

## Judy Shelton doesn't have the votes for confirmation to Federal Reserve, leading Senate Republican

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A leading Republican Senator on Tuesday said that conservative economist Judy Shelton does not have the votes in the Senate to be confirmed to a seat on the Federal Reserve Board, raising the political stakes around President Trump's controversial nomination.

"We're still working it," said John Thune (R-S.D.), who holds the No. 2 position in the Senate Republican leadership. "She's a priority for the White House. It's the Federal Reserve. It's important, so obviously we want to get it done. But we're not going to bring it up until we have the votes to confirm her."

Shelton, who advised Trump's 2016 presidential run, has had a contentious nomination process from the start. In July, Sen. Susan Collins (R-Maine) said she would vote against Shelton's nomination, joining Sen. Mitt Romney (R-Utah). If all Senate Democrats and independents voted against her nomination, Shelton's confirmation would be doomed if she loses the support of four Republicans.

Shelton narrowly made it through the Senate Banking Committee this summer after a 13-to-12 vote along party lines. Earlier in the year, some Republicans on the panel expressed concerns about Shelton's views on the Fed's independence and monetary policy.

In past remarks and writings, Shelton has said the Fed harnesses too much power and should be reined in. She has also called for a return to the long-abandoned gold standard, and her critics say her views make her too much of an outlier.

A spokeswoman for the Senate Banking Committee declined to comment.

Typically, the process for confirming Fed governors does not hinge so narrowly on a few votes or fan political flames. Senate Democrats also argue that the coronavirus pandemic and ensuing recession raise doubts about Shelton's fitness to join the board that influences U.S. monetary policy.

George Selgin, director of the Cato Institute's Center for Monetary and Financial Alternatives, said that based on Thune's comments, Shelton's candidacy hasn't been definitively ruled out, and it isn't entirely clear which other Senate Republicans wouldn't vote to confirm her.

Rather, Selgin said that Thune's remarks underscore a broader message.

“There are always people who, in principle, could still be on the fence, but they’re sending a strong signal that it’s going to be a real uphill battle at this point,” Selgin said. “It isn’t quite over, but it’s a strong signal that it’s going to be a knock-down, drag-down fight, and that the costs to the Republicans would be very high, without any guarantee of prevailing.”