

Mr. Chairman, thank you.

Ms. Shelton and Mr. Waller, I would like to extend my greetings to you, your friends, and family here today.

Welcome.

Fed independence matters. We know economies with independent central banks have less price volatility, fewer bank panics, and more stable economies.

But one of the nominees before us today doesn't believe in an independent Fed, and has spent her entire career advocating for policies that would make our economy more volatile, and give families and businesses even more to worry about in an uncertain world.

The point of the independent Federal Reserve is to be a steady, guiding hand – to worry about the big picture of the economy, so hardworking families don't have to.

But for Ms. Shelton, these aren't hazards to avoid – they are the goal. We all understand that on economic issues there are conservatives and liberals, and most people fall somewhere in the middle on that continuum. But Ms. Shelton is not a conservative – she's far outside the mainstream. She's off the ideological spectrum.

For three decades, Ms. Shelton has been a prominent advocate for returning to the gold standard.

In making the case for Ms. Shelton's nomination, her friend James Grant wrote in *The Wall Street Journal* that, “[w]ith the nomination of Judy Shelton to the Federal Reserve Board, the discussion has tilted to gold. Gold is money, or a legacy form of money, Ms. Shelton contends, and the gold standard is a reputable, even superior, form of monetary organization.”

People can agree to disagree on certain issues – but we don't get our own facts, and the facts are clear. If we as a nation had followed Ms. Shelton's advice and had not advanced beyond the gold standard nearly a half century ago, our nation would have bounced from boom to bust, without the monetary tools necessary to pull us out of recessions.

Depressions would have been deeper and longer, and millions of working families would have suffered even more, for no reason.

And that is not the end of the story. In multiple writings, Ms. Shelton clearly voiced her opposition to FDIC deposit insurance – the insurance that protects the savings of hard-working Americans. In other words, she thinks that if a bank fails – and we all remember from 2008, they do indeed fail – then all the families whose savings and paychecks are stored in that bank should just lose all their money.

Passing federal deposit insurance was one of FDR's first acts during the Great Depression for a reason. That guarantee – that your money is safe in the bank – is at the bedrock of our modern economy.

This is not some intellectual exercise about moral hazard. This is the real world. I dare anyone to explain to working families in Georgia or Iowa or Nevada or any community that experienced bank closures in the Great Recession or the Savings and Loan crisis that the FDIC insurance is “a hugely distorting factor.”

But with Ms. Shelton, it doesn't stop there.

The money in your wallet is backed by the Full Faith and Credit of the United States Government. Yet, Ms. Shelton advocated for doing away with the dollar and replacing it with a common currency for North America. I'm serious.

To make NAFTA more effective, she mused the dollar could be replaced with a common currency for North America called the “Amero.”

At other times she has called for the creation of a generic, global currency, backed by gold.

That kind of globalist ideology doesn't belong anywhere near our fiscal and monetary policy. The American dollar is the world's reserve currency and it should stay that way.

The bottom line is, Ms. Shelton has too many alarming ideas and has flipped-flopped on too many important issues to be confirmed for this job.

And we know she will say exactly what the President wants her to say—further threatening the independence of the Fed. She was an interest rate hawk, until President Trump wanted lower rates. She opposed tariffs on China, before she was for them.

And based upon what I and other Committee members heard in meetings with her, it appears that Ms. Shelton has changed all of her positions – on everything from the Gold Standard, to Bretton Woods, to a steadfast opposition to FDIC insurance.

That’s not the steady hand required at the Fed.

11 years into this recovery, now more than ever, the Fed needs to be independent and careful—not reactive to every whim of the President.

A vote for Shelton is a vote against Fed independence and our nation’s reputation as a financial bulwark.

Our other nominee to the Board of Governors, Mr. Waller is an economist whose work has been subject to peer review and whose analysis has helped direct the research path undertaken by the St. Louis Fed.

I look forward to learning more about how he will hold Wall Street accountable if he is confirmed.

Last, I want to note that Ms. Jessie Liu was also supposed to be considered by this Committee today until her nomination was withdrawn 36 hours ago.

The position Ms. Liu was nominated for is responsible for overseeing our country's work preventing terrorist and drug cartel financing and enforcing economic sanctions. Now that her nomination has been withdrawn, that position will remain empty. Once again, to protect himself, the president is putting our national security at risk.

Thank you, Mr. Chairman.