Foreword

This conference was held on October 11, 2000, in honor of Frank E. Morris, president of the Federal Reserve Bank of Boston from 1968 to 1988. Frank was truly a man for all seasons, in both the private and the public sectors. After serving in the Air Force as a navigator in World War II, Frank received a Ph.D. in economics from the University of Michigan, Ann Arbor, in 1955. He was an instructor at the University of Michigan, an economist with the Office of Price Stabilization, and director of research for the Investment Bankers Association.

From 1961 to 1963, Frank was assistant to the Secretary of the U.S. Treasury for Debt Management and literally shared an office with one of the five chairmen of the Federal Reserve Board with whom he would ultimately serve—Paul Volcker. He left the public sector in 1963 to become a vice president with Loomis, Sayles and Co. and then took the position of president of this Bank. After retirement in 1988, he returned to academia, holding the Peter F. Drucker Chair in Management Sciences at Boston College.

When my predecessor Dick Syron left the Boston Reserve Bank and I became, first, acting president and then president in my own right, the thought of filling Dick's, and particularly Frank's, shoes was intimidating to say the least. Throughout my career at the Fed, I had heard of Frank. I knew him, of course, had read his speeches, and read the volumes from the Bald Peak conferences. I also knew that few presidents or Governors served longer on the Federal Open Market Committee than Frank, who worked with all the modern day chairmen from William McChesney Martin on. He was regarded by many as one of the deans of the Open Market Committee.

I also knew that all Federal Reserve System employees owed Frank a major debt of gratitude for his investment sagacity, for his leadership of the Investment Committee that helped transform both the investment style and the investment results in the System's retirement plan, and, most particularly, for his drive in establishing the System's Thrift Plan in 1970. Frank believed that the Reserve Banks needed to attract and retain the best and the brightest, and he devoted a lot of attention to structuring an innovative reward system that could make that possible. And I also had come to appreciate Frank's contribution to the City of Boston: this building, which expanded the financial district and now acts as a gateway to the new harbor area of Boston; his service on the Vault and on the Private Industry Council; and his focus on providing high-quality, fact-oriented research on important local topics.

I think Frank recognized how daunting the prospect of continuing the proud tradition of the Federal Reserve Bank of Boston might be. Two or three days after the announcement he wrote me a long letter. I'd like to include a couple of paragraphs here.

> For me, 'being president of the Federal Reserve Bank of Boston' was the best job in the country, and I hope you will find it that way too. I used to tell people that it was the only job in the country in which you could participate in monetary policy and still live in Boston.
>
> You enter the job with advantages I did not have. You have expertise in the operations of the Bank and you know the people. It took me about six months of "cramming" before I developed enough understanding of the operations to feel comfortable about discussing them and it took a lot longer than that before I had assessed the officers properly. I had, however, *one* advantage over you. For the preceding seventeen years I had had jobs that required me to analyze the economy and to forecast Federal Reserve policy decisions. In the process, I developed a knowledge of the nuts and bolts of monetary policy and the issues in the current debate over policy. You have your cramming to do, but that's what makes life interesting.

In his generosity, Frank was saying that anyone tapped as a president of a Reserve Bank, no matter what his or her background, will have to "cram," in his words, in order to really understand the breadth of responsibilities the Reserve Banks have. This conference was dedicated to all those "interesting" aspects of monetary policy and Reserve Bank operations to which Frank devoted so much time, and which he left so much the richer for his contribution. And it was appropriate, I think, to honor Frank with a conference. Years before Jackson Hole or many other economic conferences, Frank started the Boston Fed conference series, in the spring on Nantucket or Martha's Vineyard and then, most often, at Bald Peak in New Hampshire in the fall.

Cathy E. Minehan
President and Chief Executive Officer
Federal Reserve Bank of Boston