



FEDERAL RESERVE BANK *of* ST. LOUIS
CENTRAL TO AMERICA'S ECONOMY®

Prepared Welcoming Remarks¹

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The 2020 Homer Jones Memorial Lecture
Federal Reserve Bank of St. Louis
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Welcome to the 30th Homer Jones Memorial Lecture.

The Homer Jones Memorial Lecture—one of the Bank's signature events—honors the lasting legacy of a former research director.

The first lecture was given in 1987, shortly after Homer Jones' death. The lecture has persisted, in large part, because of the past support of many organizations and people. These have included Saint Louis University, Southern Illinois University at Edwardsville, the University of Missouri-St. Louis and Washington University in St. Louis. For the past several years, the lecture series has been a joint collaboration between the St. Louis Gateway Chapter of the National Association for Business Economics and the Federal Reserve Bank of St. Louis.

In the early 1930s, Homer Jones taught at Rutgers University. Arthur Burns, a future chairman of the Fed in the 1970s, was also at Rutgers at the time. If you have attended this lecture before, you undoubtedly remember that Milton Friedman was a student of Homer's at Rutgers University. Homer encouraged Friedman to pursue a graduate degree in economics. Milton would do so and eventually ended up at the University of Chicago. Homer eventually landed at the St. Louis Fed.

¹ Any opinions expressed here are my own and do not necessarily reflect those of the Federal Open Market Committee.

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During his time as research director, Homer Jones presided over the rise of monetary and macroeconomic research at the Bank. His two-pronged approach—rigorous research using economic and monetary data and the dissemination of those data—played no small part in the Keynesian-Monetarist debates in the 1960s and 1970s.

After Jones retired, a distinguished group of monetary economists—including Nobel Laureate Milton Friedman—published a series of articles praising him and the imprint he left on economics, monetary policy and the Federal Reserve Bank of St. Louis. This compendium was published in a 1976 issue of the *Journal of Monetary Economics*.

The St. Louis Fed's tradition of rigorous economic research and data dissemination continues today. For example, last year there were a little more than 13 million visits to the Bank's FRED and family set of databases.

An enduring quality of time is that it has an element of forgetfulness. This can be a blessing or a curse. In his time and place, Homer Jones figured prominently in the Keynesian-Monetarist debates. Over time, though, debates are settled—the Monetarists won, by the way!—and new strains of research are developed that spawn other debates. The regrettable result is that figures from the past and their timeless contributions tend to fade.

The annual renewal of this lecture is our attempt to commemorate the legacy of Homer Jones—while, at the same time, honoring those who speak with authority on the challenges of today's economic problems.

This year's speaker is Dr. John H. Cochrane. He speaks with authority and knowledge about many of today's economic issues.

Cochrane is the Rose-Marie and Jack Anderson Senior Fellow of the Hoover Institution at Stanford University. Before going to Hoover, Cochrane was the AQR Capital Management Distinguished Service Professor of Finance at the University of Chicago Booth School of Business.

His monetary economics publications include articles on monetary policy and the fiscal theory of the price level. His finance publications include the book *Asset Pricing* and articles on dynamics in stock and bond markets, the volatility of exchange rates, the term structure of interest rates, the returns to venture capital, liquidity premiums in stock prices, the relation

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between stock prices and business cycles, and option pricing when investors can't perfectly hedge. He has also written articles on macroeconomics, health insurance, time-series econometrics, financial regulation and other topics. He writes occasional op-eds, mostly in the *Wall Street Journal*, and blogs as "The Grumpy Economist." His most recent innovation is the "Grumpy Economist" podcast.

Having known John for many years, I can assure you that while at times he may be grumpy, he will by no means leave you sleepy!

Dr. Cochrane will present: "Strategic review and beyond: Rethinking monetary policy and independence."

Please join me in welcoming Dr. Cochrane.