

WINGSPREAD - Johnson Foundation
Racine, Wisconsin

April 28, 1965

While my present relationship, as President of the Fed, to the Upper Midwest Research and Development Council is new, my awareness, as a member of the business community, of the remarkable work done by the Upper Midwest Research and Development Council goes back some years. In this research program, the Fed has played a major role. I am here today because of my intense personal interest in this program, and to reaffirm to you the conviction of the Board of the Federal Reserve Bank of Minneapolis that the Fed will continue to do anything in its power to assist in the continued development of the District.

The national monetary and credit concerns of the Federal Reserve System, revolving as they have in the public eye about the balance of payments and our gold supply, have tended to create in the public's mind an image of a monolithic central bank structure. The fact that it is also a system of regional banks has been obscured. But both by statute and by policy the District banks have regional responsibilities and obligations, in addition to their roles as part of a national structure. These are without particularization, and run to our society as a whole. It is a total commitment to participate on every level of our competence to assure a healthy, viable community. For such a condition to obtain, business must prosper and flourish. Business activity, soundly rooted and firmly based, is the lifeblood of our society in its present form, which is the one we hope to preserve. But as Cameron Thomson observed -- "Only in their application do economic principles change." The basic ground rules of economics must be observed today even as they were at the time of Hammurabi. It is one thing to express a conviction, and another thing to put it into action. How are these fundamental economic principles we all know and respect to be applied in the context of our District

in the years to come?

May I become personal for a moment. The question has undoubtedly been asked by others than myself. Why did the Board pick a man from Helena, Montana? I asked it myself -- and went so far as accusing the Board member who called me one morning six weeks and twelve light years ago of being drunk. He assured me that both the hour - 9:00 A.M. and the fact he was in his office ruled that out as a possibility. I then thought I was.

But the fact they did is proof of the extraordinary upheaval that has taken place in all our lives since the advent of the Second World War. No one of us here today has come into this room a complete stranger. Each of us has ties and paths that have crisscrossed with at least a third or more of the other attendants.

David Bradley wrote a book ten or more years ago called "No Place to Hide." It laid to rest the myth that there was any nation or any corner of any nation that could serve as a refuge in a modern nuclear war. Well, in a political and economic sense, there is no longer any place to hide either. When I use the word "political" I am using it in its proper sense of man's relationship to his fellow man as members of society. We can be and must become involved.

I must confess I was chilled by the term "neutral projections" used in the summary report. But these are facts and facts are neither good nor bad in themselves. The truth is neutral. But know the truth and the truth shall set you free. What we - a cross section of the leadership of the district - do as individuals with these facts can change these neutral projections. Ten years from now, these can be "what might have been" instead of the reality.

The Episcopal Bishop of Montana, on whose board I served, was confronted by a group from the Diocese who thought he was too impatient and

much too specific in his pleas for funds and personal involvement from the responsible members of the church. Tempers became hot, and one of the parishioners said, "Bishop, the Lord will provide. Haven't you faith in the Lord?" "Yes" was his reply, "but also remember the Lord admonished that he would help those who helped themselves."

We are all here today with a common dedication to that objective. The problems of our District have been well defined. Now we are at a point of resolution.

May I say again, in closing, the Federal Reserve Bank of Minneapolis is totally committed, in every way within its power, to assist and participate with the Upper Midwest Research and Development Council in the development of the Ninth Federal Reserve District.

Godspeed to us all. Thank you.