



Written by [Alex Newman](#) on February 7, 2020

Trump Nominates Gold Advocate to Federal Reserve

President Donald Trump has formally nominated Judy Shelton, a liberty-minded advocate of sound money, to one of the open spots on the Federal Reserve Board. It is possible she is being considered as Fed chief, sources say. The news sparked celebrations among free market-oriented economists and patriots, who spoke of adding some intellectual diversity to the board. But her nomination has also stoked concerns among establishment figures from the media to Congress. Trump has repeatedly [expressed support for an honest monetary system](#), but this may be his most significant move aimed at actually bringing about some degree of monetary reform. Now the battle heads to the U.S. Senate.



Known as a fierce critic of the Fed and its quasi-“central planning” schemes, Shelton has argued for a gold-backed currency as well as for more competition with private currencies. Perhaps even more unusual, the longtime Republican even questioned whether a central bank is needed, and has called for an end to federal deposit insurance. She has also exposed the fact that the Federal Reserve System has “rigged” the economy “in favor of Wall Street and the wealthiest 1 percent.” In an essay last year, Shelton, who served as an economic advisor to the president’s 2016 campaign, explained how important a sound monetary system is to Trump’s overall agenda for restoring the nation. “We make America great again by making America’s money great again,” Shelton wrote.

Echoing Trump’s 2016 campaign comments about the Fed’s dangerous manipulation of interest rates, Shelton gave an explosive interview to the *Financial Times* that revealed an in-depth understanding of the threat. “How can a dozen, slightly less than a dozen, people meeting eight times a year, decide what the cost of capital should be versus some kind of organically, market supply determined rate?” she asked. “The Fed is not omniscient. They don’t know what the right rate should be. How could anyone? If the success of capitalism depends on someone being smart enough to know what the rate should be on everything ... we’re doomed. We might as well resurrect Gosplan.” Gosplan was the committee that centrally planned the failed Soviet economy.

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Shelton also appears to understand the Fed’s role in causing regular economic crises, and the manipulation of official inflation and GDP figures. In a *Wall Street Journal* piece headlined “The Case for Monetary Regime Change,” Shelton directly blamed the Fed for the “devastating 2008 global meltdown” that sparked economic turmoil worldwide. In particular, she pointed the finger at the Fed’s “influence over the creation of money and credit.” To deal with perpetual inflation caused by the Fed’s never-ending expansion of the monetary supply, meanwhile, Shelton has called for “linking the supply of money and credit to gold.” That would severely limit the Fed’s ability to quietly steal the savings of



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everyone holding U.S. dollars.

On interest rates, her views have been described as “more complicated.” During the near-zero interest rates implemented under Obama, Shelton was highly critical. Writing in the defunct neocon journal known as the *Weekly Standard* in 2013, Shelton slammed the ultralow interest rates supposedly designed to “stimulate” the economy back to prosperity. “The Federal Reserve is not your friend,” Shelton argued. “Loose monetary policy is bad for you and for your economic prospects.” Shelton has also repeatedly slammed so-called “Quantitative Easing,” which is basically a term designed to conceal the fact that the central bank is creating debt-backed currency out of thin air and then using it to buy U.S. Treasury bonds that taxpayers will have to repay with taxes.

However, more recently, she has expressed criticism of the Fed’s moves to keep raising rates, saying the central bank is basically subsidizing mega-banks while holding back economic growth. Shelton has also criticized the Fed paying interest to banks for sitting on “excess reserves.” President Trump, meanwhile, has been pushing for rate cuts that he believes would “stimulate” the economy — something that could help boost his reelection prospects. Fed boss Jerome Powell, though, whom Trump put in place early on in his term, has been less than cooperative, leading to widespread speculation that the president may seek to put Shelton in Powell’s current job.

At this point, banking lobbyists, Democrats, and potentially even some so-called Republicans In Name Only (RINOs) in the U.S. Senate are scrambling to figure out how they may be able to derail the nomination. Senator Elizabeth Warren (D-Mass.) blasted Shelton as “radical,” while former Obama Treasury bigwig Larry Summers slammed Trump’s nominee as “dangerous.” Lobbyists for the banking cartel that literally owns the Fed are also busy expressing their concerns.

For Republicans, though, undermining Shelton may be tough to do without infuriating their constituents, with GOP voters overwhelmingly supportive of President Trump. “There are a lot of questions about her,” Senator Richard Shelby of Alabama, who serves on the Senate Banking Committee that must approve candidates for the Fed board, told the anti-Trump *Washington Post*. “I have a few, but I’m not the only one.... I have an interest in having solid, mainstream people on the Fed.” Some other Republicans on the Banking Committee have already publicly expressed their support for Shelton’s nomination.

However, for Trump-supporting conservatives, there are also some red flags surrounding Shelton. For instance, Shelton has in the past been an advocate of “open borders” with Mexico. She also chaired the National Endowment for Democracy, a key Deep State-controlled institution that has been involved in all sorts of lawless intrigue. And she helped bankroll Senator Lamar Alexander, a globalist who helped further federalize education while lying about it toward the end of Obama’s term. In 2012, she supported Republican candidate Mitt Romney financially in the presidential election.

Writing for the Ludwig von Mises Institute, a pro-sound money think-tank associated with the Austrian school of economics, Institute Vice President Joseph Salerno [sounded positive](#) about the nomination, but with some reservations. The good news, he said, was that Shelton supports the gold standard and has not been indoctrinated into believing the modern economics establishment’s “prevailing orthodoxy.” She also has a lot of experience working for prominent free market think tanks, including the Hoover Institute and the Atlas Network.

“The bad news is that she leans heavily toward supply-side economics, which is deeply flawed on monetary policy,” argued Salerno, professor emeritus of economics at Pace University and editor of



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the *Quarterly Journal of Austrian Economics*. “Like most supply-siders, the position she advocates may be summed up in the motto, ‘I favor sound money — and plenty of it.’”

On the gold standard, Salerno pointed out that Shelton appears to favor a return to some version of the failed Bretton Woods system that collapsed in the late 1960s and was formally ended by President Nixon in 1971, rather than the genuine gold standard that prevailed before that in which actual gold was in circulation and bills were redeemable by anyone. “The historical Bretton Woods system had inherent flaws that led to its slow-motion inflationary collapse,” Salerno said. “This did not stop supply-siders, including Shelton, in her 1994 book *Monetary Meltdown*, from penning proposals for an updated version of Bretton Woods.”

But overall, Salerno, widely respected among liberty-minded free market economists, said he considered Shelton to be “among the most politically palatable (at least to Republicans) candidates for the Federal Reserve Board of Governors.” But, unfortunately, he added, “this is weak praise, given that the very existence and function of the Fed is a destructive influence on the U.S. and global economy.” Others at the Mises Institute, while noting that she was “no Austrian,” still sounded pleased that she would bring some “much needed ideological diversity to the central bank.”

Whether she can get approved is now the question. According to CNBC, Cowen investment bank analyst Jaret Steinberg argued that there were “enough flash points” to potentially get her blocked. “Shelton would be a perfect fit as she would be a Trump loyalist who won Senate confirmation,” Steinberg was quoted as saying in a note. “We suspect there are enough Republicans who question her views on the gold standard and on excess reserves to put her confirmation in real doubt. To us, the Senate is unlikely to reject her nomination. The most likely outcome is that it just never votes to confirm her.”

The Trump administration, however, fully expects her to be confirmed, according to Chairman Larry Kudlow of the National Economic Council. Speaking to reporters last month, Kudlow added that Shelton would be “a good addition to the board.” Two previous Trump nominees for the Fed board, Stephen Moore and Herman Cain, failed to get the job amid vicious media criticism and establishment pressure about their alleged lack of qualifications to hold the positions.

But there may be some strategy at work. Alongside Shelton, Trump also nominated Christopher Waller, research director at the Federal Reserve Bank of St. Louis, to an open spot on the Federal Reserve’s seven-member board. He is a much more conventional pick — a nominee who would work to preserve the status quo rather than rock the boat. By pairing the two together, analysts said Trump may have a better chance of getting Shelton on the board, and eventually into the top post. Senate hearings are set to be held on February 13 featuring both Shelton and Waller.

If confirmed, it remains to be seen whether Shelton would retain her maverick views, or succumb to establishment pressure. Former Fed boss Alan Greenspan was once a hardcore advocate of gold money and a free market, saying fiat currency was a tool to loot the public. Once in office, he became just another Deep State toadie. Despite Shelton not being openly in favor of former Congressman Ron Paul’s famous battle cry to “End The Fed” — a cry that reverberated across college campuses all over America — sound money advocates have expressed hope that Shelton may be at least an “ally” in the fight to rein in the shadowy central bank. Time will tell.

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