

**Remarks by
Donna Tanoue
Chairman
Federal Deposit Insurance Corporation
before an
International Conference on Deposit Insurance
Sponsored by the FDIC
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Thank you, and good morning.

I want to welcome you to this International Conference on Deposit Insurance. The world is here today: Asia and Africa. The Americas and Europe. With New Zealand carrying the flag from Down Under. This conference is the first time that deposit insurance authorities from around the world have met in an international conference.

Over the next three days, 240 participants from 63 countries will discuss the role of deposit insurance in promoting and preserving public confidence in our financial institutions. We will share experiences. We will exchange opinions, and we will forge relationships.

Your outstanding and widespread response to our invitation to this conference reflects global interest in deposit insurance issues and their importance.

As you know, this conference is sponsored by the Federal Deposit Insurance Corporation.

While not the first national deposit insurer in the world, the FDIC is the oldest and largest governmental deposit insurer still in operation.

The FDIC was created in 1933, following a crisis in which 4,000 banks failed in the previous year.

In the year following our creation, only nine insured banks failed.

Our experience over the years convinces us that deposit insurance works and that public confidence in our banking systems can never be taken for granted.

There are few certainties in life, but to be effective, deposit insurance must be one of them.

Deposit insurance is a simple concept -- one that continues to work and to endure -- as the world grows more complex.

Although the FDIC is the oldest deposit insurance system, we know that we do not have all the answers.

We want to share what we have learned, but we are eager to learn from your experiences as well.

There are many issues and topics relating to deposit insurance that would benefit from our increased communication and cooperation.

Recent events have shown that promoting and preserving public confidence has become more difficult.

There are a number of reasons why. One is the condition of the global economy. Another reason is that technology has transformed how banking is transacted. I have been told that when the Bank for International Settlements was formed, it was headquartered in Basle because the central bankers of Europe could reach that city by train in a day.

Today, money moves at the speed of light. If confidence erodes, runs on financial institutions can occur in an instant. Given recent developments around the world, it would be hard to imagine a more appropriate time than now for bringing the world's deposit insurance authorities together.

Today, the conference will be devoted to exploring the role that governments play in stabilizing banking systems. Tomorrow we will focus on recent banking crises. And that will include the resolution of failed or failing institutions. Friday, we will look ahead to identifying emerging risks. And we will discuss issues relating to bank supervision in a global banking market.

Some of our colleagues have suggested the formation of an informal working group of deposit insurers to explore increased cooperation. The group might serve the purpose of: Acting as a clearing house for information . . . Coordinating education and training . . . And providing technical assistance, as necessary. I ask you to consider this proposal. Should this be of interest to all of you, I pledge the FDIC's willingness to cooperate.

We at the FDIC hope that this conference will be the first of many opportunities for the international community of deposit insurers to gather. And we are willing to work toward making that hope a reality. We have a saying in the United States: Every cloud has a silver lining.

Certainly, no one wishes for adversity. But the FDIC, born in adversity, has been a blessing for three generations of Americans. If from the current turmoil, stronger deposit insurance programs emerge around the globe, future generations will benefit.

Over the next three days, let us explore the means of strengthening deposit insurance systems. And in doing so, let us promote the public confidence we all desire.

Thank you.

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