

President's Perspective



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Over the years, I have thought a great deal about globalization—first as an investor, then as a U.S. trade negotiator and now as Dallas Fed president. It is an issue of vital importance, one that will transform the way Americans work, consume and run businesses, as well as how we at the Federal Reserve make decisions on monetary policy.

Globalization is not fully understood. Freer cross-border movement of goods, services, labor, money and ideas raises new questions about how the economy operates.

Does declining U.S. unemployment still fuel inflation in a world of abundant production capacity? Can cheap imports affect U.S. prices, either directly through retail outlets or indirectly through cheaper inputs for our producers? How do new economic actors, taking advantage of revolutions in technology, communications and transportation, impact our capacity to expand employment? What does a world of porous borders mean for traditional assumptions about the capacity for non-inflationary growth in the United States, the world's biggest and most important economy?

I have made exploring such topics the top priority of the Dallas Fed's research staff, with the intent of making important contributions to the economics profession's understanding of globalization. We believe Texas and the Southwest—places quite familiar with open borders—can teach the rest of the nation a lot about

how to reap the benefits of globalization.

Placing our research focus on globalization led us to revamp our publications. We have added two new ones: a monthly *Economic Letter*, which will feature a single, in-depth article on global and national economics, and a series of occasional *Staff Papers*, which will present scholarly work on a range of globalization-related topics.

Southwest Economy will continue to be published every other month. Each issue will contain articles on the regional economy, including Mexico and the border. We have modernized the publication's design and added new features—a Q&A on economic topics, a short Spotlight on key issues and a Noteworthy page with interesting tidbits of information.

The goal of our publications is to give our readers a better understanding of the regional economy while we help them navigate the new world of globalization.

A handwritten signature of Richard W. Fisher in gold ink. The signature is written in a cursive style and reads "Richard W. Fisher".

Richard W. Fisher
President and CEO
Federal Reserve Bank of Dallas