

**Cathy Minehan's Remarks for
Annual Holiday Dinner, 12/1/95**

Good Evening. I'm so pleased all of you could be here tonight. This is always a special evening, a time to reflect on the past year and look forward to the new, and an opportunity for me to thank all of you for your hard work. We've had a terrific year, not only as gauged by the standard measures of good reviews, clean examinations, and good numbers but also, and possibly more importantly, by the measures of an increased impact on our community, a heightened contribution to the intellectual debate on matters of economic, supervisory, and operational concern and an increased role in policy making in all three of these arenas. The pressures on us all have been tremendous, and business travel and meetings outside the Bank make it difficult at times for all of us to appreciate the contributions each is making to the Bank's success. Now is a time to do that. I know I speak for both Paul and myself when I thank you for a tremendous job well done, and for the loyalty, dedication, and plain old hard work that made it possible.

We also are fortunate in having so many of our current and prospective board members with us this evening. Sadly though, we lost a good friend and director this fall, David Page, who by all rights should have been here with us tonight. We will miss his wise counsel and insights on the Maine economy.

We're fortunate to have two new members of our board of directors with us tonight. Marshall Carter, Chairman and Chief Executive Officer, State Street Bank and Trust Company, and Bob Glauber, Adjunct Lecturer at the Center for Business and Government of the Kennedy School at Harvard have joined our Board, and I know they will add so much. I hope you will enjoy your association with this Bank. If the past is any indication, I know you will--just look around you. It's a pleasure to have the Morrisses, Dick Syron, Niels Larsen and Walter Sullivan back with us again. Their presence is proof that once you are associated with the Fed you become part of an extended family.

It has also been a year of change for our Chairman--now Chairman Emeritus of New England Medical Center, Jerry has moved into an area of great interest to him--health outcomes research. It's gratifying--and not unusual--to see Jerry so energized by something he

loves doing. His official title now is Chairman, Outcomes and Health Services Research and Development Center. I do think that for the sake of those of us with less energy, we need to come up with a shorter name.

Rumors are circulating that Jerry may find time, between his work in Washington and at the Research Center, to work out of his office here at the Bank. In fact, in 1913 the expectation was that Reserve Bank chairmen would have a hands-on management role which is why each Bank has a chairman's office. I should note, however, that over time, the perspective, at least on the part of Reserve Bank presidents, that the need for such an office has diminished, if not vanished, insofar as management of the Banks are concerned. So we welcome you, Jerry, but we trust your outcomes research will fully absorb both your intellectual energy and your time.

We had a fabulous year. The First District is now the home of the tenth largest U.S. bank, thanks in part to the enormous effort here on the application and to the three public hearings we held. We are preparing a "How To" paper for other Reserve Banks to use in the future. Our "Conferences are Us" sideline business was extremely successful, with conferences held on Casino Gambling, Derivatives

Securities, the relevance of banks in the Monetary Policy transmission process, and just recently, a seminar on Income Inequality. The Retail Payments Office is garnering accolades for System leadership. We had an outstanding Bank Evaluation, an Annual Report that won praise from many quarters, a Community Affairs program that continues to be a System gem, and we have managed to control the disruption to our heretofore beautiful surroundings by the artery construction. We had an excellent United Way campaign, particularly among our generous and caring officers. And we did all of this against the backdrop of a reorganization and early retirement program that left us without the expertise of people like Niels Larsen and Walter Sullivan, and which created new challenges and opportunities for many of you here in this room. And, oh yes, we throw a hell of a party--Walter, wouldn't you agree?

Seriously, this year will be a tough act to follow. To meet the challenges ahead, we must continue our tradition of hiring the right people and developing them. We need to reinforce our management ranks with both analytical expertise and technical talent. All of us who make decisions about recruitment and development must help to bring the Bank into the new century with the same high quality resources

that have gotten us to this point. In other words, "replace yourselves."

I can think of no better base for the future.

Please raise your glasses and join me in a toast. "To an inspiring performance in 1995, to an exciting future, and to an amazing team."

Thank you. Enjoy your evening.