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P.O. Box 442
St. Louis, MO 63166
www.stlouisfed.org

Interview of Howard Craven

Conducted by Robert L. Hetzel

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Howard Craven: I don't guarantee that I'll say it right.

Robert L. Hetzel: Would you be willing to tell me where you went to school, what your background was, and how you started work for the San Francisco Fed?

Howard Craven: Sure. Let's see. I don't know how far back you want to go.

Robert L. Hetzel: Well, how about college when, you know, what your training was in.

Howard Craven: Okay. I got an AB Degree at Brigham Young University. And there I had political science and economics for both majors, I guess you could say. I went back to Washington, D.C. under Program of National Institute of Public Affairs right after that. And attended the American University as part of that program, taking just a couple of courses. And this was during World War II. I had deferment for that phase, and then I went into the military, into the army. But I had served, while I was there, in the Office of Strategic Services. And they changed their deferment policies and brought back people in uniform. And they pulled me back in, so I spent a few years during the war in the Office of Strategic Services. This was in the economic division.

And following that, I went, I got into a fellowship to Harvard University. I got a Master of Business, I'm sorry, Master of Public Administration there at the Dower School [phonetic]. Then I got my Master's and Ph.D. Degree in economics there.

Robert L. Hetzel: So you were exposed to some of the great names at the time. Alvin Hansen and—

Howard Craven: Oh, he was, that's right.

Robert L. Hetzel: And John Williams.

Howard Craven: All that's right. You bet. They were great. And especially in combination. We had a seminar, which alternated. Alvin Hansen and John Williams. That was a great seminar. You can imagine, because they were, they had different, they came from different places, but it was wonderful.

Robert L. Hetzel: This is of special interest to me—

Howard Craven: Alvin Hansen, as a matter of fact, chaired my doctoral dissertation. There's a story on that, but I won't go into that detail. Then I went after that. I came, I had all but the dissertation. And I wanted to do my research on region economics, and I was going to write on the economic potential of the Rocky Mountain West. Went out to the University of Wyoming and taught economics there. Money and banking included. And, but I had an open-door policy for my students. And I, it was a lot of effort. I never got the dissertation done there. So I took leave of absence and went back to Harvard. Wound up in short order and in just a few months my leave was still running. So I went down to Washington, D.C. again. This OSS incidentally, the OSS program after the War, we were doing work for President Truman on the Potsdam Reparations Agreement, and that function, I was in the State Department for a little while there.

Well then I went down to the Program Staff of the Department of the Interior, Chairmen Oscar Chapman. I should say Secretary Chapman was trying to make a department out of a bunch of independent bureaus. And after a couple of years there, an opportunity arose to become, to take a position in La Paz, Bolivia, as Program Officer for Point Four, which was just getting started then. So we moved down to La Paz. And after a year and a half there, we came back

Robert L. Hetzel: This is all off the subject, but did you get into climbing the mountains down there?

Howard Craven: Oh, yes.

Robert L. Hetzel: If you like hiking in the mountains, that's one of the most wonderful places in the world to be.

[00:04:48]

Howard Craven: That's right. Oh, I like that. Now I had worked in the OSS with a man by the name of David Grove, you may have run into him, who was working at the Fed in Latin America, I don't know what I want to call it. I guess on the international side of central banking. And he helped write the central banking legislation for a number of states in Latin America. Nations in Latin America. And just before I had left Washington, he was, had had an offer from Giannini out at the Bank of America to start an economics, to be part of an economics experiment in an economics department in a bank. And he and I were both a little sceptical about how objective, but banks would try to dilute the objectivity of economists in the bank. But he thought he would try it. And he went out there about the same time they went down to Bolivia. Well, when I left Bolivia, I wasn't sure where, what I was going to do. I really didn't want to come back to Washington. And I wrote him a letter to see how it had come out, how this experiment had come out. And he had written me a letter and they crossed in the mail. It seemed that he who had gone in as an Associate Director of the Economics Department at B of A. The director had left and he was the acting director and wanted to fill us out there. So he was out making me an offer at the same time that I was asking him how it was going. The upshot was that I went to Bank of America the first time I came to California. And it was a very good experience. There was, it was not diluted. It was not, there was no forced opinions at all.

Robert L. Hetzel: Yeah. Let me go back and you've said a number of things I'm interested in. It's of interest to me the way that John Williams in particular looked at the world, because he was a teacher of a number of important people, Bob Roosa in particular. So Williams was a Keynesian, but he had much more of an interest in financial arrangements than Alvin Hansen? He thought that the financial side of the economy, banking, bank credit extension, that was more important? How would you describe the difference between Hansen and Williams and the kinds of things they emphasized in their lectures?

Howard Craven: Oh, I would never have judged that Alvin Hansen was, or that John Williams was a Keynesian. There's nothing anti-Keynesian. You know, I didn't have a label for John Williams. The ideologies or in terms of schools of thought. He was a pragmatist. He was an eclectic man. And he had his feet firmly implanted in the practicalities of how central banking worked and how the monetary system worked. And he shared his, it was a deep experience that he had had, of course. And he would share this with us. There was nothing sort of contradictory about, with respect to Keynesianism. But he never preached it, as Alvin Hansen, of course, did. Alvin Hansen was the American spokesman for Canes.

Robert L. Hetzel: So Williams primarily taught what we consider money and banking, domestic—?

Howard Craven: John Williams?

Robert L. Hetzel: Williams. Yes.

Howard Craven: Yes, but it was not, there was nothing prosaic about it. It was not that he went through the institutional structure. He was much looser than that. He would talk about the issues. It was about issues and problems. And shed insight as to how the kinds of problems that you run into. And some of those would be, I think if you would look back on them, would add amendments to some of the Keynesian doctrines that would have been espoused at that time, espoused at that time.

[00:09:50]

Robert L. Hetzel: If you had asked him what caused the Great Depression and what should the government have done about it, what do you think he would have said?

Howard Craven: He probably would have given a Keynes-like insight onto that. I think he would have said that—again, I don't think he would have just given one. I think he would have talked about, I think he would have avowed to Keynes' arguments, there, saying that there was a problem of maintaining high employment in the way the economy of the Western World had developed. And that this was a major contributor. He would also have said, however, that there were problems in central banking at that time. And that we learn lessons. We learn lessons about the way central banks ought to operate from the experiences of the Great Depression.

Robert L. Hetzel: So he probably would have talked about the problems of reparations and the devalue and changing the principal and all the disruptions to the financial flows.

Howard Craven: That's right.

Robert L. Hetzel: What about yourself? Do you remember over time changing between the time you started as a student and the time you retired from the Federal Reserve System, thinking about the Depression and what caused it and changing your views over time or?

Howard Craven: Well, my views change all the time. I wouldn't stop it every time. But they change all the time. I'm not one that, I don't, I don't follow fashion very well. But I listen to it and think about it. But I don't jump on bandwagons. As a matter of fact, I'm sort of anti—in that sense I guess you'd call me conservative. I listen to it. I want to hear what these are about. But I have found, I guess, that ideologies, doctrines, let me say, tend to overstate their case. And so I was never one to, I'm not a party man in the sense not only of government, but of doctrines. I'm eclectic.

Robert L. Hetzel: So when you think about the Great Depression and depressions in general, you're eclectic. You wouldn't want to put one general view of what caused the business cycle.

Howard Craven: I believe that it's a mistake to say there's one cause for business cycles. I think that you can build business cycles out of lots of shocks, different kinds. As a matter of fact, you know, some of the sharp declines of the depressions or recessions, whatever you want to call them, in the 20th Century America, the demobilization after war tend to be—I mean, you can see it quite clearly where they, the factor that is a primary engine for the initial contractions, which then have a train in consequence, you get that without, it's so overwhelming in those few cases that it's very difficult for me to see that there was something else that was really the cause of it. But they certainly are not true for all those others that are in between.

Robert L. Hetzel: Do you remember what you and others were saying at the time about the recessions in '53, '54 and also '57, '58?

Howard Craven: I don't think so. I might be able to think it through. I'd have to think about that one.

Robert L. Hetzel: So when did you go to work for Bank of America?

Howard Craven: In 1954.

Robert L. Hetzel: Did you get any of the, just on the issue of Fed history? Did you get any of the lore of the conflict between Giannini and Eccels?

[00:15:01]

Howard Craven: Oh, yes.

Robert L. Hetzel: What did you?

Howard Craven: He was dead by that time, but the history lives on.

Robert L. Hetzel: Can you tell me any stories about Giannini and his, the broad outlines of this story? I just wondered if you had had a different kind of perspective on it, having been a lot closer to it than me.

Howard Craven: Well, the fact that it wasn't, it wasn't current when I was there. I'm not sure if I have much of a better beat on it. If you read *History of a Bank*, or something like that, *Biography of a Bank* I guess it's called, I guess you get as much as light as I've picked up. I must say that, you know, I knew nothing about Giannini until I had heard the name when I went there. And I had the great admiration for the bank, for what Giannini had done. It seems to me he was a real pioneer in banking. And I guess I didn't hear much, which would have been negative on him, and there must have been a lot. But he had gone and he had been replaced by the time I got there by two men. Well, one was chairman of the board and one was president of the bank when I came aboard. Or actually, a month after I came aboard. There was speculation about the successor, and one of the men who had been engineering the introduction of economics and Economic Department of the Bank became the president of the bank. That was Clark Bisey [phonetic], and the Chairman was Jeff Cap [phonetic]. And they were both very open, studious types of people. And they were the ones who could keep it and did keep it, an objective function in the bank. The economics work.

Robert L. Hetzel: So when did you go, I'm sorry.

Howard Craven: Jeff Cap did a lot of, you know, attended monetary conferences, or was appointed to them quite often. And we were doing the spadework for him. So we got into monetary policy issues quite deeply, well before I went over to the Fed.

Robert L Hetzel: So what was your recollection of the role of monetary policy then? I understand this is a very large question, but now today when we think of monetary policy we think of the money supply and we think of inflation. But in the '50s people didn't think that way. I mean you weren't thinking in terms of the money supply. You were thinking in terms of free reserves and the discount rate and were you thinking there was a relationship between? I mean in '57, for example, there was a problem with inflation. Inflation got the 4%. But you weren't thinking of monetary policy in that way at that time, were you?

Howard Craven: Well, by this time—let me see. I went to the, I didn't go on the Fed until 1965. So those, those period, that period of time. I'm trying to think when the, I guess it was about '57. I'm trying to think when William McChesney Martin paid his visit to [unintelligible 00:18:46] ranch to talk to Johnson.

Robert L. Hetzel: This was December 1965.

Howard Craven: Okay. Thanks. Well, I'd have to think more about going back. But I can tell you about my general impression of these sort of goals, they kept changing. And new formulations would come up. Kind of like free reserves. And there was one on, I can't remember it was called. Private Demand Deposits?

Robert L. Hetzel: Yeah. Reserves to support private deposits. Reserves available to support private deposits.

Howard Craven: Okay.

Robert L. Hetzel: The RPD thing. That came in the late '70s. Yeah.

Howard Craven: That's right. These things kept coming in. And, you know, we always had, money supply was always there. It didn't seem, to me, to be a surprise. But what you did see was a group of people, I guess mostly followers of Milton Freedman who were insistent that the only thing that counted, and that may be overstating it a little bit, was M1. And I never bought that, because it seemed to me there was lots—as far as I never bought the idea that the velocity of money was a stable factor as Milton had been assuming explicitly. And later it showed, you know, the experience showed that this was not true. So I didn't, and I never really liked doctrine of views. And of all of the views that we were dealing with, the one that seemed most doctrine or most insistent, most organized, was the so-called monetarist view. But it did not reign. You were quite right. While we were there it was not, it did not determine monetary policy.

[00:21:02]

Robert L. Hetzel: So did you go in directly as Director of Research?

Howard Craven: Yes.

Robert L. Hetzel: And then you were Director of Research until 1970 or '71? Something like that?

Howard Craven: I think ’73. I could, maybe it was ’71. I think ‘73. Eight years. That’s right. 1973.

Robert L. Hetzel: So Elliot Swan was President.

Howard Craven: Throughout that. It was when he retired that I decided to retire, too.

Robert L. Hetzel: I’ve read the FOMC Minutes, and the discussion of Elliott Swan in the meetings almost inevitably turns on the regional conditions in the district. That was his primary interest and was that chiefly kind of what you were involved in when preparing him for FOMC meetings?

Howard Craven: Preparing him for FOMC meetings. That’s right.

Robert L. Hetzel: Was that a fair characterization of?

Howard Craven: Let me characterize the Fed. I-I loved that. I thought that the Federal Reserve was a truly Federal operation. I couldn’t find any place else in the government. And William McChesney Martin ran it that way. And he had real, he seemed to want—and this is the perception. I don’t know whether he really was. He seemed to want exactly that. He wanted to get the input from all across the country. Now times have changed of course since the days of Benjamin Strong, etc. when there were different, brief periods when there were different discount rates in different parts of the country. But regional, the representation of views and conditions in various parts of the country was genuine, or seemed genuine to me. And it was, it seemed welcomed by the chairman at that time. And I think this is what was responsible for Elliot’s position. I think he was doing what it seemed, what seemed to us was wanted from the district. Now of course we went beyond that because many of the considerations had only peripheral bearing on the district. And we, of course, knew that monetary policy was, had worldwide implications. And certainly in the financial centers in New York and other major centers of the country. But I think that Elliot’s focus on local conditions, I didn’t know that it had stood out the way you mentioned it. Because it seemed to me that most of the presidents of the banks at that time were doing exactly that. I remember talking to Elliot about, well, you know, how they rotated the membership by the presidents in the Federal Reserve on the Open Market Committee, I should say. And Elliot and the Minneapolis President swapped, succeeded one another. And when Elliot went off as a member, it really didn’t change any way, anything that he did. And this is true for all the other presidents, too. They continued to, they sat at the table in the same places they sat before. They participated in exactly the same, except for voting. And Elliot used to say that it was even more important when he couldn’t vote, because then he had to convince his colleagues of the points of view that he would have.

[00:25:18]

Robert L. Hetzel: Did he have strong views on monetary policy? Did he ever dissent? Were there times when he thought that, where he disagreed?

Howard Craven: Yes. Oh, yes.

Robert L. Hetzel: You came in in ’65. Then it was a pretty tumultuous time, ’65, ’66, ’67, ’68, ’69. Well, all those years. Did you feel comfortable at the time with what the Fed was doing? Or were you concerned that monetary policy was beginning to become expansionary? Do you have any feelings that it was?

Howard Craven: Well, I had a lot of, I guess I was never comfortable in the sense of feeling. Gosh, that doesn’t solve all the problems. Because all of the debates that we had were, instead of, it was clear that there were lots of points of view. But I did have a lot of confidence in Martin. To me he was a, he was sort of the Dean of the Rank of Chairman there. The way he operated was he had a certain miraculous effect on the people around him. He would come into, a meeting would be getting and the people would be sitting down in their chairs waiting for the chairman to come in. And they would be arguing vociferously. You know? Among each other on these various points. And Martin would come in and listen for a moment and then he’d say, “Well, there doesn’t seem to be much disagreement here.” And he would turn. He always voted last. He never, you know, he believed in getting the views and getting them out. And I think he liked to have consensus, although he didn’t always get it. But what he would do, you know, when he’d say, “Well, there doesn’t seem to be much difference here.” And he had a knack of bringing consensus out of differences. And if he couldn’t do it and it was important, he would postpone it. Just a very easygoing, pleasant, easygoing fellow. But, you know, there was real steel in him. But you didn’t see that. Never brandished. I never heard him lose his temper or anything like that. And he had a marvelous way of bringing people together who start out on different, with different views. And I don’t think they, I don’t remember anybody resenting the things he had done. Maybe there was a lot of that, but I don’t remember that. And therefore you see the, I think you have to bear that in mind when you’re considering. Well, sure, we had these differences. And they were loud at times. But when Martin would come in, he was able to turn it around. And it didn’t mean the people would swallow their differences. They would recognize that there were problems with their views, I guess. Because all the views were elicited or brought out by Martin. And we knew we had to come to some, to a vote. Make policy out of this. And I thought that was good. I’ve never seen a performance like Martin’s.

Robert L. Hetzel: Do you remember any particular times that were especially trying where the chairman’s abilities were really put to the test? For example, in the summer of 1968 there was a difference of opinion between the regional banks and most of the governors after the passage of the Tax Surcharge in June 1968. Martin lowered interest rates initially, and then lowered the discount rate. And the regional banks, almost all of them were quite opposed to that. Do you remember any times where he really had to use his skill to keep things going?

[00:29:50]

Howard Craven: Well, I don't think that, I don't remember any time where he forced something over, forced it on him. I would say he was a persuasive person. And he would, you know, he would—

Robert L. Hetzel: But that's interesting to hear. I mean that's good for me to hear for people who were there. Because when you read it in the minutes he's not an articulate person in the sense that he had all the economic arguments or all the logic. He talks in terms of metaphors and, you know, very kind of homespun.

Howard Craven: He was homespun. That's right.

Robert L. Hetzel: Do you remember any of the kinds of metaphors or kind of ways he would—as to say, it's not the way.

Howard Craven: Well, it's not in the minutes, unfortunately. When you read those minutes. And I don't think I'd be able to see the meaning of the minutes. You know? You can see the result in the minutes. It didn't distort the result. But there was just sort of well oiled doubt.

Robert L. Hetzel: Well, a lot of the statements come through, but not the interaction.

Howard Craven: That's right. Although, you know, he would just say, "Well, that's, I can understand that point." And then he might, but he tended to make sure that everybody spoke. So everybody at the table who had strong positions would hear that there were positions that conflicted with that, that they weren't alone. And it never really, it seems there was at that time, you didn't get the—well, at least at the beginning you didn't get the vocal, vociferousness with respect to, that it should be just M1. That's the only thing that counts.

Robert L. Hetzel: Right. Not at this point. That didn't come until—

Howard Craven: Not at this point. But, you know, gradually it took place. And you see, I never really had, I don't remember at least, having had a governor who was clearly monetarist. I don't know whom you would think of as the first. Later, you know, the governor would come in and the press would report that here we've got a monetarist representative on the board.

Robert L. Hetzel: Yeah. That's a good question. I don't think that there really has been a, I wouldn't want to characterize any particular governor as monetarist, particularly into the 1980s. I think that the interest…

Howard Craven: I think that's right.

Robert L. Hetzel: I think the interest in money was at times more kind of due to particular banks. It was something that the regional bank presidents at times brought up. In the early ‘60s, Bryan at Atlanta and Johns in St. Louis and I think at times maybe Bopp had an interest from Philadelphia. And then of course later on Darryl Francis at St. Louis and sometimes Boston and Morris would be monetarist. And of course that came and went. It didn’t end up there. It was more something that was brought in from the presidents.

Howard Craven: This is more typical out in the world. At times they would support this, but they didn’t always beat that drum.

Robert L. Hetzel: And I think especially in the ‘70s it was a way of the regional bank presidents telling Burns that he ought to be more, you know, more concerned about inflation, more restrictive. So it was partly a tactic in that sense. Although, you know, let’s say that Richmond became very concerned about monetary control in the ‘70s, although it was partly a reaction to, you know, because Burns didn’t think it was important. And that’s one way of trying to get more balance.

Howard Craven: That’s right. It’s an interesting sociological phenomenon it seemed to me, the Open Market Committee. Because not only was there the potential for differences between the, well, you could say the board and the presidents. Or more specifically say a chairman and the presidents, but also between, say, New York and the other presidents. New York had that favored position. They were always on the board. They had had a tradition from way back about sometimes domineering. That was always interesting to see that there wasn’t just the board versus the presidents. It would sometimes be the [unintelligible 00:34:47] around the country not wanting to see a policy that maybe New York would be pumping for. That seemed to the presidents not to have a desirable effect on their own district.

[00:35:12]

Robert L. Hetzel: Well, New York was always more concerned about the international situation. It was their specialty—well—

Howard Craven: Because we were international, too, in San Francisco. But it was—

Robert L. Hetzel: But there was never the concern with the Bretton Woods system and maintaining the fixed exchange there for a while. Although—

Howard Craven: I can say one thing. Let me break in. I told you about how I viewed Martin as being a true federalist. And the Fed at that time, I loved it because I thought it was really a deliberative association. Things that I thought maybe used to prevail in the Senate and the House were really prevailing in the Federal Reserve. They genuinely wanted democratic input, a broad spectrum of input. All that changed with Arthur Burns. Burns spoke first [unintelligible 00:36:19]. He tried to, he used lots of pressure. Just the opposite in many respects of Martin. He wanted his way. He was a little autocratic.

Robert L. Hetzel: Yeah. Let's come to Burns in just a minute. Let me ask you, finishing up the last half of the '60s before Burns. Setting aside Martin's obvious key role, do you remember other individuals among the FOMC, either governors or presidents who were particularly articulate and influential individuals who were listened to who could help shape the debate? Is there anyone else who stands out when you think about FOMC meetings?

Howard Craven: Yeah.

Robert L. Hetzel: Are we still on?

Howard Craven: …was very, very good. But he was on the staff. But the staff made a lot of difference.

Robert L. Hetzel: So Solomon in particular would have been important towards the end of '67 when the pound was being devalued and then early '68 closing the gold pool. So he would have had an effect at those times. Although I've talked to him, and I think he wanted the FOMC to be more aggressive in raising interest rates to deal with weakness in the dollar. That was never a possibility, though, given the position of the Johnson Administration.

Howard Craven: But I'm—

Robert L. Hetzel: Well, there were other—

Howard Craven: But I think the staff generally had a lot of influence on the people.

Robert L. Hetzel: Do you remember Dan Brill as particularly influential?

Howard Craven: Yes. And Steve—

Robert L. Hetzel: Axilrod

Howard Craven: Axilrod. Right.

Robert L. Hetzel: And then early on about this time, Chuck Partee began to talk to the FOMC.

Howard Craven: He was there. That's right. Mm-hmm.

Robert L. Hetzel: So after, particularly then after Brill left I think Partee and—

Howard Craven: When did Brill leave?

Robert L. Hetzel: Well, actually, he left after the business with the surcharge in '68. He argued that the Fed ought to lower interest rates to offset the restrictive fiscal policy. And it turned out to be the wrong advice. And so he ended up leaving in early '69. He made a, he made a wrong call.

Howard Craven: I don't remember where he went.

Robert L. Hetzel: He went to several people had told me he went to a commercial bank and became a bank economist. But then later on he came back and had quite a distinguished career at the Treasury in the Carter Administration.

Howard Craven: Oh, I missed all that. That's interesting.

Robert L. Hetzel: It was quite important. Unfortunately, he's gone. So one of those people I would have loved to—yeah, he died. I was told he came from a very modest Jewish family in Brooklyn, an immigrant and was quite serious about economics and developed the board's flow of funds data. So unfortunately, you know, I wish I had started this 10 years ago. But, so—

Howard Craven: Oh, that would have been great. Yeah.

Robert L. Hetzel: Anyway, better late than never. So.

[00:39:52]

Howard Craven: That's right. Well, these people, see, I think this may have been one of the reasons that you got a dampening of the initial argument. These people would come from their brass positions full of ideas, full of feelings about what policy ought to be. But then they would listen to the staff make these presentations. And although there were, it was a very stiff and formal presentation, you know, quite structured, I think it was a good, I don't know whether they still do that or not. But at that time that was sort of the lead in. And then a discussion would take place. And it sort of changed where the people were coming from. They would now have to be addressing the situation from the position that had just been described to them.

Robert L. Hetzel: Yeah. That's an interesting observation. You don't want, you wouldn't want to be, you wouldn't want to come in saying there's a recession around the corner if the board staff just does a presentation suggesting that inflation is just about to break out. I mean, they would have to have some influence on—

Howard Craven: That's right. Whether you agreed with it or not. You see, at least I think you'd be more cautious.

Robert L. Hetzel: More hesitant. Yeah. Yeah. What about other governors that you remember? People like Brimmer, Maisel? Do you remember any of those as Robertson, of course, Vice Chairman of the Board?

Howard Craven: Yes. I remember.

Robert L. Hetzel: Would any of them argue with Martin or?

Howard Craven: Oh, yes. They would, they would all argue, but they would argue politely. And it wouldn't be, but see. You weren't arguing with Martin because Martin hadn't spoken yet. And when he spoke he wouldn't go out against any position that was taken. What he tried to do when he spoke was to find the consensus. He would try to summarize the consensus that had been, he tried to find areas of consensus among the views that had been expressed. Now you see, he was directing that finding. But he did it very skillfully. And so nobody, people would vote against Martin. They'd vote against the position that he said. But—

Robert L. Hetzel: Did Al Hayes have an influence within the committee?

Howard Craven: Oh, yes. I'd say a strong influence.

Robert L. Hetzel: But he would read his notes, right? He didn't take part as much in the debate as some of the other members?

Howard Craven: No, I wouldn't say so. I think Al tended to speak first. I may be wrong in that recollection. But it seemed to me he would start out and he always had a well worked out position. And he would be, I think my impression is he would be sort of reading his position. But I could be wrong. I'm not really sure about that. But it's like that, because it was sort of well presented, well documented. And he would be forceful. But then he would followed by, you know, all the others going around the table. I can't, well, in the later years, Darryl Francis, you, you could count on Darryl Francis reflecting a monetarist view because they'd been getting that in St. Louis. And I'm trying to think who else would have a fixed position. And I can't really, I can't really find that. I thought Robertson was always very cogent. I remember Shepherd was primarily an institute in agriculture.

Robert L. Hetzel: Yeah. That was his background. That was his background.

Howard Craven: But he was old by that time. George Mitchell was of course a very feisty, but he tended to be concentrating his efforts on technology and as well as monetary policy. The developments in monetary instruments and—

Robert L. Hetzel: You mean like the Euro Dollar Market and?

[00:44:47]

Howard Craven: Right. That's right. And such things as, you know, the credit card introduction.

Robert L. Hetzel: So regulatory matters that might—

Howard Craven: That's right.

Robert L. Hetzel: So I assume Robertson must have had a big interest in those, too, as Vice Chairman.

Howard Craven: Oh, that's true.

Robert L. Hetzel: Okay. Well, let's go—

Howard Craven: I can't think of anybody who was, whom I could say was especially, I'm sure I must be especially weak. I can't, I can't remember that.

Robert L. Hetzel: Sure. Okay. Let's talk about Burns. Do you remember the first meeting where Burns replaced Martin? I'd be interested in, I'd like to find somebody who attended that meeting. That would have been in February of 1970.

Howard Craven: Well, I believe I attended it.

Robert L. Hetzel: At that time, at that time the FOMC was still persisting in a restrictive monetary policy. It had not let, it raised interest rates for what were, for the Fed was really very high level. And, you know, no matter how you look at it, monetary policy was very restrictive if you look at money or interest rates or whatever. Burns felt like the Fed was overdoing it. And I've just read that at the first meeting that there was a lot of debate. It was Burns on one side and New York on the other. And Burns prevailed. Do you have any recollection of that meeting?

Howard Craven: I don't remember the meeting, that meeting by itself. Although what you just described, it seems familiar. And it's probably coming from that meeting. As I was saying a few minutes ago he was, he started out, I think at that very first meeting, being in charge. And that continued throughout his term. But I can't say that. I left before he did.

Robert L. Hetzel: Well, it did. Yes, it did. That's correct. Burns' personality did not change.

Howard Craven: I don't think so. I think, and he, unfortunately for me, he changed the Fed from the image that I had and loved. He more than the impression I have, of course.

[END OF RECORDING]