Book El Banco de la República: nociones sobre su organización y funcionamiento (Banco de la República: Ideas on its Organization and Operation)

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Four long years have elapsed since the founding of *Banco de la República*. During this time, the Bank has followed a regular course, and yet relatively few people are aware of its functions, the purposes for which it was created, and the results obtained through the transformation of the country's banking system, which began in 1923. On the other hand, this should not seem strange to us, since this also happened in the United States with the system of the Federal Reserve Banks, as Professor Kemmerer points out in the book he wrote about it.

It is not uncommon to hear from educated people mistaken opinions on the functioning of *Banco de la República* and its attributions. There are also those who still think that it is an institution that depends on the government, that is, a state bank. Even regarding other aspects of more practical importance, general knowledge is so little widespread that the majority of the public, upon receiving a banknote from *Banco de la República*, is unaware of its effective value, the reserves that back it up, and the privileges inherent to it.

This situation has made us think of the convenience of summarizing in a few pages the principles that inform the institution of the Central Bank of Issuance, the application of these principles set forth by the Legislator in the organic statute, and their effective development through the Bank's entry into the economic life of the country. This is not a technical work for specialists, but an exposition available to all in simple language, which follows, as far as possible, the thoughts of the American financial mission and is inspired solely by the desire that the work of *Banco de la República* be better appreciated. This will be to the benefit of 1) the Bank itself, which will thus feel the general confidence that has firmly supported it since its foundation grow day by day; 2) the public, which with greater knowledge will be more conscientiously able to take advantage of the benefits that the system offers; and 3) the country, which will see the enlargement of an organization powerful enough to cooperate decisively in the work of economic growth, initiated under such favorable auspices.

We will briefly explain, in as many chapters, the studies that preceded the founding of *Banco de la República* and the reasons that made its establishment indispensable; the general lines of the organization and the various factors that intervene in the exercise of its essential functions; the attributes that concern it as a Bank of Issue;

the operations that are permitted and those that are forbidden; the scope and consequences of the privilege of issue granted by the nation to the Bank; how the rediscount mechanism operates, its importance as a means of backing stockholder banks and the restrictions on its use; the decisive intervention of the Bank in stabilizing foreign exchange; the manifold relations which bind it to the government, and the results of a different order, obtained thus far through the operation of the Institution [...]

Fuente: https://www.banrep.gov.co/en/publications-research/books/banrep-nociones-sobre-organizacion-funcionamiento