Jack Guynn, Atlanta Fed president and CEO (left), and Pat Barron, first vice president and chief operating officer

The Federal Reserve Bank of Atlanta opened its new headquarters at 1000 Peachtree Street in 2001. It was an important occasion for us, of course, but it was overshadowed—indeed, placed in its proper perspective—by two other developments in the year.

For the first time in a decade, the U.S. economy contracted, weighed down initially by a sharp decline in investment spending.

Then, on September 11, for the first time in nearly two hundred years, major population centers in the United States—including its financial and government capitals—were attacked. While the outcome of the war that followed has never been in doubt, the uncertainty it unleashed nevertheless exacerbated the economic and financial outlook.

Even so, an honest assessment of the long-term prospects of the United States and its economy can only be favorable. That's because the very thing that makes this country vulnerable to a terrorist attack—its openness—is also one of its greatest sources of strength.

Open markets, open borders, open access to information, open minds: all guarantee that financial resources flow to their most efficient uses, that companies are able to do what they do best, that consumers have the broadest range of choices—that the U.S. economy continues to expand and realize the full measure of its potential.

Even though openness tends to be self-reinforcing, it's the responsibility of public institutions to maintain the conditions and systems that support openness. In the United States, the Federal Reserve shares responsibility for the economy and the financial system with other institutions. We work with private and public institutions to ensure that Americans never have to wonder whether a payment will clear and with federal and state government agencies to provide for the stability of the financial system. And, of course, through

monetary policy we try to provide a level of financial resources consistent with stable economic growth.

As the only institution with responsibility for all three pillars of economic stability, the Federal Reserve has a special duty to conduct itself in a manner consistent with its ultimate objectives and in the spirit of the democratic republic that created the Fed in 1913.

The 2001 Annual Report offers a closer look at openness at the Federal Reserve Bank of Atlanta. It highlights developments in 2001 that embody our pursuit of an objective that is nevertheless often abstract. The report also demonstrates our commitment to utilizing in our own operations one of the great sources of strength in the U.S. economy.

In the spirit of openness, it should also be observed that the Federal Reserve, in its nearly nine decades as the nation's central bank, has not always been as forthcoming as it is today. This point is worth acknowledging because it demonstrates that the Federal Reserve is a fundamentally human institution that learns from experience as well as from new information and research. This trait, too, we share with markets and with the businesses and consumers who make up the economy.

At the Federal Reserve Bank of Atlanta, we've learned that openness not only enhances our own credibility but also improves the efficacy of our operations and policies. It is just as important as—and, indeed, an essential counterpart to—the electronic networks we use to process payments, the forecasts we prepare for monetary policy, or the bank examinations we conduct.

And yet even as we contemplate the strengths that openness provides, we must remind ourselves that openness remains something that can always be improved, that can always be done better. What follows is an examination of our efforts to do just that.

JACK GUYNN