

OPENING REMARKS
Remarks by Robert P. Forrestal
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To the Conference on Recent Macroeconomic Research
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It is a great pleasure for me to welcome you this morning to the Federal Reserve Bank of Atlanta. Many of you from the more northern climes might be taking delight in the refreshing sight of trees and flowers in bloom. It seems the sense of change is in the air everywhere--whether because of spring or because of a new Administration that is reshaping public policy in the United States.

That change in the policy weather, so to speak, is why we are here today. The purpose of this conference is to bring policymakers and economic researchers together so as to examine whether current basic research in macroeconomics may have something valuable to add to the public policy debate. This conference is the fruit of much labor by our macropolicy group, which has distinguished itself in the area of basic economic research. In order to provide the most up-to-the-moment research for this conference, I am told that when the group members called the various presenters last fall to ask for papers, they asked not, "What have you done?" but "What are you working on now?" To a great extent the papers that will be presented over the next two days reflect the judgment of the macropolicy group as to where policymakers may find helpful insights into issues with which they are currently struggling.

In making public policy, it is important to be flexible and open to shifts in the desires

and needs of the society for whom one is making policy. Similarly, it is important for economic policymakers to be aware of changes in theory or models that may affect how they apply solutions to real-world problems. Over the past two decades, both conceptual and technical changes have occurred in economic theory, but it has taken a long time for these changes to percolate up to those who make policy. We here at the Atlanta Fed believe that if it has taken 10 years or more for policymakers to find out that certain economic models are outmoded, perhaps it is time for us to look more directly at what is coming out of basic research. Doing so may have the benefit of saving time for all concerned. By providing a direct linkage between researchers and policymakers, we hope to furnish a practical context to span the distance between the more abstract world in which economic scholars often work and the practical world in which policymakers must make decisions.

One other aim of this conference is to enrich the significant scholarship that is taking place with a first-hand view of the consideration that public policymakers must take into account. I am confident that the presenters and discussants will make the most of this chance to speak directly to those who can influence policy.

Again, let me say how pleased I am that we are holding this meeting here at the Atlanta Federal Reserve. I certainly hope each of you will find this entire conference on recent macropolicy research to be a worthwhile experience. We have succeeded, I believe, in gathering some of the brightest minds working in the field. With best wishes for a stimulating two days, I turn the podium over to Mary Rosenbaum who has some practical matters to discuss with you.