

Remarks by Agustín Carstens, Governor of Banco de México, during the ceremony to grant the Mexican Award of the Order of the Aztec Eagle (*Orden del Águila Azteca*), in the category of Badge, to Richard Fisher, President and Chief Executive Officer of the Federal Reserve Bank of Dallas

Good evening.

- Secretary of Foreign Affairs, José Antonio Meade Kuribreña,
- Dear friend and fellow central banker, President and Chief Executive Officer of the Federal Reserve Bank of Dallas, Richard Fisher,
- Honorable guests gathered here tonight to celebrate the well-deserved award granted by the Government of Mexico to Richard Fisher,
- Ladies and gentlemen,

The agreement of last December, by means of which President Peña Nieto granted the Mexican Award of the Order of the Aztec Eagle to Richard Fisher, is very clear with respect to why he was considered for such high honor:

His tireless defense and promotion of free trade between Mexico and the U.S.; his determined backing, in different forums, of opportunities derived from Mexican economic policies; and his continuous efforts in strengthening the trade and financial links between our countries, both for the benefit of the Mexican and American people.

Richard has also been a permanent advocate of price stability as a necessary, although not sufficient, condition to foster economic growth and well-being. And, we recognize his generous willingness to exchange experiences in central banking matters and to find timely solutions to the new binational challenges, such as in correspondent banking and in regulation and supervision of financial institutions.

Richard Fisher's close connection and undeniable affection for Mexico is deeply valued. His positive attitude towards Mexico is clearly evidenced by his constant presence in the country, where he lived during his childhood and studied elementary school. Richard recalled back in 2006, as he delivered a speech in Monterrey, that his mother used to say that when he turned 18 years old he knew more about Miguel Hidalgo and Benito Juárez than about Abraham Lincoln and George Washington.

I would like to add to all of these merits, two additional virtues that Richard has and that, due to personal reasons, make him an even more valuable individual. First, that during his childhood, he played baseball in the Little Leagues of Mexico. An experience which, according to those knowledgeable in the field, as myself, forges great personalities.

Second, and more substantive, is Richard's fondness for speaking and writing in a clear and refreshing way. In particular, he has been a permanent advocate for central banks, starting with the US Federal Reserve System, to use a simple and straightforward language so that the public at large understands and values central banks' actions and objectives. Much is to be learned by all central banks worldwide in this regard, since a timely and transparent communication with society has become an essential tool of monetary policy.

Just last week, in a lively speech at the "The Economic Club" in New York, Richard Fisher made a strong recommendation to his colleagues at the Federal Reserve: "...we at the Fed need to learn to speak English, rather than 'Fedspeak'".

Let me present to you one example of Richard's straight talk, extracted from an interview in 2013 with the Financial Times: *"Markets tend to test things. We haven't forgotten what happened to the Bank of England [on Black Wednesday]. I don't think anyone can break the Fed . . . But I do believe that big money does organize itself somewhat like feral hogs. If they detect a weakness or a bad scent, they'll go after it"*.

Caution must characterize a central bank when making forecasts, projections and statements. It should also be taken

into account that monetary policy decisions in central banks such as Banco de Mexico or the Federal Reserve System are taken jointly by people who tend to be, as is expected of them, very cautious in terms of preserving and expressing their views. Therefore, the apparent ambiguity of the language used by central banks is often a reflection of a variety of opinions and points of view that were exchanged before reaching a decision, and that in some way or another are, to put it very informally, “mushed together” in a communiqué or a report.

Nevertheless, these considerations do not exempt central banks and their speakers from using a clear, transparent and even sometimes “folksy” language, as the use of the term “feral hogs”, a very Texan expression, that Dick so effectively used in his FT interview. Let me quote Richard again: “We central bankers deal with uncertainty, but we are obliged before society to a rigorous and disciplined handling of clarity in order to give as many certainties as possible.” This phrase is a gem of a message that should apply forever in central banking. Quite a legacy from our honored guest.

In closing, we all here at Banco de México enthusiastically join President Enrique Peña Nieto in thanking Richard for all that he has done for Mexico and to enhance Mexico – US relationships, which I am sure he will continue to do.