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Prepared Welcoming Remarks
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The 2022 Homer Jones Memorial Lecture
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Any opinions expressed here are my own and do not necessarily reflect those of the Federal Open Market Committee.

Welcome to the 31st Homer Jones Memorial Lecture! It's been more than two years since the 30th lecture, which was held here at the Bank on March 4, 2020, very shortly before the onset of the pandemic. Although the pandemic delayed the return of our annual lecture, we couldn't be happier to resume the lecture series now and to welcome our speaker and all of you to our auditorium this evening. So, thank you for coming and welcome back!

It's great to see so many friends of the Bank with us this evening. I'd like to take just a moment to recognize one of our friends—Professor Phil Dybvig from the Olin Business School at Washington University in St. Louis. As I'm sure many of you know, Phil was recently awarded the Nobel Prize in economics, along with Ben Bernanke and Douglas Diamond, for their pioneering work on “Financial Intermediation and the Economy.” Phil and Diamond wrote one of the classic papers in economics, “Bank Runs, Deposit Insurance and Liquidity,” published in the *Journal of Political Economy* in 1983. Phil has had a distinguished career and we're glad that he is joining us this evening. Congratulations, Phil!

The Homer Jones Memorial Lecture honors the memory and institutional contributions of a former St. Louis Fed research director. Homer Jones and his legacy are probably well known to those of you with ties to the St. Louis Fed or who have attended these lectures in the past. But for those who may be attending the lecture for the first time, it might be useful to provide a brief background on the professional life of Homer Jones.

Homer Jones taught at Rutgers University in the early 1930s. Arthur Burns, who later chaired the Fed's Board of Governors in the 1970s, was also on the Rutgers faculty at that time. One of

their students was a young man named Milton Friedman. Because of his interest in mathematics, Milton planned to become an actuary. However, Homer introduced Milton to the Chicago school of economics and made it possible for him to attend the University of Chicago for graduate studies.¹ To make a long story short, at the University of Chicago, Friedman helped found the important branch of monetary economics known as “monetarism” and eventually won the Nobel Prize in economics.

In an unusual twist, Homer Jones also matriculated to Chicago, where he completed his Ph.D. under Friedman’s tutelage. Thus, Homer was both a teacher and student of Friedman!² Homer eventually joined the St. Louis Fed as its research director and was instrumental in starting the Bank’s own monetarist tradition. It boggles the mind to think how much different monetary economic history, let alone the monetarist legacy of the St. Louis Fed, would have been if Homer Jones hadn’t succeeded in encouraging Milton Friedman to become an economist rather than an actuary!

As director of research, Homer Jones built the St. Louis Fed into the powerhouse of monetary economics that it remains to this day. Homer had a two-pronged approach: Rigorous research using economic and monetary data, and the public dissemination of that data. Jerry Jordan—who began his career at the St. Louis Fed under Homer and was later president of the Cleveland Fed—said that Homer’s philosophy was very much aligned with the Show Me State ethos of “prove it.” Said Jordan: “His philosophy essentially was, if the people see it often enough, they’ll come to believe it whether they understand it or not.”³

In time, the St. Louis Fed’s research and many publications played no small role in the economic and policy debates of the 1960s and 1970s. To this day, the Bank remains strongly committed to macroeconomic and monetary policy research and to disseminating economic data and information to the public. We’ve followed a formula started by Homer that has proved quite successful. As one example, the Bank’s FRED and family web services garnered more than 20 million visits last year. That’s nearly 55,000 visits a day!

Shortly after Homer Jones’ death, several of his colleagues, friends and academic acquaintances in the St. Louis community organized the first Homer Jones Memorial Lecture in 1987. The lecture has continued, in large part, because of the past support of many organizations and

¹ From the biography of Milton and Rose Friedman, *Two Lucky People*, 1998.

² From the [oral history of Jerry Jordan](#).

³ Jordan oral history interview, p. 5.

people. These have included the St. Louis Gateway Chapter of the National Association for Business Economics, Saint Louis University, Southern Illinois University Edwardsville, the University of Missouri-St. Louis, and Washington University in St. Louis. The St. Louis Fed has continued this tradition by hosting and sponsoring the lecture for many years now.

The annual renewal of this lecture is our attempt to honor the timeless contributions of Homer Jones—while at the same time honoring those who speak with authority on the myriad challenges confronting today’s economic policymakers.

This year’s speaker is Eswar S. Prasad. Dr. Prasad is the Tolani Senior Professor of Trade Policy and professor of economics at Cornell University. He is also a senior fellow at the Brookings Institution, where he holds the New Century Chair in International Economics, and a research associate at the National Bureau of Economic Research.

Dr. Prasad is the author of many professional journal articles and three books. His latest book, published in 2021, is the subject of today’s talk: *The Future of Money: How the Digital Revolution Is Transforming Currencies and Finance*.

As most of you undoubtedly know, digital currencies—whether named Bitcoin, Ethereum or something else—have become prominent components of the financial landscape with increasing mainstream acceptance. Just recently, for example, the oldest bank in the United States, Bank of New York Mellon, announced that it would begin offering digital asset custodial services. Some central banks have even issued—or contemplated—issuing a digital currency. So, in the best Show Me State spirit of Homer Jones, Dr. Prasad is going to tell us if digital currencies are hype, hope, or history-making.

Please join me in welcoming Dr. Prasad.