



Trump Fed Pick Judy Shelton Has Advocated for the Issuance of Virtual Currencies

JD Alois

July 5, 2019

Earlier this week, President Donald Trump announced the selection of Judy Shelton as a nominee to join the Board of the Federal Reserve. Shelton, an economic advisor to President Trump and a Director at the European Bank for Reconstruction and Development, is widely known for backing a gold standard and for advocating for lower interest rates.

Shelton also appears to be a fan of virtual currencies.

In a blog post on the pages of the Cato Institute from the summer of 2018, Shelton wrote about the need for a “new international monetary system.” Shelton lamented the “currency disorder that reigns today” calling it “anathema to any notion of free and fair trade.” She said the current monetary system permits governments to “knowingly distort exchange rates under the guise of national monetary autonomy while paying lip service to avoiding trade protectionism.”

Buried within the missive, Shelton mentions the comments of Christine Lagarde, currently the IMF Managing Director, and perhaps soon to be European Central Bank lead. Lagarde has spoken positively about cryptocurrencies in the past.

Shelton noted that Lagarde has indicated the IMF take a “strong role in overseeing the advent of virtual currencies.” This may be cause for concern as it could cede control of monetary policy to a supra-national organization:

“America needs to have a better idea—one that readily accommodates and creatively uses evolving advances in Fintech capabilities.”

Shelton draws a parallel to gold and crypto:

“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 without sacrificing the sovereignty of individual nations.”

She continues to seemingly support a monetary system that allows decentralized currencies to challenge national fiat currency:

“A modern version of this approach—one that permits the issuance of virtual currencies in tandem with government-issued currencies, adapting legal tender laws to permit healthy currency competition—should be put forward.”

Her goal appears to be to eliminate currency manipulation – something every country currently does.

In the end, Shelton believes the US should restore fiscal discipline by reverting back to the gold standard but does not seem worried about a challenge to the dollar from virtual currencies.

“We make America great again by making America’s money great again,” says Shelton.