

Walter Byham

10 1/2 ~~assess~~ 11/8/65

Ronald Harrison — (did the work) 6.7

In the time I have this evening, I hope to give you some idea of the FRS is and what it does — with particular emphasis on the monetary policy function. Along the way I will give you my personal observations as to the state of business generally and some idea about where we may be headed. I say my personal observations advisedly, so you will not condemn the FRB of Npld if they prove wrong. In the state of Montana where I lived many years there was a saying, only fools and pilgrims predict Montana weather. In the state of confusion which economists live, I qualify on both scores for attempting to determine trends and yet this is a real part of my job, and my reason for being here tonight as I will be doing presently.

FRS system

12 regional banks

private/public mix
function

currency

checks

looked for the Treasury
monetary policy

this is where public/private
must connect - Innovation not
isolation - Independent within
the govt

Open mkt committee
how it functions

deliberative process ^{gross note}

buy & sell securities

left port - starboard ^{right}

So much for the system - where
are we in this district of the nation?
Business is good ^{district} nation
puritan ethic
considerations

pound sterling

balance of payments

steel

Viet Nam

Prices - EMB

credit volume & interest rates

where are we going?

Good year

consumer spending

cars

has to increase

710 over 100 billion

Interest rates about the same

political
construction the only weak area.

My concern with the North District
to be sure there is a two-way
delay. — that people are informed.
environment / heredity

Private enterprises requires an
informed public. Business men must
know what the money managers are doing
and why — for a balance of payments
problem affects Ashland Wisconsin
as much as it does Washington —

It is our duty to assist the business
man in the learning process — but it
is his obligation to become involved.
Every government needs civil servants
but only in a free society can the
American business man survive