

FOR IMMEDIATE RELEASE

AUGUST 26, 1974

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

EXCHANGE OF REMARKS BETWEEN THE PRESIDENT
AND HERBERT STEIN, CHAIRMAN,
COUNCIL OF ECONOMIC ADVISERS,
AT A FAREWELL PARTY FOR HERBERT STEIN

THE KENNEDY CENTER

7:19 P.M. EDT

THE PRESIDENT: Herb and Mrs. Stein and all of your many, many friends, both professionally and socially and politically and otherwise:

I think all of us are here tonight to say goodbye to a trusted friend and a very valued adviser.

Herb, as most of you know, has been with the Council, I think, since 1969, and both economically and politically Herb has been through periods of both good times and bad. It is obvious to a non-economist like myself that economics is something of an inexact science.

I think an economist has been described as a person who tells you there will definitely not be a hurricane and then shortly thereafter helps you repair and rebuild the roof. (Laughter)

But through fair weather or foul, Herb Stein, in my judgment, from my view, when I was in the House, as Minority Leader, when I was Vice President, and now as President, has been a model helpmate, adviser to public servants. He has advised Presidents to the very best of his outstanding ability, and on occasions when Herb's advice was not necessarily taken, he stayed loyal to a constituent, the only one under the law that he had, the President of the United States. And to me that kind of loyalty is invaluable.

Herb came to the Government, as I recollect, when the economy was going through a very difficult time. Obviously he is leaving when the economy is going through a very difficult time. But I think we shouldn't lose sight of the fact that while Herb was here the economy went through an enormous expansion and remained the most powerful and most productive and certainly the richest economy in the world today.

MORE



One fact that impressed me during Herb's tenure, since 1968, civilian employment has increased by some 12 million, the largest increase in any five-year period in the history of the United States. I think that is a tremendously favorable statistic that we can all be proud of.

Real per capita income, after taxes -- and that has impact on all of us -- during that same span of time, has increased 15 percent.

In both cases, the gain in employment, the gain in real per capita income, this is indicative of substantial progress. And I think despite the problems we face, the dark clouds that may be on the horizon, we are going to make the same kind of progress in the battle against inflation, with your help, with the help of the American people.

I think we will miss Herb's sense of the dramatic. And I have seen several instances of it. Who can ever forget that economic conference a few years ago when Herb pulled a rib roast out of his briefcase. He said that two years ago Mildred had bought that rib roast and now anybody could buy it for a lot less money. And you know why? Have you ever tasted a rib roast that had been in Herb's briefcase for two years? (Laughter)

Although I will not have the benefit of Herb's advice in person, I am looking forward to getting up each morning, making my own breakfast, and then reading his opinions in the Wall Street Journal and other newspapers. I suspect it will be very appropriate. His views are just about as hard boiled as the eggs that I will cook. (Laughter)

But Herb, you brought to Government a wealth of knowledge, experience and deep insight. I think you leave us with a little more in each category. Your students will be the beneficiaries at the University of Mich -- Virginia. (Laughter) A few have gone back there. I don't want you to crowd Paul McCracken and the others. But your readers will be the beneficiaries of what you learned down here in the trenches far from that ivory tower. I ask only one thing: Just remember the trenches a bit when you get back up to that ivory tower.

We do, all of us, including myself, wish you the very best of luck. I speak for the White House staff, your associates in the Council, the Cabinet, the Members of Congress. We will miss your wit and we will miss your fortitude and we will miss your loyalty, and we extend to you and to Mildred our very, very best wishes for a happy and successful tenure away from the trenches.

MORE



DR. STEIN: Well, Mr. President, Mildred and I and all our friends here are tremendously honored by your presence on this occasion, by your willingness to be seen in public with an economist, and particularly with this economist. (Laughter)

You have shown that you are prepared to go the last mile to bring the country together and to establish stability in the American economy. (Laughter)

We, of course, wish you every success. Mildred and I are about to join the 98 percent of the American public whose troubles are all caused by the two percent that work in the Government. In fact, one can say that their troubles are all caused by four or five people who meet at 8:00 or 8:30 in the morning in the White House. (Laughter)

So when things are not as good as they might be, we will know where to look. (Laughter)

But we are sure that they will be as good as they might be. We have every confidence in the program on which you have embarked, on the staff of advisers that you will have working with you and although we know -- God knows we know -- that there will be ups and downs and trials and tribulations, we have confidence in you and in the American economy to swim through these things which are after all, in the end, only minor ripples -- I guess I have said this before; they didn't believe it when I said it before, but I am left with it (Laughter) -- minor ripples on the rising tide of economic welfare.

So again, let me thank you very much for coming here to join us and our friends.

END

(AT 7:29 P.M. EDT)

