Federal Reserve Bank of New York Addresses & Speeches Sproul

Remarks of Allan Sproul, President,
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at the Sixteenth Annual Pacific Northwest Conference on Banking,
Pullman, Washington,
April 7, 1955.

Monetary Policy in Periods of Transition

My being here this afternoon is a return of the native - a native of the Twelfth Federal Reserve District. I was born in San Francisco and educated at a great sister institution of Washington State College, the University of California at Berkeley. For ten years, from 1920 to 1930, I worked at the Federal Reserve Bank of San Francisco with Cecil Earhart, Hermann Mangels, Joe Leisner, Scott MacEachron, and others you know well. In those years, during which I labored on and finally edited the Monthly Review of the bank, I came to think that I knew a good deal about the economy of this district - its agriculture, its lumbering, its mining, its fishing, its manufacturing, its transportation, and all of those diverse activities which show up in credit needs and credit extensions. I never knew as much as I thought I did, of course, because much of what I knew was second hand, but I did have a fairly good grasp of your problems and your prospects. Now, I have been too long away to try to discuss affairs which are peculiar to this western empire and which, in any case, are familiar to you. I shall seek the protective coloration of a broader canvas.

First, let me say that I was appalled when Dean Lee said that I might have an hour of your time for my talk. I realize that those who walk in academic groves regularly discharge such assignments without fear or trembling. But those of us who pound the pavements of commerce and finance are apt to find that talking for an hour stretches our powers of speech to the breaking point. We run the risk of losing both the thread of our discourse and the attention of our audience. I hope that you will bear with me, therefore, if I extend my remarks beyond the time I usually allot myself, even though I do not quite come up to the mark which Dean Lee set for me.

This matter of time has automatically chosen the topic which I will discuss. The only thing I know enough about to talk about, for the better part of an hour, is monetary policy. I thought that you might be interested in one man's view of the changes in monetary policy during the past two or three years. And then, if we have time, I could try to look ahead, not in terms of forecasting what monetary policy may be, but in terms of the factors which will help to determine what monetary policy will be.

First, let me go back to the period at the beginning of 1953, when the Federal Reserve System was following a policy of credit restraint. It has become an article of faith, with some of those who are suspicious of monetary policy, or of those who now administer it, that credit restriction at that time was the cause of the recession of 1953-54, and that the recession was an

unnecessary consequence of an inflation complex on the part of the monetary authorities. We are held to be so fearful of inflation, that we forget or ignore high levels of production and employment as goals of economic policy.

Let us see what there is of truth and what there is of falsehood in these accusations. Superficially, the economic situation in the early months of 1953 did present a bright picture. Employment had reached new high levels and unemployment was at the lowest level, for that time of year, since the end of World War II. Industrial output was crowding the limits imposed by the labor force, capital equipment, and the available supplies of essential materials. Commodity prices, according to the indexes of aggregates, were stable.

One does not have to dig far below the surface, however, to find soft spots which detract seriously from this bright picture. Accumulation of business inventories was going forward at a rate which indicated that too large a part ofcurrent production was going into stocks held by manufacturers, wholesalers, and retailers, rather than into current consumption. In the second quarter of 1953, for example, such inventory accumulation was at the annual rate of about $6 billion compared with less than $3 billion in the first quarter of the year. This doubling of the rate of accumulation of inventories, which far exceeded the rate of increase in gross national product, was a measure of "false" growth. Such an imbalance between production and consumption could not go on without a breakdown sooner or later.

At the same time that this accumulation of business inventories was taking place, consumer spending was being supported by an increasing use of consumer credit which also presented elements of instability. During the year ended April 1953, the total volume of consumer instalment credit outstanding increased by $5 billion or about one-third. But even with this extraordinary addition to current income, consumer demand was not sufficient to come near to clearing the market.

Finally, the apparent stability of commodity prices, in the aggregate, was the net result of diverse movements in the prices of individual groups of commodities. Prices of many industrial goods were rising, but prices of farm products and foods were declining, a decline which reflected primarily a rate of production in excess of current demand. There was stability in the price indexes but instability in the price structure.

The choice before the monetary authorities was whether to supply the reserves which would encourage further distortions in the economy, or to try to slow down the rate of credit expansion so as to spread out the "good times" over a longer period, and reduce the danger of a later economic collapse. In the event, it was enough, and at the end more than enough, to let the pressure of demand, and of anticipatory demand for credit, press against the available supply so as to prevent the further blowing up of a "bubble on top of a boom". Of course, there was no check plot to tell us what might have happened if we had not pursued the policy we did in early 1953. But I find it beyond belief that an easy money policy in the boom atmosphere of the period would have made it possible for the country to avoid a recession in 1953-54, and to avoid even mild adjustments of that magnitude for the indefinite future. Such a belief would fly in the face of all that is known about the way changes occur in a dynamic enterprise economy.

It is also held against us, however, that other forces were already in motion, early in 1953, which would achieve what we sought to achieve. Specifically, it is said that it was obvious at the beginning of 1953 that there was going to be a substantial decline in defense spending later in the year which, unless offset by an increase in private spending, would seriously and adversely affect the whole economic situation and that, therefore, a restrictive credit policy in early 1953 was untimely.

Now there may have been some knowledge and, as I recall, there was some guessing in the latter part of 1952 that the peak level of defense spending would be reached sometime around the middle of 1953. But later official statements and budget forecasts or projections moved the peak of defense expenditures out beyond 1953. The budget which was prepared by the outgoing administration, and sent to Congress early in January 1953, called for a further increase in Government expenditures, and indicated a budgetary deficit of $10 billion and a cash deficit of $6.6 billion, during the fiscal year 1954, the largest such deficits since World War II. Even though some economies were begun in early 1953, and even though greater economies were achieved than was then estimated, actual defense expenditures continued to increase through the second quarter of 1953 and, even in the fourth quarter of that year, were only slightly less than in the first quarter. There was no clear and definite projection of defense expenditures which might have guided monetary policy along another path than the one it took.

It is probably not necessary to argue, however, what could be seen in the crystal ball, in early 1953, so far as future defense expenditures were concerned. The prospects for a truce in Korea improved as the spring advanced, and it became reasonably certain that, in the absence of major fighting elsewhere, the longer run level of defense spending would be below the high levels of the first half of 1953. But the likelihood of a decline in defense spending by the Government, at some future time, was not a good reason for abandoning credit restraint in early 1953. Rather it counseled against letting unrestrained private spending compete with defense spending under the conditions then prevailing. If business inventories and consumer credit had been encouraged to expand without restraint at the same time that defense expenditures were rising to a peak, and private capital formation was proceeding at record levels, the dangers of the prospective decline in defense spending would have been increased. The economy could have gotten way off balance, and really reacted dangerously when defense spending did decline. This was a threat which a policy of credit restraint in early 1953 helped to banish.

That policy may not have been perfect in its timing and its execution, and it was not popular. A policy of credit restraint seldom is popular, and unpopularity breeds misinterpretation and attack. I have mentioned the assertion or claim of our critics that the economic situation in the spring of 1953 was close to ideal, in terms of production, employment, and prices, and that our unnecessary intervention was the result of an inbred fear of inflation. I suppose we central bankers are partially responsible for this sort of opinion. We have long been distrustful of our own ability to help check a decline in economic activity, once underway, and have frequently argued that monetary policy could be most useful in checking the excesses of the later stages of a boom, thus helping to prevent or diminish the agonies of the "morning after". This may be twisted into an inflation complex. Is it not clear, however, that

our underlying concern, in such circumstances, is actually with deflation not inflation? We fear deflation more than inflation, just as do most people who are aware of the human aspects of economic forces, and the human suffering which is involved in both of these deviations from economic well being. If, at times, we apply measures of restraint to a bubbling economic situation, it is because that is one of the reasons for our being - to try, during periods of high prosperity, to help prevent the excesses which will bring such periods to a destructive end.

I might even go beyond that position, and say that there is another reason, in our present state of economic development, for a body which has a sound and healthy concern about inflation. That is the strong pull in the other direction, which gains power from a host of politicians and large groups of our population, and which does not lack economists and pseudo-economists to bring it intellectual support. The Employment Act of 1946 is now the main guide of public economic policy. The danger is that this call for Government action to promote maximum - not full - employment, production, and purchasing power will be interpreted to mean that monetary policy should embrace creeping inflation, so as to create conditions which are said to be necessary to the promotion of "full employment", no matter what happens to the purchasing power of the dollar. Recently, before a Congressional committee, I said that those who would seek to promote "full employment" by creeping inflation, induced by credit policy, are trying to correct structural maladjustments, which are inevitable in a highly dynamic economy, by debasing the savings of the people. If their advocacy of this course is motivated by concern for the "little fellow", they should explain to the holders of savings bonds, savings deposits, building and loan shares, life insurance policies and pension rights, just how and why a rise in prices of, say, 3 percent a year is a small price to pay for achieving "full employment". They should also explain to all of us - little, big, and just plain ordinary Americans - what becomes of our whole system of long term contracts, on which so much of our economic activity depends, if it is to be accepted in advance that repayment of long term debt will surely be in badly depreciated coin.

No, I say it is necessary and wise that the monetary authorities not accept the questionable dictum that high level employment and price stability are necessarily incompatible. It is probably true that full employment, in the sense of there always being "more jobs than men" may not be possible without creeping inflation. Such a condition implies sellers' markets, not only for labor but also for raw materials and finished goods. It implies a situation in which efficiency incentives are reduced and there is weak resistance to increased costs, since such increases can usually be passed on in higher selling prices. These conditions are not likely to be conducive to maximum economic progress. Laxity of effort and speculative sprees develop in such an atmosphere and lead to distortions and instability, rather than to sustained accomplishment. But a condition of high employment, high efficiency, high production and stable values seems to me to be a feasible and desirable objective.

Such an objective suggests that we need to give more attention than we have done to the division of the rewards of increased productivity. In recent years, loud shouting has made it seem as if the only question was whether "big labor" or "big business" was to reap the lion's share. It is

clear, I think, that we are going to have to get along with "big labor" and "big business". One is the product of the other, and both have had a part in the tremendous increase in our productivity as a nation. It is a cliche, a truth worn bare by constant repetition, that our American system of production has brought greater material well being to more people than any other economic system yet devised. But that system may not maintain its place indefinitely, if there is persistent inequity in the distribution of its rewards. If owners and managers or organized labor, or both of these groups, take unto themselves too large a share of the rewards of increased productivity, the economy may eventually be retarded. One danger is that, if all the gains of increased productivity go to raise profits and wages in the particular industries in which the increase occurs, a wave may be set in motion which will spread to all industries, including many where there has been no gain in productivity. That throws the economy out of kilter, and is one of the sources of the demand for continuous "gentle inflation".

There is the even greater danger that the consumer, the fellow on whom we all depend to keep our economy going, will be squeezed or forgotten by the power blocs. He needs to be considered, along with the more privileged groups, because he is all of us. He should get his share of the dividends of increased production and improved methods, in the form of lower real prices. If he doesn't get his share, the end result, despite his capacity for long suffering, is likely to be political action to restrain "bigness" in industry and in labor. And such action may be blundering and punitive. The tendency toward an absence of price competition in large segments of our economy, suggests that we need to review a good deal of our thinking regarding the competitive free enterprise system whose benefits we all enjoy.

This is a concern of monetary policy, because lower real prices, in an economy of increasing productivity such as ours, are a function of stability of the dollar. And stability of the dollar, along with maximum production and employment, is a primary objective of monetary policy. We need the best fusion of these objectives which we can get. Then if, from time to time, our dynamic growing economy throws so many people out of work as to be socially intolerable, we should seek further means resting on the whole economy to take care of the situation. But we should not debauch monetary policy trying to make it do the whole job, by way of creeping inflation. We shouldn't steal the savings of the people with one hand, while we promise them steady work and a comfortable old age with the other.

Now to return from that partial digression. When we come to the change in monetary policy in May-June 1953, from restraint to ease, and later to "active ease", we come into a period when monetary policy could bask in the approval of almost everyone. It was said that we were prompt in action and vigorous in execution and, as a result, we have been given some credit for the mildness of the recession which began in the third quarter of 1953 and which has now been largely corrected. Modestly, or as modestly as we can, we accept this praise while, at the same time, we carefully point out that monetary policy, as always, was only one factor in a complex situation, and while we privately admit that luck was on our side, too. We need to avoid being asked to carry burdens which we cannot bear, and we need a little luck if we are successfully to carry the burdens which we should bear.

In any event, we were doing the popular thing when we created and maintained easy money during the last half of 1953 and all of 1954. We even surprised ourselves a little, because monetary policy was not so helpless as a good deal of theory had suggested in checking recession and providing a positive stimulus to recovery.

As was stated in the recent annual report of the Federal Reserve Bank of New York for 1954, the buildup of business inventories of 1952 and the first half of 1953, gave way to inventory liquidation in the latter part of 1953 and most of 1954, and the end of the war in Korea in July 1953 was followed by cutbacks in defense expenditures. Industrial production and employment declined, and demand for raw materials and finished goods, both domestic and imported, decreased. In this situation, the principal objective of economic policy was to prevent the unavoidable corrective adjustments from feeding on themselves and cumulating until recession became depression, and to give encouragement to the forces of recovery. Prompt response to the evidence of slackening output did not require extreme intervention by Government, however, since the natural forces of recovery within the private economy were strong. The role of monetary policy, along with fiscal policy, was one of softening the impact of the adjustments which were taking place, and exerting an overall influence which would encourage the flow of resources, manpower, and credit into areas where the potentiality for expansion was real.

A recovery so induced was likely to be more lasting than one too heavily dependent on artifical stimulants, such as more direct Government intervention. The easy money policy of the Federal Reserve System made its contribution to recovery by relieving pressures for forced liquidation, facilitating an orderly readjustment of surplus stocks, and in general making sure that ample funds were available for both short term credit and long term capital needs.

The principal burden of sustaining this policy was borne by open market operations, the name given to purchases and sales of Government securities by the Federal Reserve Banks, which put reserve funds into the banking system or take them out as the needs of the economy seem to require. Throughout this period, we exerted pressure on the banking system to find outlets for excess funds, by maintaining a substantial volume of free reserves, that is, excess reserves less borrowings from the Federal Reserve Banks, in the hands of member banks. As a consequence, total bank credit expanded more rapidly than in any year since World War II, despite some repayment of business borrowings as a result of inventory liquidation and the end of "tax borrowing" with the expiration of the excess profits tax. Other types of loans increased, and there was a large increase in bank investments, which either financed public and private expenditures directly or provided funds for investment by others.

There was, of course, considerable interplay between open market operations, a mid-1954 reduction in reserve requirements, and discount rates. The discount rate was reduced twice, from 2 to 1 3/4 percent in February 1954 and from 1 3/4 to 1 1/2 percent in April. The discount mechanism, however, was largely put out of commission by the general policy of maintaining a considerable aggregate of "free reserves" in the banking system at all times. Relatively few banks found it necessary to borrow from the Reserve Banks, and then only for short periods for temporary reserve adjustment purposes. Reserves were obtained more cheaply and in more permanent form by the reduction in reserve requirements

and through System open market operations. Under these conditions the discount rate became primarily a symbol of the direction of System policy, and a pivot for certain other short term money market rates, not a main determinant of credit conditions.

To sum up, and again drawing on the recent annual report of the Federal Reserve Bank of New York, flexible credit policy was employed in 1954 to provide an abundant supply of cash and credit to the economy and, in coordination with other instruments of economic policy, to help halt and then reverse the recession which had gotten under way in mid-1953. The recession was halted and reversed and, by the end of 1954, recovery was well under way. The available statistics indicate that this recovery was based, in considerable measure, on extensive recourse to credit, but that is not to claim, of course, that easy money, by itself, brought about the recovery. The underlying soundness and strength of the economy was the necessary and vital ingredient.

Looking at both 1953 and 1954, I believe it is fair and reasonable to conclude, on the basis of the evidence, that credit policy was effective and contributed positvely to economic stability and long term growth, both when it restrained the excessive use of credit and encouraged postponement of some capital projects prior to mid-1953, and when it eased conditions in the credit and capital markets in the last half of 1953 and in 1954.

All of this is economic history which will quickly become ancient, however, and probably much of it is as well known to you as to me. All I have tried to do is to bring into clearer focus a few main elements of the picture as I have seen it develop, in the hope that it would be of some interest to you, not only as an aid to understanding the past but also as a guide to the future. As bankers, businessmen, and even as economists, I am sure that you find guessing what the future may hold a more fascinating and, at times, a more profitable form of mental exercise than dissecting the past.

Unfortunately, perhaps, that brings us into a time period in which I can be less positive, less cock-sure, and certainly less authoritative than when talking about what is past. And I have to warn you, at once, that nothing I now say can be taken as an exact statement of present System views or policies, nor as a forecast of what System views or policies may be in the future. I shall be giving you my views and opinions, which may or may not be shared by my associates in the System. The System is not a monolithic organization - we have disagreements without purges. Fortunately there has most often been a clear consensus as to what policy should be, even when we have disagreed sharply as to operating techniques.

Perhaps the best way to go about this excursion into the future is to start from a known point. The policy record of the Federal Open Market Committee, recently published in the Annual Report of the Board of Governors for 1954, confirms a shift in monetary policy which took place in December 1954. Whereas during the previous year we had been conducting open market operations with a view, among other things, to promoting growth and stability in the economy by actively maintaining a condition of ease in the money market, we then decided to take the "active" out of ease.

This shift in the degree of credit ease to be maintained seemed to be in accord with the economic developments of the last quarter of 1954 and the near term prospects for 1955. With the recovery movement pretty firmly established, although by no means complete, it seemed appropriate and desirable to take out of the banking system the surplus funds which had been used to keep up the pressure on banks to loan and invest. As demand for credit grows, with reviving business, the existing money supply will be used more actively - its velocity will increase - and the need for pressure to bring it into use will decline. Nevertheless, this shift in policy has been challenged, and again the criticism has been made that our fears of inflation - which seems to be narrowly defined by these critics in terms of the movement of prices - have led us into actions which may jeopardize the present business recovery. So far, I think you will all agree, the recovery shows little or no sign of being "jeopardized". It is a pretty vigorous affair. But if it does not come up to the mark of the builders of statistical models of what a fine world this could be, I am sure we shall be blamed.

What has been done, primarily, was to mop up an overhang of excess funds in the banking system which needed to be removed, so that the relation between business expansion and credit expansion would be better observed and better coordinated as the recovery progressed. This was "taking up the slack". It cleared the way for observation, analysis and interpretation of those broad general trends in the economy which, I think, can give a lead to credit policy in a recovery period.

What are some of these trends? First, there is the character of the business recovery. Is it widespread or heavily concentrated in a few industries or areas, balanced or distorted? Is it so rapid as to make it unlikely that its pace can be sustained, thus raising the question of another setback? Is it so slow that, even if continued, it will leave us with the problem of a labor force which is growing more rapidly than the increase in jobs?

Second, there is the appearance or non-appearance of speculative tendencies in business plans, in consumer buying, and in public or mass reactions to the sweet music of recovery. How are prices behaving; are there sharp advances in basic commodity prices which seem out of line with increases in production and consumption? Is there evidence of inventory accumulation beyond the needs of a prompt delivery economy? Is the economy on a prompt delivery basis or are bottlenecks appearing? Is there an absence of resistance to higher costs, on the assumption that they can readily be passed on to the consumer? Do business plans for capital expenditures seem to be in reasonable relation to longer term growth? Does the consumer seem to be showing signs of going on a spending spree, stimulated by increasing injections of instalment credit? Is the construction industry wearing out the effects of very liberal mortgage terms, originally abetted by a monetary policy dedicated to easy money? Is the stock market getting into the taxicab, the elevator, the barber shop and the front pages of the newspapers, instead of staying where it belongs as a necessary adjunct of our financial and investment machinery?

Last but not least in this brief catalogue, there is the rate of growth and use of credit, and of the money supply. Does available bank credit appear to be insufficient to nourish a vigorous recovery? Does it appear to be readily available to facilitate sustainable economic growth? Does it look as if it might be in excess supply, encouraging a speculative spirit or, to change the metaphor, sowing seeds of inflation which could lead to another economic downturn?

Obviously these are very general criteria. But they are the kind of criteria which, along with the masses of statistics that underlie them, and all the general information which defies statistical compilation, we have to try to interpret and digest in reaching judgments as to monetary policy. There are no specific criteria which can guide the policies of the Federal Reserve System at all times. There are no clear and definite trigger points which will tell you exactly when to shoot and when to hold your fire. We must rely on general criteria and use many guides to judgment and action, and you will have to do the same in guessing what our actions may be and judging them after the fact.

It may be possible to indicate some of the things which might conceivably come about in the monetary sphere, however, if economic recovery continues along a healthy course, and if there are no international developments to upset, seriously, our domestic tranquillity. I do not treat the latter hazard lightly. It is the over-riding question of our time, no matter how small the sector of the landscape we are surveying. But I do not have the means of assessing the possibilities and probabilities of war.

If war is to be avoided and if economic recovery continues, these things might occur. There should be some revival of discount operations at the Federal Reserve Banks. The discount window was largely put out of commission during the period when reserve funds were being pushed on the banking system by a combination of open market operations and reductions in reserve requirements. Individual banks in adjusting their reserve positions, and the whole banking system in meeting seasonal or other less than permanent needs for reserves, may now become more dependent upon borrowing at the Reserve Banks. This will be healthy and useful. The volume and persistence of such borrowing could give some indication as to whether credit policy is geared to a generally healthy recovery, or is too restrictive and thus checking recovery, or too liberal and thus endangering the longevity of recovery by promoting speculative uses of credit. If the signal seems to be that credit policy is becoming too restrictive, relief can be given quickly by open market purchases of Government securities. If the signal seems to be that credit policy is becoming too liberal, open market sales would have the reverse effect.

Second, in such a period of recovery, and with even the mild shift in credit policy which has taken place, it would be expected that some rise in interest rates would occur. In fact, as you know, there has already been a rise in interest rates, proportionately greater at short term than at long term, but extending out through the whole range of debt maturities. Commercial banks, which were active purchasers of marketable securities at short, and then at longer term, during the period of very easy money, find their resources adequate to meet actual or prospective increasing demands for loans, but not so large as to press continuously for investment outlets. A moderate firming of interest rates during a period of economic recovery is to be expected and can be constructive rather than a damaging influence.

The movement of interest rates during recovery will have to be watched more closely, however, than in the preceding period of recession, when nearly all of the emphasis was on the availability of reserves, and when what happened to interest rates was of relatively little concern to the monetary authorities. Interest rates have now become one indicator of the degree of credit ease or tightness which is being maintained by monetary policy. A rise in interest rates which went too far too fast could be damaging, particularly in the capital markets where a continued flow of funds into capital expenditures is desirable.

Third, changes in the discount rates of the Federal Reserve Banks might be made more frequently in such a period, as the discount window of the Banks again became busy, and as interest rates become more sensitive indicators of market pressures. In such circumstances, the discount rate could assume the role of an anchor for the whole structure of interest rates. And eventually it might lose some of its ponderous significance as a symbol, while it gained in power as a ready weapon of monetary policy.

I do not know quite what to say about the money supply, because it has suffered at the hands of those who have mechanistic ideas about monetary policy. Certainly the money supply - usually defined as currency outstanding plus adjusted demand deposits - will bear watching, but it is difficult to establish it as a gauge of monetary policy in a period of business recovery. Private demands for credit are expected to grow, in such a period, at a more rapid pace than would result solely from seasonal or secular influences. But this might or might not be reflected in a comparable increase in the money supply. During some of the stages of recovery, the economy may not need an increase in the money supply, because of more effective use of the supply already in existence. Over the recovery period as a whole, however, there should be an increase in the money supply. But I don't think you can be precise about the amount or the percentage of increase. You can't rely on the money supply figures automatically to tell you what to do and when to do it.

As you can see from this hasty summary of some of the general criteria of monetary policy, and of some of the things which might happen as a result of a monetary policy geared to economic recovery, we central bankers are practicioners of an art, not a science. In practicing that art we can never lose sight of the broad purpose of our being - to help to maintain those conditions in the economy which will promote high levels of production, employment, and consumption, and stability of the purchasing power of the dollar. This demands flexibility. It demands restraint upon the use of credit when the economy begins to stretch at the seams, and credit is being called into use to support too many speculative positions, as well as the production, distribution and consumption of goods and the provision of needed services. It demands encouragement of the use of credit, when our productive resources of men and machines are not being utilized as fully as they should be. It demands that actions be taken with a view to accommodating the needs of the whole economy, in the public interest, and not the needs of special groups or interests, whether they be economic groups or political interests.

That is a large order. I cannot claim that we have either the technical means or the ability to fill it to the satisfaction of everyone, including ourselves. We need all of the advice and counsel we can get, from bankers and economists meeting in groups such as this, from farm groups, labor organizations and business groups, and from those who occupy places of responsibility in the apparatus of Government. In return we have a right to ask that the advice we are given be as objective as possible, that criticism be as constructive as possible, and that our integrity and our honor not be impugned in the process. We are not the vassals nor the pawns of any vested interest. We have taken a binding oath to serve the interests of all of the people of the United States to the best of our ability. We have no other purpose.