



## **Trump's Fed pick Judy Shelton is a fan of the gold standard and other unusual economic policies**

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In tapping Judy Shelton to become one of two Federal Reserve Board governors, President Donald Trump selected one of the minority of mainstream economists supportive of a return to the gold standard and critical of central bank activity.

Shelton, who serves as the U.S. executive director at the European Bank for Reconstruction and Development, wrote as recently as last year in support of pegging the dollar to gold prices.

Trump announced his intention to nominate both Shelton and St. Louis Fed economist Christopher Waller via tweet on Tuesday.

Shelton's unorthodox monetary beliefs will likely draw questions from Senate lawmakers, who will ultimately need to approve Shelton and Waller to the Fed board.

In a post published by the libertarian think tank Cato Institute in 2018, Shelton drew a comparison between cryptocurrencies and gold.

"If the appeal of cryptocurrencies is their capacity to provide a common currency, and to maintain a uniform value for every issued unit, we need only consult historical experience to ascertain that these same qualities were achieved through the classical international gold standard," she wrote.

"In proposing a new international monetary system linked in some way to gold, America has an opportunity to secure continued prominence in global monetary affairs."

The choice of Shelton may hint at Trump's growing frustration with Fed leaders and the direction of the central bank's monetary policy. Trump has argued that higher interest rates and so-called quantitative tightening have capped GDP growth and dampened the U.S. position in trade deliberations with Beijing.

Two previous Trump nominees, Stephen Moore and Herman Cain, bowed out of consideration after it became clear their confirmation process was in jeopardy.

Shelton, no fan of the Fed's, recently argued against an overly active central bank.

Questioned in a recent interview with the Wall Street Journal opinion page whether the U.S. central bank should lower rates she said, "The answer is yes."

“When you have an economy primed to grow because of reduced taxes, less regulation, dynamic energy and trade reforms, you want to ensure maximum access to capital,” she told the Journal. “The Fed’s practice of paying banks to keep money parked at the Fed in deposit accounts instead of going into the economy is unhealthy and distorting; the rate should come down quickly as the practice is phased out.”