/global curriculum that reaches young people in non-school settings?

The search in these four areas was not a tidy one but the early stages were reasonably systematic. In the quest for "success stories," the organizations that cosponsored the Conference were helpful in supplying initial leads. Other names were obtained by sending letters to specialists and consultants in the social studies, foreign languages and science. For example, the letter sent to a key social studies consultant in each state asked three questions:

Could you suggest one international/global program in your state that seems especially successful or exciting?

Could you suggest the name of one teacher who has had a long-term interest in international/global issues?

Could you suggest the name of one school administrator who has been particularly supportive of international/global education over the years?

Names came back. (A 40% response to that letter.) Telephone interviews followed. The interviews were conversational rather than structured, often lengthy and usually productive--although sometimes in surprising and indirect ways. Random remarks, unsolicited bits of information and opinion; things not said continually generated new questions and issues. Some of these new questions were pursued in subsequent interviews. Some were put aside but remain as important issues.

It wasn't possible in the short time available to follow all the leads, especially since each interview produced new ones. Altogether there were approximately 150 telephone interviews. These were not distributed evenly among the four areas of search. "Success stories" and "support" accounted for only 40 interviews out of the 150 total, at least in a direct sense. (A few teachers and administrators were contacted in the context of the other categories.) The exploration of "curriculum opportunities" accounted for approximately 30 interviews; in addition to those 30 interviews there were mailings to psychology teachers and humanities teachers probing whether their courses included "global" topics or units. The mailings were small in scope--letters to 30 humanities teachers in one state and to a sample of 20 high school psychology teachers.

The remaining interviews, approximately 80, were conducted in the exploration of "non-school opportunities." Conversations were held with journalists, ethnographic film producers, corporation officers, museum directors, children's literature experts, business school professors, nutritionists, church educators, musicologists, personnel in state economic development agencies, officers of a professional association of women, media anthropologists.

The four categories of search were crisp and neatly bounded only on paper, of course. With the interviewing process underway they quickly lost their edges and dissolved into one another. "Success story" interviews produced ideas about the kinds of support needed by teachers working in hostile or apathetic environments. "Non-school" interviews sometimes led back to the classroom or suggested "curriculum opportunities." Partly because of this breakdown of categories there is no attempt to sort the results in terms of the original categories of search.

There are, nonetheless, two basic kinds of results. One kind consists of observations about the situation as it is. The second kind of result consists of ideas about opportunities and possibilities. Some of these are stated in positive terms, some in negative terms, i.e., an idea that initially seems to have merit is discarded as unrealistic. For example, high school economics courses do not presently pay much attention to the world economic system and how its workings interact with local and personal economies. Such courses appear to be a natural context for such learnings, appear to present an opportunity. But for reasons that will be discussed, the seeming opportunity is dismissed as unpromising.

This report does not include all of the observations and ideas about opportunities generated by the study. Some have been selected for discussion here. The balance will be reviewed in a later document.

The last section of the report is devoted to a few recommendations. Certain of these reflect the expressed needs or wishes of informants. For example, an informant might say, "There is need for a newsletter that keeps people in touch." If that comment was echoed by other informants or if observations tended to substantiate the need indirectly, a recommendation would result. Most of the recommendations do not derive directly from expressed hopes of informants but have been fashioned in response to patterns observed or inferred during the study, or in response to opportunities that were identified.

OBSERVATIONS/OPPORTUNITIES

International/global programs in the schools that outside professionals identify as particularly successful are frequently operated by lone teachers (or a small group) who manage in spite of local disinterest or hostility.

The first thing that needs to be said is that these teachers disavow success. They see themselves as engaged in very modest efforts, or in the beginning stages of an effort whose success is yet to be determined, or in a struggle against odds. But some outside professional has identified their work as successful. The implicit criteria that seem to be operating are intellectual quality, innovation and the capacity to develop student interest and loyalty. If one looks for a pattern of traits in the teachers there is a consistent impression of intelligence, energy, enterprise and philosophical commitment. These teachers have philosophies. They don't all teach in hostile environments but there is evidence of risk-taking and/or extra work in acting out those philosophies. Not the least of the risks is that of giving offense to colleagues who may resent displays of extra effort and creativity.

There are other difficulties, e.g., finding the means to purchase and use controversial materials. A teacher describes an enterprising solution he developed while teaching in a small coastal community in Maine:

I was teaching 7th grade geography. I didn't want physical geography so I changed it and made it cultural geography...I had the kids organized into a group called "Kids Who Care." (about world hunger) We had buttons made up. In three weeks (through a raffle) we raised over a thousand dollars to buy materials. We bought two movies, one called "Population and Quality of Life" which is an eight minute film about overpopulation and contraceptives and family planning. I was told I couldn't talk about that but we got around it by having the kids buy their own film and playing it and discussing it themselves. So that satisfied the authorities...

The willingness to take on extra work is important. One payoff for that extra effort may be student response. A teacher in Delaware describes setting up a tape exchange with a school in Britain:

...it's a lot of work to set it up. It's really something that should be started over the summer between the two teachers so that they can start right in in September...This 8th grade history class--it was a top group of students but they had the idea that history was boring and all of a sudden it came to life for them. We purposely picked the War of Independence because there's not as much mention of it in English history books. They just see it as a colonial uprising or one of their many wars, where to us it's probably the biggest war in American history. I think when the children are made aware of that difference, how two different countries can look at the same conflict from two different angles that really helps, they seem to enjoy that...

The students are sometimes the teachers' only local allies. But these teachers are not without support. Their philosophical commitment has often been stimulated and shaped by attendance at a particularly meaningful conference and by subsequent contact or active involvement with international organizations or university centers. Many are on first-name terms with their contacts--university professors, organization directors, state-level specialists. They obtain psychological, intellectual and material support from these geographically extended sources even when community and local colleague support is not available.

The lack of support from fellow teachers is not invariant. There are instances where colleagues are on the same wavelength. For example, a science teacher in a large private school teaches a globally-oriented full year course in environmental studies, a colleague in history treats energy issues and another colleague in the religious studies department teaches a popular course called "The Ethics of Global Survival." The ultimate goal of this group is to develop a core curriculum in global studies. In another school--a public high school in an agricultural community--an interdisciplinary team of 10th grade teachers led by one of the school's administrators has developed and tested a unit that examines the significance of protein in the world hunger problem, including the question of whether feeding vegetable proteins to animals is efficient and justified. They managed this in a community that raises soy beans and chickens, where in the words of the administrator, "You grow the soy beans, then you run them through the chickens, then you sell the chickens." As the administrator noted tactfully, the support of the community could hardly be expected but "the student reaction and the

teacher reaction were both tremendous." In the future the teacher team (social studies, home economics, science and English) may be expanded to include the ag teacher and the health teacher.

One way to address the problem of colleague and community disinterest is to turn the problem on its head, to reach out for whatever interest there is and build a comprehensive program. One of the four global education projects in Michigan is doing precisely that. The project has created an alternative school within a larger school. The alternative school is philosophically devoted to a global approach, the faculty has been selected for their commitment to such an approach and the students are volunteers whose parents want such an education for their children.

(we have) a school of global education. And what that means is an alternative school that offers English, social studies, science, math and Spanish in a three-year curriculum with integrated studies. All of these studies, then, are focused on the whole concept of global education, the idea of world awareness, interdependence, a background on the major countries of the world, then looking toward the future, the mutual problems we all share on this globe.

The school-within-a-school doesn't necessarily eliminate resistance by non-participating teachers. In this instance there was initial resistance, partly because of declining enrollment in the district and thus job anxiety among teachers. But the alternative school model permits a group of teachers to proceed knowing that there is psychological support within their own circle plus parental approval.

Many teachers are not so fortunate. They manage but they know that they are fundamentally isolated from their fellow teachers. And that is a burden.

I'm convinced it's necessary. A lot of teachers aren't. A lot of teachers don't want anything to do with anything new right now. The pressure's there to retrench...The basic problem is just to convince the teachers there's a need and I'm not sure how you do that...

Although complaints about the elusive meaning of "global education" are common, there does seem to be an emergent agreement about a configuration of topics, issues, concepts and goals associated with the term.

The meaning of "global education" is not a settled matter. But the term is in use by those who plan school programs and by those who teach them. New programs with "global" in the title are coming into existence. Teachers make distinctions between the global and non-global aspects of their courses. Texts are to some extent judged in terms of their global outlook. Thus the meaning of "global education" is being defined operationally as individuals intuitively apply it.

There are, of course, some instances of puffery:

...one high school teacher in social studies called his world history class Global Education. Well, that's a nice term. Did he stay with the same course? He did, basically...he did talk about international foods, international clothing, international sports. He used the word "international" and I'm sure he approached it from a pretty broad point of view but...

Such examples aside, if one looks at programs that are viewed as at least loosely "global" in their orientation certain concepts and problems and desired attitudes appear with enough frequency to suggest a pattern. For example, an urban teacher of 10th grade World Cultures comments that during the course she "tries to spend some time talking about the United Nations and global perspectives and interdependence..." Interdependence. That is probably the keystone concept in the structure of ideas and sentiments that constitute global education. Troubling to some for its political overtones and troubling to others because it conceals important asymmetries of power, it is nonetheless a crucial idea. Those who wield it hint of at least a rudimentary sensitivity to relationships and responsibilities previously ignored.

It is worth noting that the teacher quoted above distinguishes her attention to global perspectives and interdependence from the main content of the

World Cultures course. The fast-paced review of area histories and cultures that is typical of world cultures programs tends not to be equated with global approaches. There is a tacit understanding that the typical World Cultures course must be changed if it is to qualify as "global." The nature of the change is suggested by the comment of an urban curriculum supervisor:

We have instituted a course which most 10th graders take as an elective...in what we call World Cultures. It is in a sense area studies but it's a little more than that in that we have made a great effort to emphasize interrelationships and "linked fates" among peoples. We've been very careful to structure it in such a way that it's more than just the anthropology, sociology, geography of this place, that place and another, without any sense of how much interdependence there really is...

Another way of changing the World Cultures course to make it more global is to put aside the superficial review of area cultures in favor of a very intensive study of one or a few national cultures. Japan seems to be a favorite. The intensive study sets the stage for comparison with our own culture and for general insights into cultural dynamics. It also allows enough time for students to explore another people's modes of thought and expression. The implicit criteria in force seem to be:

do students study another culture in enough depth to feel it, to experience it and thus to respect it?

do students do enough non-invidious comparison of cultures to gain some insights into the influence of culture on human behavior--including their own behavior and outlook?

The perspective that is thus being prized is essentially counter-provincial in two senses--the hidden patterns of one's own culture are forced into view and become available for discussion. And the reasonableness and even virtues of a markedly different way of life are made manifest.

The counter-provincialism of global approaches must be underlined. It is perfectly possible to study world areas in ways that preserve ethnocentric conceits. There seems to be agreement that these older ways do not qualify as "global."

Certain issues and problems tend to be associated with global education. The world food situation is pre-eminent among these. Population growth and poverty in the third world are related issues. Energy policies and environmental pollution are widely discussed. Conflict and conflict resolution, the risks of war in a nuclear age, the arms race receive some attention, as do the role and power of the multinational corporations on the world stage. And all of these are considered in the context of sensitivity to the future, and to the possibility of alternative futures.

Each of these issues, of course, has its own array of specialists, government agencies, voluntary organizations, body of scholarly and popular literature and an educational outreach apparatus that distributes information and materials into every corner of the society--schools, churches, adult forums, etc. Population education, peace studies, future studies, environmental studies, development education have been around for years and have no obvious need for the embrace of global education. Yet within that embrace these familiar problems may receive distinctive handling. The hallmark trait of the global approach seems to be the persistent attempt to show relationships, to show that problems ordinarily treated separately are in fact connected, to show that the individual is connected into larger biosocial systems and that this has implications for responsible personal choices and to show that our best understanding of complex issues comes from the application of interdisciplinary analyses. Consider, for example, these quotations from the description of a World Cultures-Global Education program in a Pennsylvania school district:

(the program) consists of four 9-week modules, each of which focuses on a significant world problem -- Overpopulation, Dwindling Natural Resources, The Arms Race, Stresses on the Eco-system.

(the desired outcome of the program is that) students demonstrate a willingness and an ability to identify and analyze world problems; determine and justify their personal positions...and develop, justify, implement and evaluate intelligent and ethical plans of action which make a positive contribution to an integrated solution to world problems.

(the rationale is that) many interrelated conditions have combined to create problems of unprecedented gravity that threaten not only the quality of life, but life itself. These problems can be most effectively addressed only if every individual recognizes and accepts a share of the responsibility for both the existence of and an integrated solution to the problems.

In another state a science teacher and a social studies teacher work together in the classroom to teach an environmental studies course. They believe that both perspectives are crucial. In an article describing their course they write:

...the goal of broad understanding is better met if the science teacher comments on the implications of monocultures and simplified ecosystems during the discussion of the Agricultural Revolution, and the social studies teacher adds the importance of fish in the diet and economy of Japan to a discussion of food chains and the concentration of poisons therein...The scientists' job is to instill a solid understanding of some simple ecological concepts. A feeling for the energy flow through the biosphere, for instance, is essential to understanding our current world food problem.

The handling of the world food situation in that classroom and in many others perhaps exemplifies the emergent meaning of global education. The food problem as a topic is pervasive in schools and there are many reasons for that, including extensive coverage by popular media. But the problem lends itself particularly well to instruction that draws on a variety of disciplines, it lends itself to simulation activities that dramatize disparities between the rich and poor nations, it lends itself to the exploration of personal choices that in the aggregate may make a difference. And the food problem seems to illustrate with special clarity the interconnectedness of things that is so central to the meaning of global education.

International/global knowledge and sensitivities do not rank high among the outcomes that American parents currently want the schools to produce.

The statement above is a gentle way of describing the situation. In many communities it would be more proper to say that international/global

knowledge is simply not on the list of educational goals. At the top of the list of desired outcomes are the basic communication skills. The interviews and other data suggest that parents give high priority to two other outcomes: "job-getting" preparation in the form of career information, appropriate work attitudes, technical skills; and preparation to function ably as a consumer. Parents want outcomes in addition to these but the knowledge and attitudes that might be developed by international/global studies are not prominent among them.

Interestingly, even when the practical economic interests of the community are clearly connected to the world market there is no translation of that into educational goals for the community's children. Here is a portion of an interview with a high school teacher in a midwest wheat growing state. The interviewer says:

A state like ----- must be very involved economically in the world, with exports of grain and everything else...Don't the local farmers want their kids to understand the world economy?

Yes, but they think you ought to do that in U.S. History or U.S. Government. What I hear mostly in this community is that the kids ought to be taught more about what kind of career they're going to be in, what kind of vocation they should go to...What you're saying is that we're going to live in a small world and we'd better find out what it's like. What I'm hearing from community people and school board is that kids ought to be given knowledge about the job they can have...

They want the kids to learn what it is to be a good worker...We have a career ed program which means that kids go out for an hour a day and work somewhere and supposedly have some of the responsibilities of an employee...and the push is that every class should be teaching kids about careers...They are more concerned to...train these kids to be good employees than they are to train them about what's going on in the world.

Such attitudes, of course, are not unreasonable. The local farmers know that not many of their children will follow in their footsteps. The young people will leave the community and will spend their lives working as employees. Preparing for employeedom makes good sense. And in times of job scarcity it is natural that emphasis be placed on providing the skills and attitudes and information that facilitate job-getting.

It is perhaps a bit more surprising to note the gap between the intellectual interests of educated adults and the educational priorities they set for their children. The American Association of University Women establishes certain topics for discussion by its local branches each program year. The topics frequently touch on international/global issues. For example, one topic in the 78-79 program is The Politics of Food. The topics are solidly researched and the branches receive substantial resources and guidance in preparation for local discussions.

The AAUW recently conducted a survey of its branches, asking them to rank certain educational goals, goals that should be met by the schools. Three hundred local branches in forty-three states responded. The AAUW summary of the findings reported:

AAUW members have clearly assigned first priority to the educational goal of: Develop skills in reading, writing, speaking and listening. The goal receiving second rank status was: Develop pride in work and a feeling of self-worth. Additional goals receiving attention were: Develop a desire for learning now and in the future, Gain in general education, and Learn how to examine and use information. These last three goals were much lower in priority than the basic skills-oriented goal. AAUW members appear to be as concerned about the development of the Three R's as is "the person on the street."

Two of the goals on the original list might be seen as related to international/global education. One was Learn how to respect and get along with people who think, dress and act differently. 0% of the branches gave this goal 1st rank, 4% assigned it 2nd rank and 5% ranked it 3rd. The goal was Learn about and try to understand the changes that take place in the world. 0% of the branches thought it worthy of 1st rank, 1% gave it 2nd rank, 0% gave it 3rd rank.

International/global education tends to rank low in the curriculum priorities of school administrators but a few administrators strongly support it.

It would be a mistake to imagine that what communities want from their schools is coterminous with what professional educators eventually provide.

It is true that line administrators--principals and superintendents--are sensitive to community attitudes. That is why serious attempts are being made to respond to the demand for basic competencies, career education, consumer education. But there are other demands than those of parents. Various professions and academic fields argue the need for their special knowledge in the curriculum. The arguments of the specialized interests are always impressive. Law-related education is indisputably important. Family life education obviously has great value. To deny the young exposure to great works of art and music is to deny them access to the full meaning of human experience. School administrators must sort all this out. Balance community demands against the inner voice of long professional experience, balance one special curriculum interest against another. And not infrequently they are willing to lead--to put into the balance their own concerns and commitments.

The balance that is currently being struck does not favor global education. Of that there is little question. Probably most favored are those areas where community interests coincide with those of a special field, e.g., law-related education. Consider a recent survey by Research for Better Schools, Inc. RBS is a regional educational laboratory that serves Delaware, Pennsylvania and New Jersey. The survey asked school principals in those three states to rank sixteen different curriculum areas and activities that might be seen as related to citizen education. Global education was one of the areas ranked.

One ranking was for degree of interest in developing this area. Five hundred ninety-three schools responded to the survey. The rank order of the sixteen areas and activities is shown below:

Rank Order/Degree of Interest

	Elementary	Middle/ Jr. High	Senior High
Environmental Studies	3	4	6
Community Members at School	1	1	1
Multicultural Education	5	9	10
Citizen-Related Social/Cognitive Skills	6	7	5
Law-Related Education	8	3	2
Social Action Serving Citizen Interests	14	11	13
Economics Education	9	8	7
Family Life Education for Students	12	12	4
Family Life Education for Parents	11	15	16
Moral/Ethical/Values Education	4	5	11
Student Involvement in School Governance	7	10	8
Student Activities in the Community	16	16	9
Measures of Social Development	13	13	15
Global Education	15	14	14
Analysis of the Mass Media	10	6	12
In-Service on Students' Social Development	2	2	3

Using community people as resources ranks first across all levels. Environmental studies is ranked high in the elementary schools but slips in rank at the high school level. Law-related education is of only moderate interest at the elementary level but is ranked next to the top in the high schools. Global education is consistently ranked low. It is noteworthy that even analysis of the mass media, an activity that has few organized groups pushing it and certainly not much of a constituency in the community, ranks higher than global education.

This three-state survey of school principals may not reflect with absolute accuracy how school administrators around the country would rank various curriculum programs, but if it errs it may be on the side of *favoring* global education. The three states of the survey have been more active than most in developing global education programs.

Within this general pattern of school administrator response to global education there are important exceptions--individual principals and superintendents who strongly support international/global education. Asked for his views on desirable changes in education an Ohio superintendent said:

I think that if we could change the ethnocentrism that is evident in many of our programs...we're narrow-minded in the manner in which we present and prepare books, materials and programs...I think that if we could create a curriculum that would give the students a chance to really see the world as one society or a wider society...all being part of the total picture rather than each country by itself...I guess I'm looking at more than just the educational picture of today but looking through life's experiences and exploring the future challenges that face the total world...

Although there are a few states where the chief state school officer has taken a stand in favor of global education, expressions of concern and interest such as that quoted above seem not to depend on blessings from above. There is some indication that foreign travel on the part of the administrator is a more important factor.

Foreign travel on the part of community members may even be a factor. An urban superintendent in a conservative western state commented that:

We used to be isolationist in the way we approached our teaching but we have become international in the way we approach all our courses...We're much more world-related because we have so many large corporations here, like ----- and -----.
We have many parents and students who have been all over the world... After all, in the neighborhood where I live my neighbor across the street just got back from the Mid-East and another neighbor has been down in South America, working down there...and they're top executives for -----...

There is, of course, no necessary connection between the presence of international corporations and the international tone of a community's curriculum. Many school administrators work in communities crowded with such corporations, yet remain uninterested in international/global education. But the corporate presence and world-experienced parents may be factors that

can strengthen the hand of an administrator who wants to move toward an internationally sensitive curriculum.

The relatively few school administrators who strongly espouse internationally oriented programs tend, like the teachers of those programs, to be isolated from colleagues of like persuasion. But support for their position may be developing. The Executive Director of the American Association of School Administrators, speaking personally rather than for the organization, reported that:

We are beginning to look at global education. We don't have any program for it but our committee is interested in it, has expressed a desire to look more deeply into it and to make recommendations to the executive committee for programs that would support it...I think it's recognized that life in the United States is impacted by events that occur around the world. Certainly life in the United States impacts things around the world. And it (will) be essential for our students to know that. With instantaneous communications and very rapid transportation...and a greater (readiness) on the part of our government, apparently, for very wide relationships with a great number of countries...this seems to us a reasonable thing to look at...

There are some interesting opportunities for adding an international/global dimension to elementary and high school programs. But the opportunities and the benefits may be more limited than expected. Some of the obvious candidates for "infusion" are not promising.

Special interests with ambitions for a place in school programs speak much of "infusion." That is a way of acknowledging that the curriculum is already extremely crowded and that adding a whole new course is impossible. In the case of global education it is also a way of saying that the desired outcome is a change in outlook so subtle and profound that the orientation must be expressed throughout the years of schooling, in as many contexts as possible.

The study suggests that there are factors which will make infusion--and it presumed benefits--very uneven. One of those factors is student interest. There is a consumer revolution of sorts underway in the schools. What parents want has become more important than it once was. What students want has become every bit as important, especially at the high school level. Teachers once wanted to "motivate" students in order to keep their attention. Teachers now find it important to cater to student interests in order to keep their own jobs. In high school programs that are largely elective, the pattern of student choices is beginning to put some disciplines out of business and some teachers out of jobs. Even when the effects are not that drastic, student likes and dislikes are important factors in curriculum planning and change. Some instances:

World history courses are not popular with students and some districts have responded by substituting world cultures, an occasion of much trauma within faculties. The world cultures course, ironically, is not much more appealing to students.

Economics, in the sense of academic economics as it might be treated in introductory college courses, is not popular with students and is feared by many social studies teachers (who tend to be threatened by numbers). Some states and communities require an economics course. In western and southern states the mandate frequently calls for "free enterprise" economics, a requirement that many teachers scorn and interpret to suit their own canons of academic performance. But the major trend is toward consumer economics--practical skills of financial management and consumership. Parents want this and average-ability students find it within their reach.

Foreign language programs in at least some states suffer fairly heavy attrition at the end of the first year. A state specialist saw changes underway in foreign language teaching that might bring enrollment up, changes that might be responses to student disinterest:

The post-Sputnik texts tended to be based on the Army method, with a lot of mechanical drill work...kind of a Skinnerian behaviorism... and I think there's a rejection of that, toward more meaning and feeling and human interest, which leads naturally to cultural contrasts rather than to pure rote language learning. Kids tend to be turned off by anything that sterile. They don't like to be programmed like laboratory animals. Language labs are virtually dead, partly because of that. The drill material was so sterile.

Language is basically communication. You have thoughts, ideas, feelings and you want to communicate them. And that's primary. The techniques you use to elicit responses are secondary. If you don't have the primary -- the interest, the desire to communicate or to learn about these other people, to use their language and identify with them, forget it. You can have all equipment and techniques in the world and it's going to still turn the kids off, because they don't feel it, they don't empathize with it.

I see a turning-around in a lot of schools, where teachers are doing more motivational things, getting their kids more involved personally. They're showing increases (in enrollment) where that's happening, where there's more of an emphasis on communication and less on mindless perfection, memorizing things and not being able to apply them...

What courses do students like most? In social studies at least, the answer is very clear. Across the country the most popular electives at the high school level are psychology, sociology and anthropology.

The topics and issues associated with international/global education do not seem to have any initial appeal to high school students. Students don't line up to take such courses. But both science and social studies teachers reported that interest grows during the progress of the courses:

...the principal design of the first semester is to introduce the students to the limits of living on a finite planet, that resources are not endless, that, yes, human technologies can respond to limits in various ways but that each response has some impact...we focus very heavily on trying to understand the frailties of the environmental system.

The students are depressed--at first. And that is a function of what we want to happen. Because we want them to realize that the primary consumer on this planet...is the American or the westerner...

(by the end of the year) they are so geared up and turned on to trying to devote their attention in some way to responding to these things in their own personal life...and going out and preaching the doctrine. Last year they wanted to make this a mandatory course... All of them go out with a much broader understanding of world problems, economics, politics, environmental concerns, resource depletion, their own personal life and what they do with it, how it has an impact on these world systems...

Initially, I said "depressed." Because that's the state we want to get them at. We want them to realize that it's their life, their livelihood that's at stake here. Twenty years down the road when these problems magnify they're going to be in their prime adult years...Our attempt is to get them to see that we can respond to the problems...let's be optimistic...

Such growth in interest cannot, of course, be taken for granted. Presumably some teachers can produce such results with some student groups.

Several teachers commented during the interviews on student age as a factor in the degree of student interest. In one instance a teacher was so dismayed by the lack of interest shown by students in her 10th grade world cultures course that she arranged to work several times a month with 4th graders in another part of the city:

...you know, sophomores are really self-centered kids. I had a class tell me, "Why do I have to study something about people I never want to meet?" It wasn't a question of "I never expect to meet..." but "I never want to meet!"

I think it's typical of sophomores...I tried doing an International Club because I'm very much involved in the Council of World Affairs... and so we decided to work with high school kids. The high school kids weren't interested so I go over to an elementary school twice a month and work with 4th graders. And they love it!

The comment of 4th graders rings true. It is part of the folk knowledge of teaching that 4th and 5th graders are a special delight to teach--able to read, freshly inquisitive, not yet overwhelmed by the chemistry of adolescence.

The study suggests, though, that even in the particularly "difficult" years--perhaps from 6th grade through 10th grade--students do respond to learning experiences that are highly active, that depart from the typical read-review-discuss routine. Over and over again, those teachers and other educators (museum people, for example) who reported success with students emphasized the importance of "hands-on" experiences. Artifacts, simulations, field research projects.

The programs that seem to best capture student interest are extra-curricular in nature if not always extra-curricular in fact. In two states where public hostility to the United Nations is overt and widespread, teachers reported that the Model UN programs were nonetheless alive and at least stable in the number of schools involved. The Model UN is a dramatic simulation in which students *play important roles in a non-school setting*. Getting out of the classroom is a key factor in student interest, whether it is observed literally or psychologically.

Every teacher knows these things. But practice is another matter. The pressure in many schools and the habits of many teachers continue to be in the direction of covering a body of information frozen between the covers of a text.

There are areas of the curriculum where enrollment doesn't depend on the intrinsic appeal of the course. It depends, rather, on the student's need for the course in preparing for a particular vocation. Vocational agriculture is one such area. These courses reach about 800,000 high school students at the present time. Agricultural education almost uniformly ignores international matters. The courses are technical--how to be effective and profit-making farmers. But a pioneer effort to internationalize agricultural education is underway at the University of Illinois. Several experimental units have been developed and tested in schools. One such unit is The World's Chief Food Crops. A key question addressed in the unit is "Why should U.S. farmers be interested in international crop developments?" Students learn that:

...International Agricultural Research Centers and national research organizations abroad have taken greater initiative in exploring new crops...These discoveries may entail improvements in plant disease prevention, pest control, seed storage, plant temperature tolerance, day-length requirements, grain digestibility, and many other related areas...

The potential rewards to U.S. farmers from international cooperation are not easily measured. For example, a widespread bud blight disease, which was discovered in Brazil in 1961, was suddenly reported among Iowa soybeans in 1970. Fortunately, the disease never took hold but if it had become a problem, U.S. scientists would have been better equipped to handle the disease because of the prior experiences in Brazil...

How the teachers of agricultural education will respond to the internationalizing effort is not yet known. As in so many subjects they feel the pressure to cover ground and may be less than enthusiastic about new content. The experiment is worth watching and supporting, though. Not many young Americans are being educated these days to be producers. Those that are will need to be--and have the chance to be--more internationally sophisticated than most of their fellow citizens.

RECOMMENDATIONS

Scattered around the country, a relatively small number in each state, are teachers devoted to international/global education. Some are actively teaching programs that express their commitment. Some would do more but feel restricted by the local situation. Many of these teachers are isolated in their own schools and tend not to know of other teachers with similar interests in either nearby districts or other states. Some of these teachers, however, are supported in their efforts by contacts with various organizations or university centers.

Recommendation #1: Encourage the development of mechanisms that overcome the isolation of teachers devoted to international/global education. This might involve regional networks or a national network. It might involve a Who's Who of teachers with these interests. It might involve annual conferences at the regional and national levels. These conferences should cross discipline lines. (The present national teacher associations may be dysfunctional in this regard.)

It is important that the lines of communication be between teachers as well as between teachers and central organizations. It is also important that there be personal forms of contact rather than only printed materials. The study suggests that personal contact with people in national organizations and university centers may be especially helpful to teachers who lack support from local colleagues.

However few in number, there are interesting programs underway. Some are new and experimental, others long-standing. Information about these programs is not well distributed. But even in the local setting where there is information, the programs do not seem to be especially contagious. Other teachers, other schools, do not pick them up. Many of the programs are person-dependent. They depend on the creative skill and commitment of an individual teacher--they are personal property. When the teacher leaves the school, they die. An assistant headmaster in a private school noted that, "It tends to be centered on individuals who come into a school and stir things up. But there has been little institutional development beyond what individuals have been able to do."

Recommendation #2: There should be continuous documentation of international/global programs, documentation in forms more interesting than those typically employed. The documentation ideally would be intriguing enough to serve public relations purposes among teachers and within the community.

Recommendation #3: The whole question of the creative individual teacher vs. institutionalization must be deliberated. If international/global education is dependent on the strong individual teacher it will never reach a large audience. But institutionalized programs are often lackluster. This should be one topic on the agenda of a national conference on philosophic/strategic questions related to international/global education.

Recommendation #4: Funds should be available for workshops in districts where a school administrator supports international/global education. Such workshops should last more than one day and should be conducted as frequently as possible. One superintendent commented:

When we had our global workshop here two years ago, those (teachers) at the high school level were very enthusiastic... even those who weren't enthusiastic at the beginning were after five days. So we opened and broadened their minds. If every school could have in-service programs on this for an adequate amount of time--you don't persuade everyone in five days--but if you swung over a handful of people in a group of 15 or 20 teachers...you could set the world on fire ... You absolutely need a continuing series (of workshops). What we did with that workshop kept our people going and interested for a year...

Parent demand for international/global education is almost nonexistent. But the study did turn up hints of a possible pattern of community interest and support. In a small industrial city on the Ohio River an experimental program in moral education is underway, following Kohlberg's ideas on stages of moral development. The dilemma stories used in the program are based on global issues. The informant reported that parents are extremely supportive of this program. It seems likely, however, that the support derives from the parents' perception of the program as character education and is not related to the global issues. This parental response to the potential character-molding effects of the program makes sense within the context of the clear interest of parents in law-related education.

The interviews (and other evidence) indicate that some parents are strongly interested in culture studies. In one instance a teacher is rearranging the meeting time of a Japan independent study program so that parents and other interested community adults can meet with the group. The group will meet once a month in the evening. The interest in other cultures may be associated with social class. The membership of community organizations which devote attention to other countries and cultures seems to be heavily upper-middle class.

It is important to take note of the potentialities in these particular parent interests. But it is also important to face up to the generally low level of parent interest in international/global matters. The problem poses not only strategic questions--how can the public be persuaded of the importance of international education--but philosophic questions. For example, if it is unrealistic to expect that the broad public can be convinced that international/global education is vital in today's world, is it appropriate to focus energies on that small segment of the public already predisposed to believe this? Just as the society needs and educates a small number of physicists, drawing on those students who show talent and interest, should the society provide a high quality international education to a relatively small number of interested, talented students rather than waste resources on the reluctant and the otherwise preoccupied? The "right" answer, of course, in a society that believes that anything can be sold to anyone, is to keep selling the product. The "right" answer in a society that harbors deep suspicions of elites is to keep trying to reach everyone. But the question needs deliberating. There is sometimes a tendency to be too sanguine about the possibilities.

Recommendation #5: Convene a national conference on philosophic/strategic questions related to international/global education. In preparation for that conference commission one of the policy planning organizations such as Brookings to undertake an exploratory analysis of the relative advantages of "elite" vs. "mass" approaches, judged in terms of national needs, present and future. For example, what are the benefits of wide public understanding of economic opportunities in the world market? Is this specialized knowledge that should be reserved for those heading toward leadership in the business community?

Recommendation #6: Explore ways to develop the international component of law-related education and moral education.

School administrators will be a crucial factor in the strengthening of international/global education. Those administrators already convinced of the need should be supported in their work with teachers and in efforts to influence other administrators. The legitimacy of their personal commitment will seem more secure if they have communications with other administrators who share their views, if they receive special recognition for their efforts, and if there is clear evidence that respected authorities in the field of school administration support the development of a more world-oriented curriculum.

Recommendation #7: School administrators who have encouraged international/global studies in their districts should be given special recognition. Such recognition might come from the chief state school officer in the individual's state, from the U.S. Office of Education, from the American Association of School Administrators, from university departments of school administration, from various national organizations. Honors and awards will need to be created.

Recommendation #8: Administrators who have an opportunity to speak about international/global education at conferences should be helped financially to attend such meetings.

A number of scholars have addressed themselves to the question of where international/global education best fits in school programs, both in the sense of grade placement and subjects. This small study adds only slightly to discussions based on major research. One scholar, Judith Torney, has argued that the years of early adolescence are most effective, since students have the ability to deal intellectually with important questions, yet are not fixed in their attitudes. Eugene Gilliom and Richard Remy have written recently in Social Education that:

Global education should involve all areas of the elementary curriculum... Not only social studies, but also science, reading, language arts, mathematics, and physical education are legitimate, even indispensable, arenas for globally relevant education. To be meaningful, global education should no longer be relegated to a single discrete unit of study or to special treatment on "international day." Rather, an international perspective should be woven into the very fabric of the elementary curriculum.

The importance of developing international/global education at the elementary level was discussed by several informants during the study; the arguments were somewhat different from those above. For example:

I'd like to see more attention paid to trying to do things on the elementary level, groundwork for what we want to do on the secondary level, rather than springing it on kids in the 10th grade. Teachers are willing (at the elementary level) to try new things and to take risks and to be creative, more so than at the secondary level. So the possibilities for doing things are really good. At the secondary level sometimes we're up against so many obstacles, especially the sense on the part of a lot of secondary teachers that they're trying to do what the college teachers are doing, only in a little bit less sophisticated way. There's less willingness to engage in "hands-on" experiential, participatory learning--which is one of the ways you hook the kids.

The study seems to suggest, in addition to the question of grade level, that the possibilities of broad infusion of the curriculum may be more limited than expected. Some subjects are simply not worth infusing because they are on the decline. Others may resist infusion precisely because they are very popular and have little incentive to accommodate new content or approaches.

There are areas of opportunity, however. Some, like vocational agriculture, are unexplored. Some, like environmental studies, can point to exciting courses that might with appropriate help be diffused beyond the small circle of teachers who have developed them.

On the assumption that cultural studies are very much a part of international/global education, the world cultures course and foreign language programs represent an important opportunity--in spite of somewhat limited appeal to students. There is movement in both fields toward more global approaches, toward more sophisticated handling of the idea of culture. At the moment the teachers of world cultures courses tend to be history-trained. They once taught world history; when that died they switched to world cultures. But their training in cultural studies is weak, especially in social scientific ways of treating culture. The same is true of foreign language teachers. They too are likely to lack much training in the social sciences. But their texts may be better than those used in the world

cultures courses, more inclined to use "culture assimilator" methods, for example.

In any event, the study indicates the need for a very detailed analysis of opportunities, taking into account student interest patterns, teacher behavior in the elementary and secondary schools, parent demands and interests, the influence of leadership in the given field and even regional differences in curriculum, e.g., environmental studies in the states of the northwest have a different emphasis than in the Middle Atlantic states.

Recommendation #9: Be modest in ambitions to "infuse" the curriculum. Analyze specific situations in detail in order to identify those niches that offer a reasonable opportunity for success.

Recommendation #10: As a contribution to that analysis, explore teacher receptivity to the addition of an international dimension in such areas as agricultural education, law-related education, health education, psychology, humanities.

Recommendation #11: In areas such as environmental education where globally oriented programs have already been developed by some teachers, facilitate the diffusion of those exemplary models by giving them publicity, documentation and recognition. Such diffusion should cross subject lines.

Recommendation #12: Mount a major summer writing project that pulls in scholars, experienced teachers and curriculum specialists to produce a globally-oriented world cultures course specifically designed to be highly interesting to students. So appealing that students will line up to get in!

Recommendation #13: Support the movement in foreign language teaching toward more sophisticated approaches to culture study. Encourage communication between foreign language teachers and social studies teachers, centered on the issue of how to teach about culture and cultural dynamics. Encourage both groups to obtain the help of specialists in intercultural studies and cultural training.

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ABSTRACT

The Board of Governors of the Federal Reserve System and the Federal Reserve Banks administer more than two dozen regulations affecting a wide variety of financial activities. The regulations concern the functions of the central bank and its relationships with financial institutions, the activities of commercial banks and bank holding companies, and consumer credit transactions. In this booklet, brief explanations are given of the goals and scope of each of the 27 regulations. The regulations cover the following subjects: loans to member banks; equal credit opportunity; home mortgage disclosure; reserve requirements; purchase of warrants; securities of member banks; margin credit extended by parties other than banks, brokers, and dealers; membership requirements for state-chartered banks; member stock in Federal reserve banks; check collection and funds transfer; international banking corporations; interlocking bank relationships; foreign activities of member banks; relationships with foreign banks; loans to executive officers of member banks; member bank protection standards; interest on deposits; interlocking relationships between securities dealers and member banks; banking services performed for state-chartered banks; margin credit extended by brokers and dealers; margin credit extended by banks; guarantee of loans for national defense work; extensions of consumer credit; borrowers who obtain margin credit; bank holding companies; truth in lending; and consumer complaint procedures. (Author/AV)

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A Guide to Federal Reserve Regulations*

* This booklet is designed to give the reader a general overview of the regulations issued by the Board of Governors of the Federal Reserve System and is not intended to cover each regulation in detail or to explain all of their various provisions.

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Preface

The Board of Governors of the Federal Reserve System and the Federal Reserve Banks administer more than two dozen regulations affecting a wide variety of financial activities.

In broad terms, these regulations deal with the functions of the central bank and its relationships with financial institutions, the activities of commercial banks and bank holding companies, and consumer credit transactions.

These regulations are the Federal Reserve System's means of carrying out Congressional policies embodied in various banking laws and assigned to the System. For example, Congress passed laws during the 1930's to restrain the type of credit-financed speculation that contributed to the stock market crash of 1929. This legislation assigned to the System the task of controlling stock market credit. Regulations T and U were established to implement the law. Regulations G and X were implemented to deal with different aspects of the same problem.

A Guide to Federal Reserve Regulations, as its name implies, provides a general understanding of the goals and scope of the regulations. This booklet is neither a substitute for the regulations, a comprehensive summary, nor a substitute for interpretations of the regulations. For definitive answers to specific questions the regulations themselves should be consulted. Individual copies of the regulations can be obtained from the Board of Governors or from Federal Reserve Banks and their Branches. Pamphlets explaining consumer and margin regulations in more detail are also available.

BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
WASHINGTON, D.C. 20551
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Table of Contents

	<i>Page</i>
Regulations by Subject Matter	v
REGULATION	
A – Loans to Member Banks	1
B – Equal Credit Opportunity	1
C – Home Mortgage Disclosure	2
D – Reserve Requirements	3
E – Purchase of Warrants	4
F – Securities of Member Banks	4
G – Margin Credit Extended by Parties Other than Banks, Brokers, and Dealers	5
H – Membership Requirements for State- Chartered Banks	6
I – Member Stock in Federal Reserve Banks	7
J – Check Collection and Funds Transfer	7
K – International Banking Corporations ("Edge Act Corporations")	8
L – Interlocking Bank Relationships	8
M – Foreign Activities of Member Banks	9
N – Relationships with Foreign Banks	10
O – Loans to Executive Officers of Member Banks	10
P – Member Bank Protection Standards	11
Q – Interest on Deposits	12
R – Interlocking Relationships Between Securities Dealers and Member Banks	12
S – Banking Services Performed for State- Chartered Members	13
T – Margin Credit Extended by Brokers and Dealers	13
U – Margin Credit Extended by Banks	14
V – Guarantee of Loans for National Defense Work	15
W – Extensions of Consumer Credit (revoked)	15
X – Borrowers Who Obtain Margin Credit	16
Y – Bank Holding Companies	16
Z – Truth in Lending	17
AA – Consumer Complaint Procedures	18

Regulations by Subject Matter

BANK REGULATION	
Bank Holding Companies	–Regulation Y
Federal Reserve Banks	–Regulations A, E, I, J, N, and V
Foreign Banking Business	–Regulations K, M, and N
Interlocking Directorates	–Regulations L and R
Other Member Bank Requirements	–Regulations D, F, H, O, P, Q, S, and U
CONSUMER CREDIT	–Regulations B, C, W (revoked), Z, and AA
MONETARY POLICY	–Regulations A, D, and Q
SECURITIES CREDIT	–Regulations G, T, U, and X

Regulation
A

Regulation A establishes the conditions and means by which Reserve Banks lend funds to member banks and others.

The regulation permits Reserve Banks to extend short-term adjustment, seasonal, and emergency credit to member banks and others. Credit extended to member banks usually takes the form of an advance on the bank's promissory note secured by U.S. Government and Federal agency securities, "eligible" commercial, agricultural or construction paper, or bankers' acceptances. Credit also may be extended to member banks secured by any other acceptable collateral at a higher rate of interest. Under certain circumstances, Reserve Banks may discount eligible notes or drafts endorsed by member banks. The regulation also permits Reserve Banks to make loans (collateralized by U.S. Government or agency securities), in emergency circumstances, to individuals, partnerships, and corporations for up to 90 days.

Regulation A requires Reserve Banks to make certain that credit they extend is not used for speculative purposes and that any paper offered as collateral is acceptable for discount or purchase under criteria specified in the regulation. Moreover, unless it has Board approval, a member bank cannot channel Federal Reserve credit to nonmember banks.

Regulation
B

Regulation B prohibits creditors from discriminating against credit applicants, establishes guidelines for gathering and evaluating credit information, and requires written notification when credit is denied.

The regulation prohibits creditors from discriminating against applicants on the basis of age, race, color, religion, national origin, sex, marital status, or receipt of income from public assistance programs. As a general rule, creditors

may not ask on applications the race, color, religion, national origin, or sex of applicants. In addition, if the application is for individual, unsecured credit, the creditor may not ask the applicant's marital status. Exceptions apply in the case of residential mortgage applications, as noted below. Creditors also may not discriminate against applicants who exercise their rights under the Federal consumer credit laws.

Model credit application forms are provided in the regulation to facilitate compliance. By properly using these forms, creditors can be assured of being in compliance with the application requirements of the regulation. Creditors may use credit-scoring systems that allocate points or weights to key applicant characteristics. Creditors also may rely on their own judgment of an applicant's creditworthiness.

The regulation also requires creditors to give applicants a written notification of rejection of an application, a statement of the applicant's rights under the Equal Credit Opportunity Act, and a statement either of the reasons for the rejection or of the applicant's right to request the reasons. Creditors who furnish credit information must, when reporting information on married borrowers, report information in the names of each spouse.

The regulation establishes a special residential mortgage credit monitoring system for regulatory agencies by requiring that lenders ask residential mortgage applicants their race/national origin, sex, marital status, and age.

Regulation C

Regulation C requires depository institutions making Federally related mortgage loans to make annual public disclosure of the locations of certain residential loans.

The regulation carries out the Home Mortgage Disclosure Act of 1975, which seeks to provide citizens and public officials with enough information to determine whether

depository institutions are fulfilling their obligations to meet the housing credit needs of their local communities.

The regulation applies to most commercial banks, savings banks, savings and loan associations, building and loan associations, homestead associations, and credit unions which make Federally related mortgage loans. These institutions must disclose annually the number and total principal amount of (a) residential first mortgage loans originated or purchased and (b) home improvement loans originated or purchased during the most recent fiscal year.

The Board of Governors is charged with writing regulations to carry out the Act, while enforcement is left to the appropriate Federal financial regulatory agencies. The Board may exempt from Regulation C any institutions complying with substantially similar State or municipal laws or regulations which have adequate provision for enforcement.

Regulation D

Regulation D defines the term deposit, specifies the amount of reserves member banks must maintain against deposits, establishes the method for computing reserve requirements and imposes penalties for reserve deficiencies.

Required reserves are expressed as a percentage of balances a member bank has in each category of deposit. The highest percentage of reserves must be maintained against funds in depositors' checking accounts. Reserves are "lagged" so that they must be maintained for the current statement week (Thursday through Wednesday) against deposits held by the bank two weeks previously.

A member bank meets its reserve requirement primarily with a balance held at its Federal Reserve Bank, but may also use currency and coin held in its own vault for this purpose.

A member bank may carry an excess or deficiency of reserves of not more than 2 per cent of the required amount

into the following statement week. Further deficiencies are subject to a penalty.

Regulation
E

Regulation E authorizes Reserve Banks to buy "acceptable" short-term obligations of State, county, and municipal governments, including those of drainage and reclamation districts. The regulation establishes "acceptability" criteria and limits the total amount of obligations Reserve Banks may purchase.

Reserve Banks may purchase bills, notes, revenue bonds, and warrants (all defined in the regulation as "warrants") issued by States, counties, political subdivisions, and municipalities in anticipation of taxes or revenues. The securities must be the issuer's general obligations and must mature in six months or less. The issuer must have been in existence for at least ten years and not have defaulted on the interest or principal of its debts during the previous ten years.

Unless permitted by the Board of Governors, Reserve Banks may not purchase and hold more than 25 per cent of the total outstanding warrants of a single issuer, or invest amounts exceeding ten per cent of its member banks' deposits in the warrants of all issuers. In addition, limits are placed upon the maximum amount of warrants that can be purchased by Reserve Banks depending upon the population of the issuing municipality.

Regulation
F

Regulation F requires certain State-chartered member banks to register and file financial statements with the Board of Governors.

The regulation applies to State-chartered member banks that have 500 or more stockholders and at least \$1 million in

assets, or whose securities are registered on a national securities exchange. Generally, it does not apply to banks whose shares are owned by holding companies since these usually have fewer than 500 stockholders.

In general, these State-chartered member banks must file registration statements, periodic financial statements, proxy statements, statements of election contests, and various other disclosures of interest to investors. Officers, directors, and principal stockholders also must file reports on their holdings in the bank.

The regulation also prohibits tender offers for the stock of a bank subject to the regulation unless certain information is filed with the Board at the same time.

Regulations issued by the Board of Governors in this area are substantially similar to those issued by the Securities and Exchange Commission. Information filed under the provisions of Regulation F is available to the public at the offices of the Board of Governors in Washington, D.C.

Regulation
G

Regulation G is one of four regulations concerning credit extended to finance securities transactions (see also Regulations T, U, and X). Regulation G governs credit secured by margin securities extended or arranged by parties other than banks, brokers, and dealers.

The regulation applies, with the exceptions noted, to any party who normally extends or arranges credit secured by margin securities of \$100,000 or more in a calendar quarter, or who has credit outstanding to \$500,000 or more during a quarter. These lenders must register with the Board of Governors within 30 days after the quarter ends.

Margin securities are those listed on national exchanges, securities convertible into margin securities, most mutual funds, and over-the-counter securities identified by the Board of Governors' Over-the-Counter (OTC) list. (The OTC

list published periodically by the Board is available from the Board or at Federal Reserve Banks.) The amount of credit a registered lender can extend or arrange for a securities transaction based on margin securities may not exceed the "maximum loan value" of the stock securing the credit. The maximum loan value of stock is a percentage of current market value fixed by the Board from time to time.

The regulation also includes special provisions covering loans to finance purchases of securities under stock option plans.

Regulation H Regulation H defines the membership requirements and conditions for State-chartered banks, describes membership privileges and conditions imposed on these banks, explains financial reporting requirements, and sets out procedures for requesting approval to establish branches and for requesting voluntary withdrawal from membership.

State member banks are prohibited under the regulation from engaging in practices that are unsafe or unsound or that result in a violation of law, rule, or regulation.

The regulation also prohibits State-chartered member banks from making or renewing loans secured by improved real estate or mobile homes located or to be located in flood hazard areas not covered by the National Flood Insurance Program.

The regulation subjects State member banks issuing or renewing standby "letters of credit" or "ineligible acceptances" or other similar credit extensions to the ceilings the chartering State imposes on individual or total credit extensions and to the ceiling on loans to affiliates contained in Section 23A of the Federal Reserve Act.

Regulation H also requires State-chartered member banks acting as securities transfer agents to register with the Board of Governors.

Regulation I Regulation I requires each bank joining the Federal Reserve System to subscribe to the stock of its District Reserve Bank in an amount equal to six per cent of the member bank's capital and surplus. Half the total must be paid on approval. The remainder is subject to call by the Board of Governors.

A six per cent dividend is paid on paid-in portions of Reserve Bank stock. The stock is not transferable and cannot be used as security.

Whenever a member bank increases or decreases its permanent capitalization, it must adjust its ownership of Reserve Bank stock to maintain a six per cent proportion. Payment for additional shares of Reserve Bank stock, cancellation of shares, as well as semi-annual dividend payments, are made through the member bank's reserve account.

A member bank's ownership of Federal Reserve stock is subject to cancellation on discontinuance of operations, insolvency, or voluntary liquidation, conversion to nonmember status through merger or acquisition, or voluntary or involuntary termination of membership.

Regulation J Regulation J establishes procedures, duties and responsibilities among Federal Reserve Banks and (1) the senders and payors of checks and other cash items and noncash items, and (2) the originators and recipients of transfers of funds.

Regulation J provides for an orderly inter-bank system of collecting checks and other items and settling balances. It specifies terms and conditions under which Reserve Banks will receive items for collection from member banks and other depositors and under which Reserve Banks will present items to payors. The regulation also provides for an orderly inter-bank system of transferring funds on the

Federal Reserve Communications System. To this purpose, it specifies terms and conditions under which Reserve Banks will receive and deliver transfer of funds from and to member banks.

The Reserve Banks issue operating circulars, detailing the specific terms and conditions under which they will handle checks, cash and noncash items, and transfers of funds.

Regulation
K

Regulation K governs the organization, capitalization, and operations of domestic corporations involved in international banking or finance.

Corporations organized to engage in international banking or other financial operations are chartered by the Board of Governors under Section 25(a) of the Federal Reserve Act. This section of the Act was introduced as an amendment in 1919 by Senator Walter E. Edge of New Jersey. Thus these corporations are known as "Edge Act Corporations."

The regulation permits Edge Act Corporations to engage in a broad range of international banking and financial activities, subject to supervision, while limiting transactions within the U.S. to those clearly international in character. It also imposes reserve requirements on certain deposits of these corporations.

Regulation
L

Regulation L seeks to avoid restraints on competition between member banks and other banking institutions by restricting the relationships a director, officer, or employee of a member bank can have with other banking institutions.

The regulation prohibits directors, officers, and employees of member banks from being simultaneously a director, offi-

cer, or employee of another bank, banking association, savings bank or trust company organized under the National Banking Act or under the laws of any State or of the District of Columbia.

Exceptions are provided for situations where the institutions do not appear to be in competition. For example, a director, officer, or employee of a member bank can serve as a director, officer, or employee of an institution which is not located in the same, adjacent, or contiguous city, town, or village.

The regulation provides exceptions for certain other interlocking relationships, including those with banks in low income or economically depressed areas and banks controlled by minority groups.

Regulation
M

Regulation M governs the foreign activities of member banks, including foreign branching, reserve requirements, and permissible foreign banking activities.

Member banks with capital stock and surplus of at least \$1 million may establish a foreign branch with approval of the Board of Governors. After 30 days notice to the Board, additional branches may be established in foreign countries where a member bank has a branch. Operations of foreign branches are governed by the regulation.

With Board approval, a member bank may acquire and hold stock in foreign banks, providing the member bank has capital stock and surplus of at least \$1 million and that the total investment in stocks of foreign banks and certain other subsidiaries does not exceed 25 per cent of capital and surplus. Certain other limitations are also imposed on investments in foreign bank stocks.

The regulation imposes reserve requirements on transactions undertaken by foreign branches with member banks and other U.S. residents.

Regulation
N

Regulation N governs relationships and transactions among Reserve Banks and foreign banks, bankers, and governments and describes the role of the Board of Governors in these relationships and transactions.

The regulation gives to the Board the responsibility for approving in advance negotiations or agreements by Reserve Banks with any foreign banks, bankers, or governments. Reserve Banks must keep the Board fully advised of all foreign relationships, transactions, and agreements.

With Board approval, any Reserve Bank may open and maintain accounts for foreign banks or governments, or participate in accounts maintained by other Reserve Banks for foreign banks or governments. Accounts payable in foreign currencies may be opened and maintained by Reserve Banks on the books of Board-designated foreign banks.

Under direction of the Federal Open Market Committee, a Reserve Bank maintaining accounts with a foreign bank may undertake negotiations, agreements, or contracts to facilitate open market transactions. Reserve Banks must report to the Board at least quarterly on accounts they maintain with foreign banks.

Regulation
O

Regulation O prohibits member banks from extending credit to their own executive officers, except as specified:

A member bank's loans to any one of its executive officers are limited to \$45,000 allocated as follows:

- a maximum of \$30,000 for the officer's residence;
- a maximum of \$10,000 outstanding at any one time to finance the education of the officer's children; and

- an additional maximum of \$5,000 for purposes not specified in the regulation.

All loans must be reported promptly to the member bank's board of directors. Loans must conform with the type the bank is authorized to make to all borrowers, and cannot have terms more favorable than those given other borrowers. The borrowing officer must submit a detailed financial statement to the member bank. In addition, the loans, at the option of the bank, become due and payable if the officer's outside bank borrowings exceed the limits on borrowings from the member bank.

A member bank officer must report to the bank's board of directors within 10 days after outside total bank borrowings in any of the three categories above exceed the amount that could be borrowed at the member bank.

Regulation
P

Regulation P sets minimum standards for security devices and procedures State-chartered member banks must establish to discourage robberies, burglaries, and larcenies and to assist in identifying and apprehending persons who commit such acts.

A member bank must appoint a security officer to develop and administer a security program at least equal to the requirements of the regulation. The program must be in writing and approved by the bank's directors.

Each State-chartered member bank must annually file with its District Reserve Bank a signed statement certifying its compliance with the regulation.

Regulation
Q

Regulation Q defines the term deposit, establishes rules governing the withdrawal of savings deposits and the payment of time deposits before maturity, and establishes ceilings on the interest rates member banks pay on savings and time deposits.

Generally, the longer a depositor agrees to leave funds on deposit, the higher the rate of interest the bank is permitted to pay. Should a member bank allow withdrawal from a time deposit before the agreed-upon maturity of the deposit, the bank must impose an interest forfeiture penalty on the funds withdrawn as specified in the regulation.

The regulation also restates the statutory prohibition against the payment of interest on demand deposits contained in Section 19 of the Federal Reserve Act and prescribes rules governing the advertising of interest on deposits.

Regulation
R

Regulation R aims at avoiding interlocking relationships between securities dealers and member banks, and, thus, any potential conflict of interest, collusion, or undue influence on member bank investment policies or investment advice to customers.

The regulation restates the general statutory prohibition on individuals involved in various phases of securities activities (including issuance, flotation, underwriting, public sale, or distribution) as either a director, officer, partner, or employee from serving simultaneously as a director, officer, or employee of a member bank.

However, the regulation permits member bank directors, officers, and employees to serve simultaneously as directors, officers, partners, or employees of organizations involved only in "government" securities transactions. These securities generally include, for example, those of the United States, the International Bank for Reconstruction and Development,

the Tennessee Valley Authority, and the general obligations of States and municipalities.

Regulation
S

Regulation S provides the means for the Board of Governors to regulate and examine banking services performed for State-chartered member banks by outsiders.

The regulation provides that both the State-chartered member bank and the outside party must make written assurances that services will be subject to regulation and examination just as if they were being performed at the bank.

Among the bank services performed under the regulation are check and deposit sorting and posting, and preparing and mailing checks, statements, and notes.

Regulation
T

Regulation T governs credit extensions made in the course of business by securities brokers and dealers, including all members of national securities exchanges.

The regulation limits the amount of credit that may be extended to customers for purchasing or carrying securities based on the amount of cash and margin securities contained in the accounts. Generally, margin securities are those listed on national exchanges or identified as subject to margin requirements by the Board of Governors' Over-the-Counter stock list.

The maximum credit that may be extended to cover a purchase of margin securities—the "loan value"—is the percentage of their market value fixed from time to time by the Board. When securities on which credit has been extended are withdrawn from an account, cash or securities of an equivalent loan value usually must be deposited or a por-

tion of the account liquidated to the extent necessary to assure that the loan value of the account is not exceeded.

The regulation also prescribes rules governing cash transactions among brokers, dealers, their customers, and other brokers and dealers. It limits the concerns from which lending brokers and dealers may borrow in the ordinary course of their business.

Regulation
U

Regulation U limits the amount of credit a bank may extend for purchasing and carrying margin securities if the credit is secured directly or indirectly by stock.

If a loan is to be secured, directly or indirectly, by any stock, a bank must obtain a properly completed Form U-1 in which the borrower must state the purpose of the loan. If the purpose is to purchase or carry any margin stock, the loan is a "purpose credit." Generally, if purpose credit is stock-secured, it is subject to the credit limitations and other restrictions of Regulation U.

Margin stocks include stocks listed on national exchanges, securities convertible into margin stocks, most mutual funds, and over-the-counter stocks listed on the Board of Governors' OTC list of securities subject to credit regulations.

At the time a purpose credit subject to Regulation U is extended, the amount of the loan may not exceed the "maximum loan value" of the securing stock. The maximum loan value of stock is a percentage of current market value fixed by the Board from time to time.

Regulation
V

Regulation V facilitates and expedites the financing of contractors, subcontractors, and others involved in national defense work.

The Defense Production Act of 1950 and Executive Order 10480, as amended, authorize several Federal departments and agencies to guarantee loans by private financing institutions to contractors, subcontractors, and others involved in national defense work. Regulation V spells out the authority granted to Reserve Banks, as fiscal agents of the United States, to assist Federal departments and agencies in making and administering these guarantees. The regulation establishes procedures for processing these loan guarantees and sets maximum rates of interest, guarantee fees, and commitment fees.

Regulation
W

Regulation W was revoked in 1952.

Regulation W prescribed minimum downpayments, maximum maturities and other terms applicable to extensions of consumer credit. Such action was authorized by Executive Order during World War II, and by Congressional legislation in 1947-1948 and again during the Korean conflict. With the repeal of authorizing legislation in 1952, Regulation W was revoked.

Regulation
X

Regulation X extends the provisions of Regulations G, T, and U (governing extensions of credit for purchasing or carrying securities in the United States) to certain borrowers and to certain types of credit extensions not specifically covered by those regulations.

The regulation applies to borrowers who, for purposes of purchasing or carrying securities, obtain credit in the United States and to borrowers who are "United States persons" or foreign persons controlled by, acting in behalf of or in conjunction with U.S. persons.

Regulation X requires that subject borrowers obtaining credit within the U.S. comply with Regulations G, T, or U—whichever applies to the lenders in the transaction. When credit is obtained outside the U.S., subject borrowers must comply as if the foreign lender were subject to Regulations G, T, or U.

Certain records must be kept by borrowers subject to Regulation X who obtain credit outside the U.S. that is secured in any manner by any security. These records must be substantially similar to those required by Federal Reserve Form X-1, and must be kept for six years after the credit is extinguished.

Aiding or abetting someone to violate the regulation is itself a violation.

Regulation
Y

Regulation Y relates to the bank and nonbank expansion of bank holding companies and to the divestiture of impermissible nonbank interests.

Under the Bank Holding Company Act of 1956, as amended, a bank holding company is a company which directly or indirectly owns or controls a bank. The regulation contains presumptions and procedures the Board uses to determine

whether a company controls a bank. The regulation also explains the procedures for obtaining Board approval to become a bank holding company and procedures to be followed by bank holding companies acquiring voting shares in banks or nonbank companies. The Board has specified in the regulation those nonbank activities that are closely related to banking and therefore permissible for bank holding companies. The regulation applies a separate test to activities that are permissible for foreign bank holding companies.

Regulation
Z

Regulation Z prescribes uniform methods of computing the cost of credit, disclosure of credit terms and lease terms, and procedures for resolving billing errors on certain credit accounts.

The credit provisions of the regulation apply to all persons who, in the ordinary course of business, regularly extend or offer to extend, arrange or offer to arrange consumer credit. Consumer credit is generally defined as credit offered or extended to individuals for personal, family, household, or agricultural purposes.

The major provisions of the regulation require lenders to:

- provide borrowers with meaningful, written information on the cost of credit in terms of both the finance charge and the annual percentage rate.
- respond to consumer complaints of billing errors on certain credit accounts within a specific period.
- identify credit transactions on periodic statements of open end credit accounts.
- make sufficient disclosure of personal property leasing terms to enable consumers to compare leasing and purchasing costs, and limit end-term liability on certain leases.
- provide certain rights regarding credit cards.
- inform customers of the right to rescind car-

tain real property transactions within a specified period.

• comply with special requirements when advertising credit.



Regulation AA establishes consumer complaint procedures.

Under the regulation, any consumer complaint about an alleged unfair or deceptive act or practice by a State member bank, or an alleged violation of law or regulation, will be investigated. Complaints should be submitted, preferably in writing, to the Director of the Division of Consumer Affairs at the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or to the Reserve Bank for the District in which the institution is located.

The complaint should describe the practice or action objected to and should give the names and addresses of the bank concerned and the person complaining.

The Board will attempt to give a substantive reply within 15 business days, or, if that is not possible, will acknowledge the complaint within 15 business days and set a reasonable time for a substantive reply.

The Board will also receive complaints regarding institutions other than State member banks. Complaints about State-chartered member banks are handled by the Federal Reserve, and complaints about other institutions will be referred to the appropriate Federal agencies.

A person filing a complaint does not have to be a customer of the institution in question, and the acts or practices complained of do not have to be subject to Federal regulation. Consumers may complain about acts or practices that may, in fact, be expressly authorized, or not prohibited, by a current Federal or State law or regulation.