

**WORLD TRADE CLUB-ATLANTA  
Remarks by Robert P. Forrestal  
President and Chief Executive Officer  
Federal Reserve Bank of Atlanta  
Retirement Dinner at the World Trade Club  
Atlanta, Georgia  
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Good evening again! The World Trade Club, and certainly all of you, have combined to make this an occasion I will remember for many years to come. Tonight is particularly special to me because this is the first time I have been honored by an international group based here in the City of Atlanta. I would certainly be remiss if I did not express my appreciation to the organization and individuals responsible for producing such a memorable evening. Many thanks to the World Trade Club for lending its fine facility through the generosity of its manager, Ms. Susan Dussinger. I would also like to thank the Club's program committee that came up with the idea and galvanized the energy to host this function in the first place: Roger Scovil of Lockwood Greene International; Lori Clos-Fisher of NationsBank; and Frank Baia and Mark Pearson of *Geo-Voca Magazine*.

If you will allow me to do so, I would like to spend just a few minutes to offer a few personal thoughts on international affairs and why I think this area is so crucial to our future.

As a central banker, I have had the great fortune to receive and accept a few invitations around the world to talk about, among other things, the role of Federal Reserve Banks, financial markets, and issues in U.S. economic policy making. This wealth of experience has led me to the simple, yet inescapable conclusion that the world in which we live today is truly becoming

economically and financially integrated. And as such, we as Atlantans, as Americans, should be constantly scrutinizing and adjusting our position into the interdependent world of today in order that we might continue to be strong competitors in the global marketplace.

I, for one, think Atlanta is in an excellent position to do just that. First, our proximity to Latin America with all the promise it holds for U.S. exports, is certainly a major plus. As the economic situation in that part of the world continues to benefit from the major macroeconomic reforms undertaken in recent years, it will increase in importance for U.S. business interests. Very briefly I would add that a contributing factor to the growth potential of Latin America is the fact that international bank supervisory standards are being applied to banks in that region seeking to do business in the global marketplace, particularly here in the United States. We all know that a high level of trust that is absolutely essential to the efficient and safe financial transactions that underlie trade in goods and services. Given that requirement, such regulatory coordination must ultimately be seen as positive for all concerned. I am pleased that the Federal Reserve Bank of Atlanta will have an ongoing role in this process.

The second reason Atlanta is positioned to be a strong global competitor is that the city has developed a growing international community, consisting of consular and trade offices from virtually every region of the world. The ties established through these offices have helped to generate business and tourism dollars as well as broaden our understanding of cultures, languages, and customs which differ from our own. I might interject here that facilities such as the one hosting this affair tonight, serve as important conduits contributing to the development of these

kinds of relationships.

And finally in this regard, as the engine for the top regional economic performer in the nation, Atlanta is enjoying healthy job growth as well as business expansion and relocation in both the service and manufacturing sectors. This activity, in turn, will continue to spur new demand for construction. And while the Olympic Games are responsible for some of the rich fortunes of the city of late, I am fully confident that the economy of Atlanta is strong and diversified enough to continue its impressive performance after the Games.

The world is a remarkably different place today than what it was just 12 years ago when I first became a president of the Atlanta Fed and, as such, joined the ranks of those who set monetary policy for the nation. To a much greater extent than my predecessors, I had to broaden my scope in reaching decisions on interest rates, looking at events and trends in far distant places. Technological change has brought about financial integration, and global competition has contributed to free trade and open economies. We have seen Latin American countries once mired in debt, spiraling inflation, and huge budget deficits graduate to rapid economic growth and diminished inflation. In turn, these nations have become increasingly important as destinations for foreign capital and as trading partners.

In a related vein, during the last 12 years we have also seen the breakdown of the Berlin Wall, the dissolution of the former Soviet Empire, and the dismantlement of South African apartheid. The Middle East, despite periodic setbacks, continues to move forward with the peace

process. I continue to believe that Europe will achieve not only complete trade liberalization but also monetary union, with the Euro becoming as much a household word as the yen and deutsche mark are today. And in our own hemisphere, it seems that U.S. Cuban relations may be thawing for the first time in decades. If one were to take a step back and look at this broadened picture, what emerges is a marketplace for U.S. goods and services on a much larger scale than thought possible just a little over a decade ago. I do not think it an exaggeration to say we are witnessing a watershed of history.

In conclusion, like many of the developments I have mentioned, in retiring from the Fed I am making a major transition. But, like many of you, I will continue to think and work on ways which will allow us to meet the challenges and opportunities of the global marketplace, which clearly are the key forces in the economic future each of us faces. Thank you and Godspeed to all of you.