

New York
February 21, 1938

Mr. Toastmaster, members and distinguished guests of the Manhattan Society:

I am glad to have the opportunity of being here this evening for this occasion in honor of my associate and colleague on the Board of Governors of the Federal Reserve System.

I have had the privilege of being associated with him ever since I became a member of the Board, and although I regret to say that he is younger than I am, I am obliged to look up to him as a veteran, for despite his youth, he is in point of service the oldest living member of the present Board. And since I have touched on this delicate question of age, I should like to remind you of another interesting fact.

Mr. Szymczak is, of course, a native-born citizen and I think I may describe him as a typical American, though I recognize that such a phrase is rather abstract, like phrases which we commonly use, such as "the average citizen" or "the economic man". He retains a natural and pardonable pride in the race from which he has sprung, as do the rest of us who like to think of ourselves as typical Americans and who trace our ancestry to other lands.

In a special sense, however, I think he demonstrates why this Republic deserves to be called the land of opportunity. In other times and in some countries more than ever today, opportunity is restricted or non-existent for the average citizen. I know that those of you Americans here tonight who are proud of Polish achievements and of Poland's rightful place among the democracies of the world, will not regard it as any reflection upon the Polish Republic when I remind you that it does not offer to very young men, like Mr. Szymczak, opportunity equal to that existing in the United States.

I have discovered that under the Polish Constitution of March 17, 1921, establishing Poland as a republic, there is a provision to the effect that no one who is under the age of forty is eligible for election to the Senate. And I call your attention to the fact that my distinguished colleague, whom you are appropriately honoring tonight, was only thirty-nine when he became a member of the Board of Governors of the Federal Reserve System.

Now, I will deny that it requires more aging and wisdom to be a senator than it does to be a member of this Board. I shall not expect senators to agree with this, but I just want to call your attention to the unfortunate fact that there are still great numbers of people who suppose that this Board either possesses at the present time or could be put in a position with just a few changes in the law to control completely the economic welfare of this great nation. That the Board either has the power or needs but little more latitude under the law in order to achieve and maintain some fixed price level and to prevent either a boom or a depression. If that were the case, I think that all of you would agree

that any senate would be a minor and relatively unimportant body, and that it would require infinitely more wisdom to be a member of the Board than to be a mere senator.

But even though those of us who, like my colleague whom you are honoring tonight, possess no such vast authority to produce and preserve the economic well-being of each one of us, quite regardless of the actions and possibly the mistakes that we may make individually or collectively, the Congress, as you know, has vested in the Board a very large and heavy responsibility for the exercise of far-reaching monetary powers affecting the volume and cost of money and the soundness of the banking system. And even though each of us were a Methuselah or a Solomon combined, we would still, I am sure, be aware that we did not possess a monopoly of experience and wisdom. In fact, I think the older we grow and the more we learn, the more we recognize our own human as well as legal limitations.

I should like to add just one or two words, speaking very seriously for a moment, about Matt Szymczak. I am somewhat constrained in paying any tribute to him because, speaking to me as my senior in service on the Board, he has ordered me not to do so, and has warned me, or at least implied, that an occasion might sometime arise when he might be called upon to speak about me in public and he would feel obliged to say something pleasant and complimentary, irrespective of what his honest convictions might be, if I should venture to say a rather personal word about him tonight.

Nevertheless, I am going to take that risk just long enough to say to you that I consider him the highest type of public servant. He has served upon the Board with real ability and distinction. He is an American in whom the Manhattan Society and the Polish people may well and do take justifiable pride. More than any other one man connected with the Federal Reserve System, he has put into practice what he preaches in making for a better and more widespread understanding of the functioning of that System as a part of the government of this country. He has been and he remains, I think, first of all an educator. He has been given the gift which every educator needs to have in order to reach the minds and understanding of men, and he has cultivated that talent.

More than anything else in these times, it seems to me that our bankers and business men and our people as a whole need deeper, broader understanding of the functioning of our economic system. It is not enough that public servants be wise in the discharge of their duties, and honest and just in the administration of the offices they happen to hold. In a democracy they must also be able to make their actions and policies understood. The more difficult and complex the problems are with which they have to deal, the more necessary it is for them to be able to explain what they do and why they do it. That takes time and patience and it calls for unusual ability both to analyze and to explain. Although the administrative duties are confining and there is never enough time to learn all that members of the Reserve Board would wish to know about the daily problems before them, Mr. Szymczak has drawn upon his energy and his talents repeatedly in order to meet with interested groups of bankers, business men, and students, and

to lay before them the essential facts which they need to know if they are to have an understanding of the part which the Federal Reserve System plays in the functioning of our economy. He has spoken, always and without exception, I venture to say, as an educator, never as a partisan or a special pleader. He has made an important and necessary contribution to the understanding which is so essential to the preservation and successful functioning of our democracy and our economic system.

The members of this distinguished Society do honor tonight to that kind of public service which is a safeguard of our system and an example and inspiration for all Americans.