

# Washington Post

## The strongest reason to mourn Volcker: He was willing to be unpopular

December 10, 2019



By  
[Catherine Rampell](#)  
Columnist

There are many reasons to admire Paul A. Volcker, the former Federal Reserve chair [who died](#) Sunday.

He was notoriously frugal; throughout his time as chair, when he flew the shuttle each week between New York and Washington, he folded his gigantic 6-foot-7-inch frame into a tiny coach seat, once joking to an incredulous senator sitting in first class that he was on the hunt for something cheaper.

The impetus for this frugality was yet another testament to his character: Accepting the chairmanship required a huge pay cut. His wife, who stayed behind in New York because of health complications, had to take in a boarder to make ends meet, according to a [biography](#) by economist William L. Silber.

And of course, as Fed chair, Volcker reined in runaway inflation, which at its peak reached double-digits and which previous Fed chairs had suggested there was no way to tame.

But perhaps the strongest reason to mourn the loss of Volcker is this: Unlike so many other public officials, he was unusually — perhaps uniquely — willing to be unpopular.

Volcker did things that made him unpopular with presidents, with Congress and with the general public. He elicited their enmity not because he was a provocateur or masochist. He undertook unpopular actions because he believed they were the right things to do, and he cared more about the long-run health of the country than he did about his own career.

Volcker [learned early in life](#) the necessity of bucking political pressure when good governance demanded it. His father, the longtime town manager of Teaneck, N.J., helped bring the town's debt to heel, and under his stewardship the town's population doubled. At one point, the elder

Volcker went to court — and won — over his efforts to professionalize the police force by hiring a new chief from out of town.

On the wall behind the town manager's desk was a framed [quotation](#) from George Washington, one that might as well be the epitaph for the younger Volcker's career: "Do not suffer your good nature . . . to say 'yes' when you ought to say 'no.' Remember that it is a public not a private cause that is to be injured or benefited by your choice."

Even as a student, Volcker applied that philosophy to what would become his life's work. He wrote his [senior thesis](#) at Princeton on the history and theory of central banking, which concluded with a "strong plea to recognize price stability as the central bank's core objective and to make it independent of partisan politics," as he recounted in his 2018 [autobiography](#).

He then had a long career in the public and private sectors from which he witnessed the consequences of ignoring his undergraduate plea. Volcker's predecessors at the Federal Reserve were subject to strong-arming by Presidents Lyndon B. [Johnson](#) and Richard M. [Nixon](#), who each demanded low interest rates to help their approval ratings. The Fed's accession to such pressure undoubtedly contributed to spiraling inflation.

When President Jimmy Carter eventually [tapped](#) Volcker for the chairmanship, in 1979, Volcker made clear his intention to tighten policy. And tighten he did. Realizing that raising short-term interest rates in small increments wasn't changing inflation expectations, he persuaded his colleagues to take more drastic actions. These included sharp rate hikes that succeeded in choking off inflation but also drove the economy into a painful recession.

The blowback was immediate. Angry home builders mailed him sawed-off two-by-fours. Lawmakers threatened impeachment. Volcker needed a security detail. Carter's successor, President Ronald Reagan, was initially supportive of the (successful) anti-inflation crusade, but he too tried to pressure Volcker into looser policy to help with Reagan's 1984 reelection campaign, according to Volcker's autobiography.

Volcker resisted bullying by presidents and lawmakers because he cared about taming inflation, yes. But he saw price stability as part of a broader mission: restoring the credibility of government institutions.

"He was obsessed with trust in government," Silber, his biographer, told me.

In his autobiography, Volcker repeatedly frets about the quality of public administration, the growing disdain reserved for civil service jobs and how those two forces interact. And late in life, he established a nonprofit devoted to addressing these concerns; it commissions research about "good government," which Volcker argued (contra Reagan) should not be an oxymoron.

But the more lasting impact of his life's work lies in his own demonstrations of moral and political courage. Ultimately — and perhaps paradoxically — it was his indifference to his reputation back then that enhances it now; his willingness to do unpopular things then has made him a popular figure today. Indeed, his multi-decade-long transformation from public enemy

number one to economic hero likely would have surprised those who pilloried him some 40 years ago.

Public officials now contemplating their own legacies may wish to take note.



[Catherine Rampell](#)

Catherine Rampell is an opinion columnist at The Washington Post. She frequently covers economics, public policy, politics and culture, with a special emphasis on data-driven journalism. Before joining The Post, she wrote about economics and theater for the New York Times.

[Follow](#)