

Miller Confirmation Rushed Through

George William Miller, President Carter's nominee for the head of the Federal Reserve Board (Fed) was approved by the Senate Banking Committee by a 14-1 vote on March 2 and confirmed by the entire Senate on Friday, March 3.

Miller's confirmation puts the Federal Reserve Board, and much of this country's banking and monetary policy, in the hands of an ally of Treasury Secretary Michael Blumenthal and Energy Secretary James Rodney Schlesinger.

As late as last weekend, London-influenced press in the U.S. feared that resistance to Miller by conservative Democrats and Republicans would avalanche and might ultimately result in the ouster of Schlesinger and Blumenthal. The lead editorial of Sunday's *New York Times* Feb. 26 advocated that "Mr. Miller step aside."

The shoo-in of Miller, in the absence of any opposition, came from several factors including the fact that former Fed chairman Arthur Burns personally interceded with lawmakers to press for Miller's approval. Burns told them that the dollar crisis could only intensify in the absence of a Fed Chairman, therefore confirmation of Miller was imperative.

Senator Henry "Scoop" Jackson (D-Wash.) will use the same tack in pushing the Administration's no-energy program. Jackson announced on March 3 that he will use the dollar collapse to stampede Congress into a "compromise."

Arthur Burns's pushing of Miller reinforced the "clean

corporate businessman" image constructed by Miller's supporters — the same image created to launder Blumenthal a year ago.

Miller was only temporarily tarnished by the allegations of false billing and corporate bribery of Iranian officials by Bell Helicopter to procure a half billion dollar helicopter deal for Textron's largest subsidiary.

Although the information produced during the investigation of Miller by Sen. William Proxmire's Banking Committee had all the makings of another Lockheed scandal, conservatives were reluctant to press this type of a probe since they have themselves been targeted so often. Washington sources indicated that Proxmire ran this kind of investigation intentionally to preempt any scrutiny of Miller's corporate asset-stripping, his role in the destruction of the New England textile industry, Textron's penetration of the U.S. aerospace sector, and his leading role in creating the Energy Corporation of the Northeast, the Schachtian plan for takeover of energy production in that region.

Sources also cite another reason for Miller's unusually rapid confirmation. Miller supporters circulated the threat that if Miller were blocked, the Watergating of Bert Lance and allied Atlanta interests would be put in high gear. Atlanta banking and real estate interests have come under heavy press attack in the last several weeks.

'Soft Landing' For U.S. Economy Is Really Quicksand

The *Baltimore Sun* responded on March 1 to the latest wave of bad economic news by calling on President Carter to retrench and clamp a lid on inflationary pressures in the economy. "As the dollar drops, inflation

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soars at home... It is a vicious circle the *Sun* warned in its lead editorial. The president must act "with decisiveness" to force cutbacks in U.S. oil imports, impose "restraint" on wage and price increases, and make it clear that "he will not countenance any more stimulus" in his proposed tax package.

Sun's prescription for a "medicine" which is likely to finish off the patient came after a week of reports from Washington on more symptoms of the U.S. economy's critical condition. The index of leading economic indicators, an important barometer of future economic activity, registered its steepest decline in three years,

falling 1.9 percent. Consumer prices rose 0.8 percent in January, double the rate of the previous two months, meaning that 1978 started out with a double digit inflation rate. Since it has already been reported that food prices rose 3 percent in February, it is likely that the double digit rate will continue for that month as well. Consumer purchasing power, another key indicator, fell 3 percent, a result of rising inflation and higher social security taxes.

These numbers follow last week's announcements of significant declines in every industrial category as well as steep drops in retail sales, auto sales, and housing starts. It is already being conceded that both auto sales and housing are in for a rough year in 1978.

These factors forced the dollar down to all-time lows on international money markets, and the New York Stock Exchange Dow Jones Industrials index down to lowest level in exactly three years.

In making its proposals, the *Sun* joined an increasing number of U.S. economists, businessmen, and officials who are proposing to erect an economic "Maginot Line"