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## 10 of Trump Fed nominee Judy Shelton's most controversial quotes

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President Trump has nominated conservative scholar Judy Shelton for a spot on the Federal Reserve's board of governors, arguably the most important economic policy team in the world. Shelton's nomination is controversial, and several U.S. senators — including from Trump's party — have said they have many questions for Shelton at her confirmation hearing on Thursday.

Shelton has a PhD in business administration and has spent years advocating for the United States to return to something akin to the gold standard, a view outside the mainstream that many economists say could hamper the nation's ability to fight recessions. More troubling to many is that Shelton criticized ultralow interest rates when President Barack Obama was in office but has recently embraced them, seemingly to align with Trump.

The Wall Street Journal editorial board says she should be confirmed because she brings a fresh perspective to the seven-seat board. The Washington Post and New York Times editorial boards have come out against her, arguing she would be a danger to one of Washington's last apolitical institutions.

Below are direct quotes from Shelton on some of the hottest topics in economics and monetary policy.

**1. Fed independence. Many economists and investors say the Fed must be independent of political pressure to make the best decisions for the economy, but Shelton has questioned that tenet.**

"I don't see any reference to independence in the legislation that has defined the role of the Federal Reserve for the United States," Shelton said at an event in October, from which The Post obtained a transcript.

"It would be in keeping with its historical mandate if the Fed were to pursue a more coordinated relationship with both Congress and the president," she wrote in a September 2019 Wall Street Journal op-ed.

**2. Gold. For years, Shelton has been one of the leading proponents of linking the U.S. dollar to gold, silver or another clear benchmark so its value does not move around as much. The nation began to abandon the gold standard in the 1930s and fully exited it in 1971.**

“Let’s go back to the gold standard,” Shelton wrote in a 2009 op-ed in the Wall Street Journal. “Under a gold standard, if people think the paper money printed by government is losing value, they have the right to switch to gold.”

In her 2011 book, “Fixing the Dollar Now.” she advocated for expanding or contracting the money supply “as necessary to maintain the steady value of gold in dollars,” a policy that likely would have entailed hiking interest rates during the Great Recession — the complete opposite of what the Fed did.

She has gone as far as talking about how the United States could transition back to a system like the gold standard by having the U.S. Treasury issue bonds that could be redeemed for literal gold.

“As a first step, U.S. citizens could ask Congress to authorize the limited issuance of gold-backed Treasury bonds that would provide for payment of principal at maturity in either ounces of gold or the face value of the security, at the option of the holder,” she wrote in the Wall Street Journal in 2010.

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### **3. Shelton has been an outspoken Fed critic.**

“Why do we need a central bank?” she wrote in the Wall Street Journal in March 2009.

She argued in her 2011 book that putting “rules-based policy” in place to automatically set interest rates would be better than giving Fed leaders “unrestrained discretionary authority” to meet eight times a year to decide whether to hike or cut rates.

### **4. She didn’t like low interest rates — until President Trump came into office.**

“Loose monetary policy is bad for you and for your economic prospects,” Shelton wrote in the Washington Examiner in January 2013, one of many times she spoke out against the Fed’s decision to take interest rates to zero during the financial crisis.

But she called for a large interest rate cut in July and told The Post in a June interview, “I would lower rates as fast, as efficiently, as expeditiously as possible.” Shelton has been clear that she wants to see so-called interest on excess reserves, the mechanism the Fed uses to control interest rates, go to zero. She has been ambiguous about whether she then wants a different interest rate mechanism to remain at the current level of about 1.75 percent.

### **5. Shelton doesn’t like that the Fed buys government bonds, one of the major tools used to pump money into the financial system in the aftermath of the financial crisis.**

“I don’t see why a central bank should even be allowed to buy government debt. That’s just a conflict of interest right there,” Shelton said in an August 2015 Cato Institute podcast. “What the Federal Reserve is doing is very close to central planning.”

### **6. Shelton favors “virtual” currencies, arguing that there should be more competition against the U.S. dollar. This has become a big debate as Facebook would like to issue its own worldwide digital 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,” she wrote for the Cato Institute in 2018.

**7. Shelton has advocated for open borders between the United States and Mexico and for a single currency in North America.**

In the Wall Street Journal opinion piece “North America Doesn’t Need Borders,” Shelton wrote in 2000 that opening the U.S.-Mexico border is “steeped in pragmatism” and a “fulfillment of open markets.”

“If a North American common market were good, even better would be a global common market with a single worldwide currency,” she told the San Antonio Express-News in 2000.

**8. Like Trump, Shelton has questioned the accuracy of U.S. government statistics. Yet many economists and former government officials across the political spectrum have defended U.S. government statistical agencies for thorough and unbiased data.**

“I don’t trust the statistics on GDP growth or on inflation,” Shelton said at a 2015 Cato Institute conference. In emails to The Post this summer, Shelton said she remains “skeptical about the accuracy and consistency” of economic statistics because they do not always capture technological innovation accurately. She added that “we need to be sure that data used for policymaking” is “accurate and appropriate.”

**9. Shelton wants an international monetary conference at Mar-a-Lago, Trump’s resort in Palm Beach, Fla.**

She told the Financial Times in July that she wants to see a new Bretton Woods-style conference to reset the international monetary system. “If it takes place at Mar-a-Lago that would be great,” she said.

“We make America great again by making America’s money great again,” she wrote in a 2018 essay.

**10. She has advocated for getting rid of federal deposit insurance, which secures account holders’ deposits of up to \$250,000 at U.S. banks.**

“Eliminating federal deposit insurance would restore the essential character of banking as a vehicle for channeling financial capital into productive investments while striving to meet the risk and timing preferences of depositors. Government should not intervene in that private business activity,” she wrote in her 1994 book, “Money Meltdown.”