

# The Wilson Times

## Allison a contender for Federal Reserve vice chairman

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Former BB&T head and Wilson community leader John Allison could be in line for a key Federal Reserve post in President-elect Donald Trump's administration, according to analysts and pundits.

The CNBC cable network reported Jan. 3 that Allison's name had been floated for vice chairman and head of banking regulation on the Fed's board of governors. He previously was a candidate for treasury secretary, but Trump appointed financier Steven Mnuchin for that role.

Allison, a board member of the Cato Institute think tank, has said he'd like to see the Federal Reserve abolished. The central bank has long drawn the ire of libertarians and small-government conservatives, with former Rep. Ron Paul calling for its dissolution and his son, Sen. Rand Paul of Kentucky, sponsoring bills to audit the Fed.

Asked to clarify his position on CNBC's "Closing Bell" in late November, Allison said the Fed's influence on monetary policy should be diminished.

"In terms of eliminating the Federal Reserve, that's something I'd like to do in theory, but I don't think it's doable in practice," Allison said. "What I really want to do with the Federal Reserve is control it. You really have an incredibly powerful organization that there's no self-discipline for, and it's had a big impact, I believe, on our economic volatility over the years."

Allison said he'd work to pare down regulations on retail and investment banks that are well-capitalized and leave rules in place for banks that don't keep enough cash in reserve, an incentive to encourage responsible capital policies.

BB&T, the 14th-largest U.S. bank by assets, emerged from the mortgage crisis comparatively unscathed. It was one of the first two banks to buy back its stock sold to the federal government through the Troubled Asset Relief Program.

"I think we need to get the regulators off the banks and get the Fed disciplined," Allison told CNBC hosts.

Allison met with Trump, Vice President-elect Mike Pence and Trump chief strategist Stephen Bannon in late 2016. He described the meeting as "two old business guys talking about business" in the CNBC interview.

“President-elect Trump has a real deep commitment and belief that accelerating economic growth is a cure for what he considers a problem with the middle class in America, and that’s really what his focus is,” Allison said.

Allison led BB&T through its 1994 merger with Southern National Bank, which relocated BB&T’s headquarters from Wilson to Winston-Salem. He retired as CEO in 2008.

He served as president of the libertarian Cato Institute and remains on the think tank’s board. Allison is currently an executive in residence at Wake Forest University’s business school and is on the board of directors of the Moelis & Co. investment bank.

John Bethune, director of the BB&T Center for Free Enterprise Education at Barton College, said last year that Alison would likely work to curb inflation and reduce the Fed’s influence in the American economy.

“I just think he would take a much more skeptical view on how we handle and influence securities and how we manage the debt,” Bethune said. “Just knowing John, I think he’d be a good person to be pulling those strings.”