

Introductory remarks by Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, at a dinner commemorating the first Arthur F. Burns Memorial Lecture of the American Council on Germany, November 2, 1987, New York City:

Arthur Burns was my professor at Columbia University and mentor through all of my professional life. Our relationship was especially close during the Administration of President Ford, when he was chairman of the Federal Reserve and I was chairman of the Council of Economic Advisors.

It was then incidentally, that I also first met Karl Otto Poehl, who was serving in a senior post in the Ministry of Finance of the Federal Republic. Arthur Burns retired from the Federal Reserve in 1978 and later went on to be the U. S. Ambassador to West Germany where he forged a close personal professional relationship with Karl Otto Poehl, by then President of the Bundesbank.

I can think of no one better qualified to deliver the inaugural Arthur F. Burns Memorial Lecture this evening than President Poehl. He heads a key institution of a key economy, which has an extensive influence beyond its borders.

We are constantly reminded that the world economy is increasingly interdependent. Favorable performance in one country redounds to the benefits of others and, as we have recently experienced so starkly, adverse developments in one part of the world economy are quickly transmitted elsewhere. The economic welfare of our citizens, therefore, is dependent on the sound economic management and good performance of all the major economies.

In the brief period I have been at the Federal Reserve Board, I have been reminded repeatedly that the art of central banking is to balance the

conflicting objectives facing the policymaker--achieving sustainable economic growth and sustainable external positions, while at the same time avoiding inflation and maintaining a free and open trading environment. Arthur Burns dedicated his public service career to these objectives. I know that Karl Otto Poehl is devoted to the same goals. Germany and the world economy are, therefore, fortunate to have a person of President Poehl's caliber and experience available to serve the public interest in this critical period. He shares the vision of maintaining a healthy international economy and appreciates the responsibilities we all have in striving to achieve this goal. Therefore, I look forward with confidence to strengthened cooperation between our institutions and our countries in dealing with our common problems. It is with great pleasure that I present to you my good friend Karl Otto Poehl.