

**THE CHALLENGES OF THE CHANGING WORLD ECONOMY**  
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**At the Georgia State University Commencement Ceremony**  
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Good morning! It is a pleasure and an honor for me to participate in these commencement exercises at Georgia State University. It is an honor not only because I have been chosen to be your principal speaker today, but also because for many years I have had the rare privilege of working with administrators, teachers, staff, and students in several colleges of this university. It has been a continuing source of inspiration for me to be a part of the varied and multi-cultured intellectual environment of this great urban university. Because it is an urban university, Georgia State attracts students who work toward degrees while holding down full-time or part-time jobs. As one who did the same thing during my undergraduate and graduate education, I understand very well that, for many of you, today's ceremony commemorates several years of hard work on top of hard work. I can assure you that to paraphrase Winston Churchill, it will have been worth the toil, the sweat, and yes, even the tears.

Why have you worked so diligently? Why have your parents, relatives, and others sacrificed to help you on your way to a degree? From my perspective, I think the answer is quite simple. You were, consciously or unconsciously, directly or indirectly, pursuing a great dream. Perhaps it was what we identify as the "American dream"--making yourself a success by your own initiative; perhaps it was Dr. King's dream of building a more humane and democratic society; perhaps your dream was more an undefined yearning for knowledge.

Whatever the dream you followed, it had to have at least two basic elements. The first element was to achieve self-realization and intellectual self-fulfillment. In the contemplative and yet dynamic atmosphere of this center of learning, you have immersed

yourselves in the learning of the past and become consciously linked to mankind's collected wisdom reaching back through the centuries. This university has put you in touch with the minds of great philosophers, theologians, scientists, writers, artists, and musicians, and you have been touched in turn. It is for such intellectual development that universities exist, but they speak to the second element of your dream as well. You were also drawn here to obtain the skills necessary to follow a chosen career and thus to provide for your material well being. We often talk about this in terms of "getting on in the world."

### **The New World We Face.**

Getting on in the world is what I want to talk about for a few minutes this morning --not only in terms of individual advancement but also what we must do to keep our country moving ahead in a very rapidly changing world. Let me say unequivocally that I have no doubt that we can accomplish this purpose. But it is going to take a good deal of thought and effort, particularly from you who are graduating today. You will be the leaders of tomorrow, and you will be leading us into uncharted territory. The world has changed quite dramatically in the past decade and even in the years since you began your college careers. This is apparent in the vocabulary that has built up to describe our times. We hear the term "post-modern" that suggests we have advanced beyond what was considered avant-garde in the past. Ours is called a "post-industrial" society, which implies that manufacturing is being supplanted by information-based services as the bedrock of U.S. production. And the most discussed essay of the year--"The End of History?"--claims we have emerged from mankind's long drama of ideological struggles, that we are "post-historical."

All of these ideas express the belief that we have crossed some frontier of human experience and that the rules and even the game itself are different than they were in the past. To me, that new game is being played largely in a globalizing marketplace, not

only of goods and services, but ideas as well. What were once many individual national markets are merging into a single market of worldwide scope. This global market is characterized by quantum leaps in technology and a freer flow of people, ideas, goods, and services than we have ever known. It is also redefining the world's political and economic landscape.

Consider for a moment a few of the developments going on around us. In the economic sphere, Europeans have decided that their traditional boundaries and barriers are counterproductive and are bringing their economies together at a pace many would have deemed impossible two years ago. It now appears that by their target date of 1992, the members of the European Community will indeed be close to forming a market very nearly equal in economic power to that of the United States. This year, the United States and Canada tightened their economic ties by initiating a free-trade agreement. Pacific Rim nations, too, have recently met in Australia for preliminary talks on liberalizing trade relations in that area.

Even more extraordinary, on the political scene we seem to be witnessing the withering away of Marxism-Leninism as a viable political and economic system. Fundamental and startling changes are occurring in the Soviet Union, and, even though this year brought a disastrous setback to the opening of China, I think that country will succeed in creating a more progressive social order. The countries of Eastern Europe are undergoing radical transformations as well. This new turn of events could culminate in a reunified Germany and other alterations in Europe's political landscape.

What should we make of these momentous events? Clearly we Americans should not be afraid of these closely linked political and economic changes. Rather they are in part at least the fruition of seeds that the United States planted at the end of World War II--a more interdependent family of nations. Economically, we worked to help Europe and Japan recover from the war. The countries in Europe and Asia that emerged from

the war with market-oriented economies were rebuilt into international business competitors through U.S. assistance. We also tried to help the countries of Asia, Latin America, and Africa become industrialized and raise their living standards through foreign aid and loans. We opened our borders to trade and later established programs like the Peace Corps to provide additional grassroots assistance.

At the same time, there was a darker side to the post-World War II international order, embodied in the extreme tension between the Soviet Union and the communist countries on one hand and the United States and Western Europe on the other. This "cold war" and the lowering of an "Iron Curtain" led both sides to devote enormous resources to military preparedness. Today we see both of these changing. For many years the United States, which had not been ravaged by war, maintained a position of unquestioned economic superiority. Now, however, that economic superiority has been challenged, as we knew it eventually would be, by former foes and allies alike. Likewise, political and military tensions seem to be easing. Over time, these dramatic political and economic shifts could well open up sizable new markets for goods and services as well as sources for labor and materials. In the long run, we may finally be able to reduce the amount of resources we need to devote to defense as well.

#### **What the U.S. Must Do**

But the newly evolving world order will also present several challenges. Politically, the shifts will require us to change our attitudes, away from being insular to taking a far more open world view. On the economic front, these changes intensify competition to keep costs low and quality high. We Americans have only begun to feel the pressures of German craftsmanship, Japanese high-tech expertise, and inexpensive Asian and Caribbean labor. Now Taiwanese and South Korean companies turn out quality electronic items of their own. In addition, we confront vast new supplies of disciplined often cheap labor in parts of Eastern Europe and China.

Is the United States ready for a new world view and a heightened level of competition? These are questions we have been discussing among ourselves for much of the 1980s, and many are still unsure of the answer. You have been in the intellectual center of that debate and are well aware of the issues. Personally, I am confident that the United States will be a leader--intellectually and morally as well as economically and politically--as far into the future as I can imagine. Seeing you graduates assembled here confirms my belief that the nation's most valuable resource--our people--still runs in a deep, rich vein.

However, there are also several areas in which we must improve our performance if we are to compete effectively. One is to increase our rate of savings as a nation so that more funds can be directed toward investment in improving our productivity. At present, the United States is the world's largest debtor--outdistancing the developing nations, whose debt we read so much about. This situation is undesirable for several reasons. First, our financial position prevents us from providing the kind of assistance--loans, bonds, and the like--to countries of East Europe whose own money and credit markets are so woefully underdeveloped and who desperately need financing to bring about the fundamental economic and political changes they desire. Second, our external deficit leaves us in a weakened position vis-a-vis our major competitors because it means we are not in a position to invest as much as they do in building our future productive capacity. To remedy this situation, we must begin by convincing our federal government to bring its revenues and expenditures more into line--that is, to balance its checkbook just as you or I must do. A reduced need for defense spending could help in this regard, but we cannot wait passively. I also would like to see individuals temper their consumption somewhat in favor of increased savings.

A second priority is education. It is absolutely vital that we extend to a greater number of people what you now possess--the education that will keep their skills salable

in a global market. More intense worldwide competition will raise the demands placed on American workers. At home we need workers who can adapt to new technologies and shifts in the structure of industry. U.S. students must be taught skills that can be transferred from one employer to another in an increasingly high-tech workplace. Our challenge is not only to reorient our educational system to the task at hand, but also to find ways to pay for the improvements needed.

We also need people who can market effectively to foreign consumers. We have to develop a cadre of internationalists in management and marketing who can provide cultural insights, whether within companies or as consultants. Our large, multinational firms have been selling overseas for some time. However, small- to medium-sized firms in this country could do better. U.S. businesses in this size range bring many of our most innovative products to market, yet they are somewhat behind their foreign counterparts in seeking out overseas customers. Such companies need to discover the foreign markets that are receptive to their products. They also must acquire a sense of how to appeal to consumers and business in other countries and begin to speak their languages.

Finally and most importantly, all of us--whether as employers and managers in business corporations, teachers and other professionals, or as voters, need to shed the insularity that was our luxury when we were the world's dominant economy. The belief that the world needs us more than we need it is a false one under contemporary circumstances. We literally cannot afford to ignore the rest of humanity any longer. We cannot afford it in economic terms because the cost in lost business opportunities is too high. We cannot afford it in political terms because none of the broad issues for the 1990s and beyond--from financing the development of the world's poorer countries to environmental concerns--can be handled by one country alone. Forging solutions to such problems in concert with others will require sensitivity to ways of arriving at agreement that are still unfamiliar to us today. And we cannot afford it culturally or

intellectually. We have barely begun to experience the cross-fertilization that could take American thought, music, art, scientific discoveries, and technical application to new heights.

### **Conclusion**

Let me conclude by saying that I believe you are graduating at a most exciting moment in human history. Some would say this is a watershed for mankind. As you enter a new decade and prepare for a new millennium, you face a rapidly evolving international environment fraught with momentous opportunities and demanding challenges. For our country to get ahead in this globally competitive economic environment and rapidly evolving political order, we must be committed to doing what you graduates of 1989 have already done. We must learn to understand the changes and challenges and prepare ourselves to meet them. Neither you nor our country needs any unfair advantage. The only advantage we should seek is that which is earned through the development of skills and the dedicated application of these skills. These are the qualities that won you the diplomas you will proudly carry with you as you leave Georgia State this morning. I am certain that whatever you choose to do they will bring you continued success in the changing world environment.

It has been a pleasure being with you on this joyous occasion, and I extend to each of you my heartfelt best wishes for a happy, healthy, and prosperous future.