

Biography of Paul A. Volcker

Paul A. Volcker, honorary chairman of the National Committee on American Foreign Policy, was chairman of the Board of Governors of the Federal Reserve System from August 1979 to August 1987. He is credited with playing the leading role in ending a period of high and rising inflation and restoring a base for sustained growth. Initially appointed to that position by President Carter for a four-year term, he was reappointed in 1983 by President Reagan. On the completion of his second term as chairman, Mr. Volcker returned to private life, becoming chairman of the firm of James D. Wolfensohn, Inc., a company concentrating on the provision of investment banking services to a limited number of large domestic and international organizations. He retired as chairman and chief executive officer of Wolfensohn when that firm merged with Bankers Trust Company in 1996.

In the course of his career, Mr. Volcker worked in the federal government for almost 30 years, serving in office under five presidents--John F. Kennedy, Lyndon B. Johnson, Richard M. Nixon, Jimmy Carter, and Ronald Reagan. Immediately before becoming chairman of the Board of Governors of the Federal Reserve System, Mr. Volcker spent more than four years as president of the Federal Reserve Bank of New York, the principal operating arm of the system. In his two tours of duty as an official of the U.S. Treasury, Mr. Volcker served as undersecretary for monetary affairs from 1969 to 1974. In that position he was responsible for developing and implementing Treasury debt management and federal credit policies. On behalf of the United States, he conducted international monetary negotiations during the transition from the Bretton Woods fixed exchange rate system to the more flexible system of floating rates that has prevailed since the early 1970s. In the area of domestic finance, among other initiatives, Mr. Volcker initiated the auctioning of Treasury bonds, an approach that has become customary not only in the United States but in many other countries.

On leaving Washington in 1987, he became Frederick H. Schultz Professor of International Economic Policy at Princeton University (now emeritus). Mr. Volcker also served as volunteer chairman of a newly formed, privately sponsored Commission on the Public Service. The commission addresses the difficulties associated with attracting, motivating, and retaining qualified people necessary for the effective functioning of the U.S. government. Both activities reflected Mr. Volcker's continuing interest in improving the professionalism and effectiveness of public service. Recently Mr. Volcker assumed chairmanship of the newly established Board of Trustees of the International Accounting Standards Committee and is overseeing a renewed effort to develop consistent, high-quality accounting standards acceptable to all countries.

Mr. Volcker was born in 1927 in Cape May, New Jersey, grew up in that state, and spent much of his early adult life there. He earned his B.A. at Princeton University in 1949 and an M.A. in political economy and government at the Harvard University Graduate School of Public Administration in 1951. He attended the London School of Economics as a postgraduate student in 1951-1952. Among his honorary degrees are those from his three alma maters: Princeton, Harvard, and London University. In 1998-1999, Mr. Volcker was honored by his appointment as the first Henry Kaufman Visiting Professor at the Stern School of Business at New York University. Paul A. Volcker is chairman of the Board of Trustees of the Group of Thirty and of

International House and cochairman of the Financial Services Volunteer Corps. He is also a trustee or a member of the Board of Directors of the Japan Society, the American Council on Germany, the American Assembly, and the Institute for International Economics. In addition, Mr. Volcker is an overseer of TIAA-CREF, the leading private retirement system in the United States. Mr. Volcker, a former chairman of the Trilateral Commission, also serves on a number of other public and private advisory boards.