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OPENING STATEMENT OF MARY JOHN MILLER
NOMINEE FOR ASSISTANT SECRETARY OF THE TREASURY
FOR FINANCIAL MARKETS
UNITED STATES SENATE COMMITTEE ON FINANCE
November 20, 2009

Thank you, Chairman Baucus, Senator Grassley, and members of the Senate Finance Committee for giving me the opportunity to be here today. I am honored that President Obama and Secretary Geithner have asked me to serve in the Treasury Department at this critical time for our economy and our country.

I recognize that our time today is limited, so I would like to briefly recognize the members of my immediate family that are with me today: my father James John, a professor of history at Cornell University for over 40 years, my husband of nearly 30 years, James Dabney Miller, and my oldest son, Thomas Marshall Miller, a graduate student in classics at Princeton. My younger son, James John Miller, could not be here today as he is performing in the production of Romeo and Juliet at Cornell this evening.

Thirty-two years ago I arrived in Washington, a Cornell University graduate with a degree in Government. I worked as a Legislative Aide in the House of Representatives before I went to graduate school at the University of North Carolina at Chapel Hill. I then spent four years as a research associate in public finance at The Urban Institute here in Washington, where I studied and wrote about the fiscal and capital needs of state and local governments. I'm proud that for the past five years I have served as a Trustee of The Urban Institute.

In 1983 I took a job in Baltimore, Maryland, as a credit analyst in the municipal bond department of T. Rowe Price Associates, an investment management company. I have been at T. Rowe Price for over 26 years, and today I am the director of global fixed income investments for the firm. In preparing this opening statement for the Committee I recalled that when I started at T. Rowe Price, our country was recovering from the longest recession since the Great Depression. The unemployment rate stood at 10.2%, precisely where it stands today. Interest rates were much higher than today's very low levels. The Federal Funds rate then was above 8.5%, and the ten-year Treasury bond yield was above 10%.

Looking back at 1983, many people were pessimistic about the future of our economy and our country. But, as it turned out, we were on the brink of two decades of strong growth. Certainly there were recessions during these decades, but in general the economy and financial markets performed better than expected. We face both similar and different challenges today to restore sound growth and financial markets.

My work over the past 26 years has been primarily in the bond market, including the Treasury bond market, although as a member of my firm's Management Committee I do share responsibility for our entire range of investments. I have participated in the evolution of financial markets and products, as well as working through periods of severe market turmoil, including:

- Saddam Hussein's invasion of Kuwait in August 1990;
- The derivatives and currency problems ignited by the collapse of Long Term Capital Management in 1998;
- The frenzy of the dot.com bubble in the late 1990s;
- The tragedy of September 11; and
- Finally, the unprecedented financial crisis of the past two years.

The opportunity before me today is to help with the recovery and restoration of confidence and capital in our financial markets. We need to ensure that our financial institutions are properly regulated, well capitalized, and built to withstand downturns in the economy without creating undue stress and illiquidity. It is my hope that the recovery we have seen this year in financial markets can lay the foundation for broader economic recovery as we adopt these reforms.

If this Committee, and the full Senate, confirms President Obama's nomination of me to be Assistant Secretary of the Treasury for Financial Markets, then I will welcome the opportunity to serve in the Treasury. I promise the Committee that, if confirmed, I will work hard and do my best to carry out my oath of office. Thank you.