

Jerry Jordan's Remarks to
Baldwin-Wallace Luncheon Club
10/23/92

BACKGROUND: Organization comprised of current
B-W students, (undergraduate and MBA
program), as well as alumni of both.
Time: Social period beginning 11:30, lunch
noon, speech 12:45 to run about 30 minutes,
followed by Q&A. Adjournment at 1:30
Introduction: Randy Coleman
Attendance: Approximately 70
Media: Reuters (tentative)

Good afternoon. It's a pleasure to be asked to appear before the Baldwin-Wallace Luncheon club this afternoon. I always enjoy addressing college and university groups, since they assure one of a civilized level of discourse. Perhaps it's because, as the poet Robert Frost put it, "Education is the ability to listen to anything without losing one's self-confidence or temper." Hopefully nothing I have to say today will cause you to lose either.

The topic of my address is, "The Federal Reserve's Policies, Politics, and Practices." That's a lot of ground to cover in the allotted time period, so I'd like to focus my remarks on a more specific subject. That is the Fed's role in helping to bring about sustained growth through the use of monetary policy.

As you know, we are in the midst of a period of economic difficulty, one that is characterized by slow growth, depressed corporate and household earnings, and international turmoil.

Obviously, monetary policy cannot produce real goods and services, nor bring peace to the international arena. Nevertheless, over the long term I believe the Fed can help the

economy by focusing policy on price level stability. Without the uncertainties resulting from price fluctuations, private industry can more confidently invest in the additional plant, equipment, and personnel needed for long-term prosperity.

Implementing such a policy is never easy even in the best of times, and these days it is more difficult than ever. So what I'd like to do now is share with you some of the challenges facing those of us responsible for setting monetary policy.

(Pick up text, "Monetary policy has been the focus of the financial press in recent weeks," from outline of speech, "Challenges Facing Monetary Policymakers," delivered 9/21/92.)