

News Release

THE FEDERAL RESERVE BANK *of* KANSAS CITY
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Former Bank President J. Roger Guffey, 1929-2009

The Federal Reserve Bank of Kansas City is saddened to announce the passing of former President Roger Guffey, who died today in Scottsdale, Ariz., after an illness. Guffey, 79, was president of the Bank from 1976 until 1991.

“Roger’s legacy is an important part of the Federal Reserve Bank of Kansas City’s history,” Bank President Thomas M. Hoenig said today. “During his tenure he was involved in some of the key events in both the history of the Federal Reserve System and the Kansas City Fed. He was a good friend and advisor to me, and I and others valued his input and insight on the issues we face today. He will be sorely missed.”

Guffey was born Sept. 11, 1929, in Kingston, Mo. He received a degree in business administration from the University of Missouri – Columbia. After three years in the Army working with intelligence forces in Germany, he returned to MU where he earned a law degree in 1958 and met his wife Sara.

He was a partner in the Kansas City law firm of Fallon, Guffey and Jenkins before joining the Bank as general counsel in 1968. He became president on March 1, 1976.

As the Bank’s president and a member of the Federal Open Market Committee, Guffey participated in the key FOMC meeting held on Oct. 6, 1979, when the policy-setting committee shifted the focus of its open market operations to controlling the money supply by reducing bank reserves instead of its traditional targeting of the federal funds rate. The move was designed to end the high inflation in the U.S., and while it was successful, it also was painful for the nation as it suffered a significant recession.

“I think back on that event as a tough decision,” Guffey later recalled. “There were divergent views as to whether the draconian steps that we would eventually take were necessary and whether the price that thereafter was paid by the nation was worth the effort. I happened to think it was, and I look back upon that with some warmth and the sense that it was a tough decision and it turned out to be the right one. I think it really demonstrates the positive impact the Federal Reserve can have on the nation.”

The Fed’s efforts at that time, he said, showed the value of an independent central bank.



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“There is no way that you could have approved what we did on Oct. 6, 1979 through our Congress,” Guffey said. “It’s very difficult for elected officials to make those kind of hard decisions. That’s the reason I think our form of a central bank is very important and worth preserving. It’s worked and it will continue to work.”

During Guffey’s tenure, the Bank started hosting the Jackson, Wyo. economic policy symposium, which is today one of the world’s most well-known and highly-respected economic conferences. He retired in September 1991. A theater off the main lobby at the Bank’s new headquarters at 1 Memorial Drive was named in Guffey’s honor when the facility opened last year.

“We have a very good and dedicated workforce,” Guffey said in an interview with the Bank’s employee newsletter at the time of his retirement. “Hopefully, part of that is the result of some enlightened personnel policies and a work environment that encourages people to remain at the Bank and do their jobs in a quality fashion and enjoy what they’re doing. I happen to believe this Bank is blessed with that environment, and it seems to me that is not always the case in a lot of companies.”

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