

For release on delivery
8:00 p.m. EST (5:00 p.m. local time)
December 1, 2025

Opening Remarks

by

Jerome H. Powell

Chair

Board of Governors of the Federal Reserve System

at the

George P. Shultz Memorial Lecture Series: Shultz and Economic Policy,
Hoover Institution, Stanford University

Stanford, California

December 1, 2025

I am deeply honored to have been asked to speak here today about the remarkable legacy of George Shultz. Just to be clear, I will not address current economic conditions or monetary policy.

I have been an admirer of George Shultz since my college years. I saw him then and now as a great role model, as I mentioned a few months ago when delivering the Baccalaureate address to Princeton's class of 2025, 50 years after my own graduation.¹

As I told the graduates, when I faced the world after college, I had no real plan, but knew that I wanted to combine a private-sector career with public service. I had in mind a few well-known public figures of the era, especially George Shultz, whose picture was on the wall of the Princeton eating club of which both of us were members. George may also have caught my attention because my dad was a labor lawyer who represented one of the major steel companies in collective bargaining. Like George, my father had both a belief in the collective bargaining process and a deep respect for workers.

I followed George's career with interest through the years. It didn't occur to me that I would ever have the honor of meeting him. But I did meet him after I joined the Fed in 2012, as I visited Stanford from time to time. I remember energetic economic discussions at group lunches in his conference room at Hoover. George was also kind enough to host John Taylor, Michael, and me for a chilly round of golf on a rainy March day.

Today, our focus is on George's extraordinarily broad economic accomplishments. I also want to celebrate the remarkable man and policymaker that he was. Several things stand out for me.

¹ See Jerome H. Powell (2025), "Baccalaureate Remarks," speech delivered at Princeton University, Princeton, N.J., May 25, <https://www.federalreserve.gov/newsevents/speech/files/powell20250525a.pdf>.

He was a man who combined strong principles and unshakeable integrity with common sense and a practical, problem-solving approach to policy. He had a deep belief in the wisdom of markets and a desire to let them work whenever possible without government direction. That theme runs through many issues we will discuss, including collective bargaining, wage and price controls, and exchange rates.

But he was not an absolutist and saw that there are sometimes market failures that should be addressed by public policy. As one of the most successful policymakers of his era, George brought the intellectual rigor of an academic to the practical, constrained, messy work of policymaking. Through four cabinet appointments, he dealt with many of the great issues of his day, with remarkable success. And he kept at it long after leaving public office, making important contributions on health care reform, climate change and nuclear disarmament.

He may be less well known for this, but George Shultz was deeply concerned about racial discrimination in the workplace and our society more broadly. He consistently and effectively used his positions of authority to increase opportunities for minorities. He later noted that there was both a moral and an economic basis for this.

He stuck to his principles while also treating people with honesty and respect, including those with whom he had policy disagreements.² Labor leaders welcomed his appointment as Secretary of Labor. As many of his contemporaries remarked, faced with divergent views and difficult issues, he was extraordinarily good at steering people

² See Charles Moritz, ed. (1970), *Current Biography Yearbook 1969* (New York: The H.W. Wilson Company). Shultz's background as a mediator served him well in economic policymaking, and Paul Volcker would later say of Shultz, "Time and again he would work with a most inhuman patience to bring a group to agreement upon a decision all could support, at times submerging his own preferences"; see Philip Taubman (2023), *In the Nation's Service: The Life and Times of George P. Shultz* (Stanford, Calif.: Stanford University Press), p. 23.

toward agreement. A key part of that strategy was to let the parties reach the final agreement themselves. That way, they owned the agreement and were more likely to honor it. His friendships and collaborations were beyond number, and knew no partisan bounds.

He often said that trust is the coin of the realm, and that good things were only possible where there was mutual trust.³ His integrity provided the basis for that trust. All of those who aspire to serve the public can learn from his example.

³ Shultz summed up his views in this area in the mottoes “Trust is the coin of the realm” and “Respect your adversaries”; see George P. Shultz (2016), *Learning from Experience* (Stanford, Calif.: Hoover Institution Press).