



FEDERAL RESERVE BANK *of* ST. LOUIS

CENTRAL TO AMERICA'S ECONOMY®

WWW.STLOUISFED.ORG

**Opening remarks by President James Bullard
The 2011 Homer Jones Memorial Lecture
Federal Reserve Bank of St. Louis
April 13, 2011**

Welcome to the 22nd annual Homer Jones Memorial Lecture.

This lecture is an annual event designed to honor the outstanding contributions of former Senior Vice President and Research Director of the Federal Reserve Bank of St. Louis Homer Jones.

The lecture was initiated in the aftermath of Homer Jones's death in 1986 and enjoys the long-lasting support and co-sponsorship of many people and organizations, including the St. Louis Gateway Chapter of the National Association for Business Economics, Saint Louis University, Southern Illinois University at Edwardsville, the University of Missouri at St. Louis, and Washington University in St. Louis.

Homer Jones is often described as Milton Friedman's professor. Friedman attended Rutgers University during the period when Homer Jones was a member of the economics faculty. According to legend, Homer cultivated Milton's interest in economics, encouraging Milton's enrollment in graduate school at Columbia University. The rest, as they say, is history—the two remained friends and colleagues for years afterward.

Homer Jones later joined the staff here at the St. Louis Fed. He played a major role in the Bank's development as a leader in monetary research and statistics. It is difficult to overstate the importance of this influence, which has extended well beyond his years of service at the St. Louis Fed and far beyond the confines of this building.

As one example, the Federal Reserve Bank of St. Louis is internationally known for its extensive data collection and dissemination efforts. Housed under the name Federal Reserve Economic Data, or FRED, these efforts have their genesis in Homer's innovative efforts to publish monetary data in a form that did not yet exist at the time. Today, through FRED, we make more than 25,000 data series available and accessible to individuals and organizations worldwide.

FEDERAL RESERVE BANK *of* ST. LOUIS

Another Homer Jones legacy is the St. Louis Fed's enduring commitment to rigorous, independent economic research. Milton Friedman once wrote that Homer had a great belief in the persuasive power of facts and an unusual patience in pressing his views. It was during Homer's tenure—and, importantly, with the firm support of then-Bank President Darryl Francis—that the Federal Reserve Bank of St. Louis became known for challenging conventional wisdom with rigorous analysis and stubborn facts. That maverick reputation has endured here ever since.

Those of us in the Federal Reserve System who believe the ability to question and re-examine conventional wisdom leads to better policy owe a great debt to Homer Jones. The Fed's ability to absorb and tolerate multiple viewpoints helps prevent groupthink and leads to superior monetary policy and, ultimately, to better macroeconomic performance.

It is only fitting for us to use the Homer Jones Memorial Lecture to spotlight others who have made a significant impact on monetary policy and central banking. It is a pleasure for me to introduce this year's very distinguished speaker, Axel Weber.

Dr. Weber is currently the president of the Deutsche Bundesbank—the central bank of Germany—and, in this capacity, also a member of the Governing Council of the European Central Bank (ECB). He has occupied these positions since April 2004. Prior to his service with the Bundesbank and the ECB, President Weber taught at several distinguished academic institutions and was a member of the German Council of Economic Experts. He also serves on the board of directors of the Bank for International Settlements in Basel, Switzerland.

As many of you know, Dr. Weber has been in the middle of extremely complex policy problems during the global financial panic of 2008 and, more recently, during the ongoing European sovereign debt crisis. I want to take this opportunity to thank Axel for his outstanding public service during this critical period. He has provided great leadership and representation for Germany, as well as outstanding global leadership, under the most trying of circumstances.

Axel surprised all of us last month when he announced that he has decided to return to academia and take a one-year position as a guest professor at the University of Chicago, beginning in June. He will surely be missed in the policy arena, but relatively speaking, we are now looking forward to being neighbors.

I know that we will all learn a lot from Axel in the next year as he has time to reflect on his experience in central banking during one of the most tumultuous periods in recent memory. For this reason, I am very much looking forward to the coming year, and I hope we can get

FEDERAL RESERVE BANK *of* ST. LOUIS

something of a sneak preview today on some of the ideas Axel will be working on as he returns to academia.

Please join me in welcoming Dr. Axel Weber, who will speak to us today about the “Challenges for Monetary Policy in the EMU.”

James Bullard, President and CEO
Federal Reserve Bank of St. Louis