



REMARKS AT SWEARING-IN CEREMONY  
G. WILLIAM MILLER  
AS SECRETARY OF THE TREASURY

AUGUST 6, 1979

Mr. President, friends:

It seems that I was standing in this spot on a similar occasion not so long ago - about 17 months. At that time, I would have predicted that I would serve out my term as Chairman of the Federal Reserve Board and then return to private life. I only hope my economic forecasts prove to be more accurate!

Many of my friends have been puzzled by my move from the secure and independent halls of the Federal Reserve to an insecure and exposed seat in the Cabinet. There should be no mystery. In these difficult times every American should be willing to serve his President and his country to the best of his abilities. If each does his part, the total impact will have a powerful influence on our effectiveness and on our confidence.

Today, in dealing with the economy we face a towering challenge. We have inherited the most distressing economic environment in fifty years. Inflation is a clear and present danger to our Nation's vitality - and, if not checked in time, to our democratic system itself. Never in its history has America experienced peacetime inflation of such magnitude and such duration as we have seen during the decade of the seventies. It is unprecedented.

This virulent cancer of inflation has built up over the past fifteen years. It's incubation period coincided with large events which divided our nation and weakened our resistance to this dread disease. As a consequence, inflation has become deeply imbedded in our economic structure.

We can no longer effect a cure by cyclical treatment of the symptoms. We must attack the root causes and totally eradicate the basic sources of the malady.

Because inflation has built up over such a long period, it will not be easily or quickly dislodged. What is needed is a comprehensive, sustained and total war against inflation. What is needed is an integrated strategy, marshalling all the policy weapons at our command until we achieve unconditional surrender.

As I have often said in my former role as Federal Reserve Chairman, monetary policy certainly cannot do the job alone. But a disciplined and responsible monetary policy is a key element.

President Carter has made an excellent choice in Paul Volcker as my successor. He is superbly qualified. I am sure that Paul and the other able and dedicated Governors of the Federal Reserve and the Presidents of the Federal Reserve Banks who serve on the Open Market Committee can be counted on -- in their independence -- to maintain the proper monetary stance.

At the same time, those of us with responsibility in the Administration will apply ourselves with full diligence to implementing the other elements of the President's economic strategy: a disciplined fiscal policy; a program for moderation

of wages and prices; commitment to a sound and stable dollar; expansion of exports; balance in our international current account; a comprehensive energy program to reduce our dependence on imported oil, to conserve energy in every way, and to develop alternate energy sources within our borders -- and the President's program should be enacted promptly including the Windfall Profits Tax; reduction of unnecessary government regulation and other cost-raising government actions; encouragement of employee training, capital investment, research and development, and other initiatives to increase productivity.

Of course, economic activity is not of itself the essence of our national purpose: there are higher aspirations concerning the spiritual and humanistic values of American life and human society.

But it is not likely that higher goals can be attained in the complex and interdependent world without a sound economy. Employment opportunities for every American - production of the goods and services we need at stable prices - advances in science and technology, molded to humane application - are all a precondition.

Without a vigorous economic system we cannot assume the adequacy of our national security.

We cannot provide sufficiently for the poor and the aged and the infirm and the veterans who have served our country well.

We cannot revitalize our cities. We cannot guarantee proper shelter - or education - or medical care for all Americans.

We will be handicapped in maintaining American leadership in a fragile world.

A sound economy is thus the basis for pursuing our national goals.

The Government must lead the war against inflation. But the campaign can most surely succeed only if every American plays his full part.

Support of all our citizens is needed to endure a period of austerity - fairly shared - so that we may again be able to enjoy the bounty of this great land.

At the same time, we must have the compassion to cushion the burden which falls on those least able to protect themselves.

It is a period of testing. Do we have the will, the determination, the character to persevere?

Watching the struggle of the boat people to find a true light in a darkened corner of the world - watching this extreme risk to find an American refuge - watching their sacrifices to reach these shores - speaks more eloquently than I can of the living reality of the American dream.

My purpose - Mr. President, friends, Americans - in serving as your Secretary of the Treasury will be to do my very best to assure the lasting vitality of our economic system - to fight and win the war against inflation - to reinforce the preeminence of America - at home and abroad -

And to keep alive that great American dream.

AUGUST 6, 1979

Office of the White House Press Secretary

THE WHITE HOUSE

REMARKS OF THE PRESIDENT  
AT SWEARING-IN CEREMONY FOR  
G. WILLIAM MILLER AS SECRETARY OF THE TREASURY  
AND  
PAUL A. VOLCKER,  
CHAIRMAN AND MEMBER OF THE BOARD OF GOVERNORS,  
FEDERAL RESERVE SYSTEM

The East Room

3:00 P.M. EDT

THE PRESIDENT: Thank you very much. Please be seated.

One of the enjoyable and gratifying aspects of being President of our great country is to be able to call upon distinguished Americans to serve our country. The two most important economic posts in our government are the Secretary of Treasury and the Chairman of the Federal Reserve System. And I don't believe that anyone whom I have read and listened to very closely in the last few days has contradicted the fact that we have two superbly qualified men who will be serving in these two important posts in the days ahead.

Our country is facing troubled times economically. We have now experienced more than a decade of persistent inflation which has sapped away the confidence of American people in the future, which has put an additional and unnecessary burden on the shoulders of our people of all kinds, and which has been a discouraging thing for economists and for the Congress and for Presidents and other administrative officials at all levels of government.

This inflationary problem has been exacerbated in recent months by the extremely rapid increase in energy costs. In the last six months, OPEC has raised energy prices 60 percent, and the retail price of energy in our country has increased more than that in the last four months alone.

How to deal with this serious problem of inflation, how to keep a sound dollar, how to keep a strongly growing economy in our Nation, how to deal with the problems of housing and unemployment and to meet the social needs of our people is indeed a challenge that is great, not insurmountable, but requires the best leadership and the best minds and the most intense and sincere dedication.

I think all of us know that there must be experience in these two posts. There must be competence and there must be dedication. There is no doubt that Paul Volcker and Bill Miller exemplify these characteristics to an utmost degree -- an unchallenged, uncontradicted degree.

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In addition, it is important for our country that the leadership in our economic community have the confidence of America, of people who labor at all levels of employment -- the business executives, bankers, the financiers, government officials.

These two men must have the confidence of our Nation, and they do.

It is also extremely important for everyone who lives in our country to know that the Secretary of Treasury and the Chairman of the Fed have the confidence of the financial world, because the stability of the dollar, the persistent attack on the problems of inflation are absolutely crucial to maintaining the leadership that our country must maintain. And also that there be a stable purpose of our Nation exemplified by these two men and others, like myself, who will work with them.

I am determined to maintain a steady course, to maintain a sound fiscal policy. I am determined to maintain a responsible policy concerning our monetary systems, and also a sound and conservative budget policy.

Now is no time to change course. Now is no time to deviate from the purposes that we have espoused, that we have described to the American people and to the rest of the world.

I am absolutely confident that Bill Miller and Paul Volcker will join me in that commitment, and I am gratified to have them as partners with me, with other Administration officials and with the Congress and the American people in pursuing this steady course based on a responsible fiscal, monetary and budget policy.

The first to be sworn in will be William Miller who has served in a distinguished way as Chairman of the Federal Reserve Board, who has a superb record as a corporate leader, who is a clear and evocative spokesman, both in public and in private counsels, who has shown already his ability to deal with the problems that I have outlined concerning inflation, a strong economy, employment, the meeting of our social needs in our country. And I am grateful and honored as President to ask Judge Leon Higginbotham to administer the oath of office to the Secretary of the Treasury, as a fine American and a distinguished public servant, William Miller.

Judge Higginbotham. (Applause)

(At this point, Judge Higginbotham administered the oath of office.)

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THE PRESIDENT: I would like to say in introduction that Bill Miller will serve not only as Secretary of the Treasury but also as the chief economic spokesman of my Administration and the economic coordinator of my Administration.

Bill Miller. (Applause)

SECRETARY MILLER: Mr. President, it seems I was standing in this very spot on a similar occasion not so long ago, about 17 months. At that time, I would have predicted that I would serve out my term as Chairman of the Federal Reserve Board and then return to private life. I only hope my economic forecasts prove to be more accurate. (Laughter)

Many of my friends have been puzzled by my move from the secure and independent halls of the Federal Reserve to an insecure and exposed seat in the Cabinet. There should be no mystery. In these difficult times, every American should be willing to serve his President and his country to the best of his abilities.

If each does his part, the total impact will have a powerful influence on our effectiveness and on our confidence.

Today in dealing with the economic conditions we face, we have a towering challenge. We have inherited the most distressing economic environment in fifty years. Inflation is a clear and present danger. It has struck at our Nation's vitality. If it is not checked, then it will threaten our democratic system itself.

Never in its history has America experienced peacetime inflation of such magnitude and such duration as we have seen during the decade of the seventies. It is unprecedented.

This virulent cancer of inflation has built up over some 15 years. Its incubation period coincided with larger events which divided our Nation and weakened our resistance to this dread disease. As a consequence, inflation has become deeply imbedded in our economic structure. We can no longer effect a cure by cyclical treatment. We must attack the root causes and totally eradicate the basic sources of the malady.

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At the same time, those of us with responsibility in the Administration must apply ourselves with full diligence to implementing the other elements of the President's economic strategy -- a disciplined fiscal policy, a program for moderation of wages and prices, commitment to a sound and stable dollar, expansion of exports, balance in our international accounts, a comprehensive energy program to reduce our dependence on imported oil, to conserve energy in every way, and to develop alternate energy sources within our borders.

And certainly the President's program on energy should be enacted as promptly as possible, including the windfall profits tax.

And we must pursue the other elements -- reduction of unnecessary Government regulation and other cost-raising Government actions.

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We must encourage employee training, capital investment and the research and development and the other initiatives that are essential to increase our productivity.

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My purpose, Mr. President, friends, Americans, will be to serve as your Secretary of Treasury in doing my very best to assure the lasting vitality of our economic system, to fight and to win the war against inflation, to reinforce the pre-eminence of Americans at home and abroad, and to keep alive their great American dream.

Thank you. (Applause)

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THE PRESIDENT: Next Judge Higginbotham will administer the oath of office to Paul Volcker as Chairman of the Federal Reserve system.

Mr. Volcker is a man who has devoted his entire professional career to dealing successfully with the complexities of monetary theory and practice in international finance.

I consulted with many people when I was deciding whom to ask to serve in this most important position. And the more people who talked to me, the more the choice became obvious.

Internationally Paul Volcker is well known. His experience in the Federal Reserve Bank in New York and also within the Treasury Department itself has been a demonstration of not only sound management, but incisive analysis and leadership. Among his notable peers he is recognized as being superb in the ability to understand the complexities of a fast-changing monetary world, protecting the interests of our Nation, and making incisive decisions that were honored as their results were observed.

When I met with Paul Volcker to discuss his appointment with him, he made it clear to me, and I instantly agreed, that both he and I and Bill Miller, who was present, would honor the independence and the integrity of the Federal Reserve System.

We also recognize the need to exchange ideas and to share responsibility in a completely appropriate way between the Government, the Executive Branch, the Congress and the Federal Reserve and the private enterprise system of our Nation.

I am extremely grateful that Paul Volcker is willing to serve. He takes this position with some financial sacrifice, but with an awareness of the possible benefits to our country in broadening and expanding his responsibility in this area of service.

I have never made an appointment, I don't believe, that was received domestically and internationally with any more uniform approbation, and so for that reason also I am grateful to Paul Volcker for being willing now to accept the oath of office, and then the responsibilities as Chairman of the Federal Reserve System of our country.

Paul? (Applause)

(At this point Judge Higginbotham administered the oath of office.)

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MR. VOLCKER: Mr. President, ladies and gentlemen, that is not the first time I have taken that oath, and every time I have done so, I end up with a little lump in my throat at the end because it really is a great privilege for me to be asked to serve in public office, and most of all the one I am undertaking today.

It is obvious to all of you from what has been said today that we are face to face with economic difficulties really unique in our experience. And we have lost that euphoria that we had 15 years ago, that we knew all the answers to managing the economy.

But somehow knowledge of our limitations seems to me the beginning of wisdom, and I for one am convinced we can make progress now that we have the problems in clearer perspective.

And I have been particularly encouraged, Mr. President, with the forthrightness with which you have reiterated the priorities on inflation, on energy, on the budget, and all the rest of the priorities and objectives that I am sure are shared not just by me, but by the Federal Reserve generally and indeed by the citizens of this country.

Now we in the Federal Reserve I suppose are always a little sensitive about our special niche within the Government. But I assure you we also know we operate within the framework of Government. There is no mold around that marble palace on Constitution Avenue to impede communication in every direction, and particularly with the Administration, with the Congress. And I look forward to maintaining those communications.

I have spent a fair amount of my life now within the Federal Reserve, and it looks as though it will be a little more. I cherish its integrity. I cherish its professionalism. And I only hope that as I take office that reputation can be maintained and over time even enhanced, as it was with my predecessor, with whom I am so happy and proud to share this platform today.

I appreciate the chance to try to do my part.

Thank you very much. (Applause)

END

(AT 3:28 P.M. EDT)