

WHAT IT MEANS TO BE PART OF THE NATION'S CENTRAL BANK
Remarks by Robert P. Forrestal, President
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To the District Management Conference
March 1, 1989

Good morning! It is a great pleasure to welcome you all to this District-wide meeting of the Bank's middle managers. This is the first time a cross-section of managers from all our branches and departments have been brought together for an intensive training session of this nature. I am excited about the potential of this program to help you develop as future leaders of our Bank. I am also hopeful that this kind of event can help the Atlanta Fed build on its existing strengths to meet the unknown challenges that lie ahead.

We have two specific objectives in mind for these two days. One is to give you a sense of where you fit into the big picture of the Bank's businesses. Senior management will give you insights into how each of our divisions work. This should add up to a much broader perspective of our various operations and the way they work together. You will also be spending some time with your peers from other areas of the Bank. I encourage you to use this opportunity to meet those you do not already know and to reinforce the relationships you have made in the past. In this way we hope to foster among this rising generation of Atlanta Fed management more of the kind of interaction, coordination, and collegiality that is so much a part of our culture.

The second objective is to give you some time away from the day-to-day pressures of your own areas of responsibility to think about how you go about the task of managing the people you must lead. Some of the Bank's officers will pass on ideas about management techniques they have found successful in their careers. You will also hear views from the outside provided by nationally known experts on management. I believe

you will benefit personally from these presentations and workshops and that the Bank will be well served by our investment in time and resources.

I want to take advantage of my time with you to talk about what it means to be part of this nation's central bank. I don't know how many of you identify yourselves in this way professionally. You no doubt think of yourselves as employees of the Federal Reserve Bank of Atlanta or one of its branches because that's where your primary commitment lies. Some of you are also involved in System committees or projects that carry you a step beyond local concerns and give you frequent reminders that this Bank is part of a larger entity--the Federal Reserve System. I think it is important, though, that along with our sense of the specific institution for which we work, we recognize that we are part of a profession that is represented in just about every country on earth. All of you, in a sense, are central bankers. Central bankers supply currency, foster efficient payments systems, regulate financial institutions, and manage money supplies. We are specialists in tending to the nuts and bolts of the world's finances.

It is somewhat ironic that even though the Fed is the single most important central bank in the world, people in this country probably have vaguer ideas about what central banking is than in any other country. I am always struck when I travel abroad how deferential people are to me. In Great Britain, Germany, and Japan, for example, I am given the kind of reception that is usually reserved for a visiting Senator or Cabinet member. My hosts listen attentively to my opinions on the national and international economies. Here at home, though, when people learn you work for the Federal Reserve Bank of Atlanta, it is quite possible that they will ask what interest we charge on 30-year mortgages.

It is not that the central bank is invisible here. Indeed, the chairman of the Board

of Governors has been called the second most powerful person in the country. These days in particular every word he speaks is scrutinized for indications of his outlook on the economy. Closer to home, we have seen the Fed's role in community reinvestment become a subject of media attention. Our role in check-clearing also inspired considerable public interest when Regulation CC came on line last September. Nevertheless, it is rare to find a person-in-the-street--or for that matter even an average commercial banker--who has a good concept of all the businesses the Fed conducts.

Part of this confusion arises from the broad range of things that we do. Some of them, like monetary policy, are complex and difficult for the layman to understand. Some involve information that is highly confidential--bank examination reports, for example. Others like check and cash processing are several steps removed from the experience of bank customers. In addition, the American political process is extremely sensitive to the power that a central bank can have. Twice in the early 1800s Congress attempted to establish a central bank for the United States, and both times public suspicion of concentrated banking power cut their lives short. That is why a careful compromise, sheltering the Fed from day-to-day potential pressures but, at the same time, dispersing its power through decentralized actions, was worked out when the Fed was established 75 years ago. This unique structure is probably the main reason why so few Americans fully recognize us as their central bank.

Regardless of what others may or may not know about us, I feel we Americans affiliated with our nation's central bank do much to distinguish our profession. We have consistently responded appropriately and effectively whether addressing crises or maintaining our enormous volumes of daily activities. When the financial markets approached meltdown in October 1987, the Fed stepped into the breach and provided

enough liquidity to avert disaster. More recently, our people in check-processing have made a heroic, and largely unsung, effort to comply with the very difficult demands brought about by the law Congress passed in 1987 to ensure consumers have faster access to their own funds. Equally important, however, I feel that at any given time on any working day I can walk through the Bank and find the same level of intensity that we bring to surmounting crises applied to every task from processing a stack of \$20 bills in cash services to working through a row of figures in accounting. We are consistent in meeting every challenge that comes our way with quiet efficiency.

I see two reasons for this consistency. One is the high caliber of people that seem to be attracted to the Fed. The second is a corporate culture that cultivates these qualities in our employees. While we try to make our pay and benefits competitive, people with the kinds of skills we demand certainly have other options. What makes this job stand out to all of us, I think, is the opportunity to serve the public interest in a stimulating environment. Each of the businesses of the Fed--promoting a smoothly-functioning payments system, supervising and regulating banks, and formulating monetary policy--is interesting in its own right. All of them together are crucial for maintaining public confidence in the nation's economic and financial systems. I suspect that relatively few of you realized how engaging this line of work could be when you started out here. By this time, however, many, if not most, of you have been caught up in our culture and may make your careers with us. You have become central banking professionals, because to a greater extent than in many other occupations, working at the Fed allows you to put your personal and social ideals into practice.

In the next two days I hope you will keep these priorities in mind and let them provide the context for everything else you hear. Remember that our constituency is large and very demanding. The economies of the United States and, indeed, of the world

depend in no small measure on our effectiveness. As managers over individual segments of our operations today and as possible leaders of departments and divisions in the future you will be called upon daily to renew the stability that the Federal Reserve has come to represent. You will meet that challenge best if, in your own actions and in guiding the actions of others, you express the integrity and dedication to service that are the hallmarks of central banking.