IV. Executive Influence on the Federal Reserve

A. Introduction

On July 20, 2018 President Donald Trump tweeted from his personal Twitter account, "The United States should not be penalized because we are doing so well. Tightening now hurts all that we have done. The U.S. should be allowed to recapture what was lost due to illegal currency manipulation and BAD Trade Deals. Debt coming due & we are raising rates - Really?"[1] The tweet came in the wake of a historically unprecedented interview with CNBC in which President Trump voiced his displeasure with the Federal Reserve (Fed) for raising interest rates twice in 2018, with signs pointing to further rate hikes by the end of the year.[2] In the interview the President told CNBC's Joe Kernen, "I'm not thrilled . . . [b]ecause we go up and every time you go up they want to raise rates again. I don't really—I am not happy about it. But at the same time I'm letting them do what they feel is best."[3] Following his remarks, the White House issued a statement reiterating that the President respects the Fed's independence and was simply vocalizing his known personal views on interest rates.[4]

President Trump's comments sparked concern amongst economists, as they represent the first time a President publically criticized the Fed Chairman (Chairman) since President H.W. Bush told the New York Times he wanted then Chairman Alan Greenspan to lower interest rates.[5] Concerns of history repeating itself also stem from a long period of inflation and low economic growth in the 1970s and 80s, known as "stagflation" which followed the decision by then-

---

[1] Donald J. Trump (@realDonaldTrump), TWITTER (July 20, 2018, 9:51 AM), https://twitter.com/realDonaldTrump/status/1020290163933630464 [https://perma.cc/EZ4V-AN76].

[2] Tae Kim, *Trump Hits the Fed Again in Tweet: 'Tightening Now Hurts All That We Have Done',* CNBC (July 20, 2018, 8:54 AM), https://www.cnbc.com/2018/07/19/trump-lays-into-the-fed-says-hes-not-thrilled-about-interest-rate-.html [https://perma.cc/W8QC-9XU9].

[3] *Id.*

[4] *Id.*

[5] Jim Puzzanghera, *Trump Escalates His Criticism of Federal Reserve*, L.A. TIMES (July 20, 2018, 2:35 PM), http://www.latimes.com/business/la-fi-trump-federal-reserve-20180720-story.html.

Chairman Arthur Burns to maintain low interest rates in response to pressure from President Richard Nixon.[6]

The interest rate at issue is known as the "Federal Funds Target Rate" or simply the "fed funds rate." This rate is important because it is a tool used by the Federal Reserve to influence monetary policy which in turn affects inflation, employment, and therefore the overall economy.[7] The fed funds rate represents the rate at which lending depository institutions loan surplus balances in their reserve accounts to borrowing institutions in need of raising liquidity overnight.[8] To raise the fed funds rate, the Fed sells government bonds which thereby decreases liquidity and raises rates because banks have less surplus funds to loan.[9] Conversely, in order to lower the fed funds rate, the Fed will buy government bonds, thereby increasing liquidity and thus the amount of funds available for banks to loan.[10] In general, low interest rates are used to stimulate and grow the economy, while raising rates are used to slow economic growth and inflation.[11] This occurs because when interest rates are low, the cost of borrowing money becomes cheaper.[12] When the cost of borrowing is inexpensive, firms and businesses are more willing to invest in expansion, leading to higher employment rates.[13] As a result of high employment, households become more willing to spend, causing a cycle that further

---

[6] Will Martin & Bob Bryan, *Trump Just Attacked the Fed Again—an Ugly Economic Lesson from the Nixon Administration Shows Why His Criticism is so Worrying*, BUS. INSIDER (Aug. 21, 2018, 6:04 AM), https://www.businessinsider.com/trump-federal-reserve-interest-rate-attacks-echo-nixon-disaster-2018-8 [https://perma.cc/2J26-7UP2] (attributing the economic period of stagflation in the 1970s to President Nixon's pressure on Arthur Burns to keep interest rates low prior to the 1972 election).

[7] *How Does Monetary Policy Influence Inflation and Employment?*, BD. OF GOVERNORS OF THE FED. RESERVE SYS., https://www.federalreserve.gov/faqs/money_12856.htm [https://perma.cc/8G6C-3PLH] (last updated Dec. 16, 2015).

[8] *Effective Federal Funds Rate [FEDFUNDS]*, FED. RESERVE BANK OF ST. LOUIS: FRED, https://fred.stlouisfed.org/series/FEDFUNDS [https://perma.cc/2TBQ-QYBQ] (last visited Sept. 7, 2018).

[9] *Id*.

[10] *Id*.

[11] *How Does Monetary Policy Influence Inflation and Employment?*, *supra* note 7.

[12] *Id*.

[13] *Id.* ("[W]hen short- and long-term interest rates go down, it becomes cheaper to borrow.").

stimulates the economy and encourages even more employment.[14] However, as the economy grows, so does the expectation that it will continue to do so, leading to higher inflation.[15] To reduce monetary expansion, the Fed undertakes a strategy known as "normalization" by lowering liquidity and thereby forcing interest rates higher.[16] Higher interest rates make it more expensive to borrow money, thus providing firms with less incentive to invest in growing their business.[17] The value of the U.S. dollar also rises with interest rates as foreign investors seek higher returns, but at the same time U.S. businesses see lower profitability abroad.[18] U.S. investors also fear a decrease in stock prices as the price an investor is willing to pay for a stock is determined by taking expected future earnings and discounting them (dividing) by current interest rates (the rate an investor could receive by buying low risk bonds).[19] Naturally, when dividing future earnings by a higher denominator the result of higher interest rates is thus lower stock prices.[20]

This paper will first undertake a brief history of the Fed's independence in Section B, including a brief discussion on the constitutionality of the Fed, and a summary of the most recent instances of presidential pressure on the Chairman. In Section C I will discuss current legal challenges to independent government financial agencies before finally evaluating whether the Fed is truly independent of external political pressures in Section D.

---

[14] *Id*.
[15] *Id.*
[16] Kate Stalter, *How Rising Interest Rates Affect Your Investments*, U.S. NEWS & WORLD REP. (Apr. 4, 2018, 9:30 AM), https://money.usnews.com/money/blogs/the-smarter-mutual-fund-investor/articles/2018-04-04/how-rising-interest-rates-affect-your-investments (explaining the impact of high interest rates on equity and fixed-income markets and the process of "normalization").
[17] *Id*.
[18] *Id*.
[19] *Id*.
[20] *Id.* ("Simple math tells us that higher interest rates would make a company's stock worth less today.").

B. Brief History

In 1913 President Woodrow Wilson signed the Federal Reserve Act, from which today's Federal Reserve System was born.[21] While the Fed is mandated by Congress to use monetary policy to maximize employment and stabilize economic growth, the Fed's most publically debated duty is to set the fed funds rate.[22] The fed funds rate is set by the Federal Open Market Committee (FOMC) which meet eight times a year to observe current economic trends and make monetary policy decisions based on their findings.[23] To do so, the FOMC takes note of a number of economic indicators including price and wage trends, employment levels, consumer spending, business investment levels, and foreign exchange rates.[24] The fed funds rate influences long-term lending rates such as mortgages, loans, and savings rates.[25] The FOMC is a committee of twelve members including the seven members of the Board of Governors of the Federal Reserve, the president of the Federal Reserve Bank of New York, and four rotating Reserve Bank presidents from the remaining eleven regional banks.[26]

1. Federal Reserve Independence

The Federal Reserve is an independent government agency accountable to the public and to Congress, and not directly to the President.[27] Congress mandates that maximum employment and

---

[21] *What is the Purpose of the Federal Reserve System?*, BOARD GOVERNORS FED. RESERVE SYS., https://www.federalreserve.gov/faqs/about_ 12594.htm [https://perma.cc/YZF5-ZCNR] (last updated Nov. 3, 2016).
[22] *How Does Monetary Policy Influence Inflation and Employment?*, *supra* note 11.
[23] *Effective Federal Funds Rate [FEDFUNDS]*, *supra* note 8.
[24] *Id*.
[25] *Id.* ("[T]he federal funds rate indirectly influences longer- term interest rates such as mortgages, loans, and savings, all of which are very important to consumer wealth and confidence.").
[26] *Federal Open Market Committee*: *About the FOMC*, BOARD GOVERNORS FED. RESERVE SYS., https://www.federalreserve.gov/faqs/about_ 12799.htm https:perma.cc/YT8W-S5VD] (last updated Sept. 17, 2018).
[27] *What Does it Mean that the Federal Reserve is "Independent Within the Government"?*, BOARD GOVERNORS FED. RESERVE SYS., https://www. federalreserve.gov/faqs/about_12799.htm [https://perma.cc/8WNQ-6Q3B] (last updated Mar. 1, 2017).

economic price stability are the two main macroeconomic goals of the Fed.[28] To ensure the Fed makes long-term decisions irrespective of politics, Congress strategically structured the Fed to maximize political insulation.[29] Elected officials, most notably the President, wish to see low interest rates and thus a growing economy as they seek approval and/or reelection.[30] Consequently, the long-term goal of controlling growth and inflation held by the Fed is often at odds with the President's goal of short-term growth that raises his chance of reelection.[31] To combat this disparity, the Fed is structured as an independent agency.[32] Members of the FOMC are appointed to fourteen-year terms, thus spanning multiple presidencies, while the Chairman and Vice Chairman of the Federal Reserve are appointed by the President to four year terms.[33] No elected official or member of the President's administration may serve on the Federal Reserve Board.[34] Furthermore, the Fed is not funded through the Congressional budgetary process, but rather the Fed's income primarily comes from interest on government securities and a number of other sources including interest on foreign currency investments, fees for services to depository institutions, and interest on loans to depository institutions.[35] Surplus earnings made by the Fed are turned over to the U.S. Department of the Treasury after paying the Fed's expenses.[36]

2. *Constitutionality of the Federal Reserve*

Since before the Fed's creation in 1913, strict constructionists argued whether the creation of a national bank was unconstitutional. The arguments for and against a national bank are captured in the

---

28 *Id.*

29 *Id.*

30 Jim Puzzanghera & Don Lee, *Is the Fed Politically Biased? Look at its Interest-rate Decisions as Elections Near,"* L.A. TIMES (Sept. 19, 2016, 5:00 AM), http://www.latimes.com/business/la-fi-federal-reserve-election-2016 0919-snap-story.html.

31 *Id.* (detailing the internal struggles of the Fed during election cycles to appear independent of short-term political concerns).

32 *What Does It Mean That the Federal Reserve Is "Independent Within the Government"?*, *supra* note 27.

33 *Federal Open Market Committee*: *About the FOMC*, *supra* note 26.

34 *What Does It Mean That the Federal Reserve Is "Independent Within the Government"?*, *supra* note 27.

35 *Id.*

36 *Id.*

historic debate between Thomas Jefferson and Alexander Hamilton, in which Jefferson argued that Congress should not overstep its enumerated or elicit powers, while Hamilton argued that the creation of a national bank was within the Constitution's "implied powers" as Congress has the power to "coin money and regulate the Value thereof" while also possessing the power to adopt "all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers."[37] In *McCullogh v. Maryland* Chief Justice John Marshall settled the debate using much of Hamilton's reasoning to uphold the constitutionality of the Second Bank of the United States.[38] Today's Federal Reserve System is justified based on Hamilton's "implied powers" reasoning and thus any constitutional challenge to the Fed would require at least a partial overturn of *McCullogh*.[39]

Article II, Section 2, Clause 2 of the Constitution, the Appointments Clause, provides further debate on the constitutionality of the Fed's structure.[40] Under Article II, Section 2 the President has the power to appoint "Officers of the United States" with the Senate's advice and consent.[41] Congress also has the ability to vest power in "the President alone, in the Courts of Law, or in the Heads of Departments" the appointment of "inferior officers."[42] In *Edmonds v. United States*, the Supreme Court held that an inferior officer is one who has a superior appointment by the President and confirmed by the Senate.[43] It is clear that the Chairman is an officer of the United States as the individual chosen for the role is appointed by the President and

---

[37] *See* U.S. Const. art. I, § 8, cl. 5, 18; Walker F. Todd, *Money and Banking: A Constitutional Perspective*, 35 CATO J. 193, 197–200 (2015) (detailing the historic debate over the first and second national banks between Jefferson and Hamilton).

[38] 17 U.S. 316 (1819); Todd, *supra* note 37 (observing similarities between Chief Justice Marshall's reasoning and the reasoning articulated by Hamilton in vouching for the National Bank).

[39] Todd, *supra* note 37 ("So if you do not like the Federal Reserve System, you have to figure a way either to persuade Congress to repeal or revise it, or to re-argue *McCulloch v. Maryland* and persuade the Supreme Court that Chief Justice Marshall was wrong.").

[40] *See* Peter Conti-Brown, *The Institutions of Federal Reserve Independence*, 32 YALE L.J. ON REG. 257, 293 (2015) (arguing that the structure of the Fed is not necessarily consistent with the Constitution's contemplated structure of an executive agency).

[41] *Id*.

[42] *Id*.

[43] *See* 520 U.S. 651, 662–63 (1997).

confirmed by the senate; however, the Reserve Bank Presidents who sit on the FOMC appear to also be officers.[44] Although the process for appointing them does not conform to the requirements of the Appointment's Clause and the process for removing them violates the Supreme Court's decisions addressing the removal of officers.[45] The questionable constitutionality of the Federal Reserve highlights the attempt for true, politically insulated independence of the system.[46]

3. *Past Public Presidential Pressure on the Chairman*

The critical response to President Trump's comments on interest rates are in large part due to the fact they are the first time a President has publically commented on rates in decades.[47] While in the midst of a re-election campaign, then-President George H.W. Bush told the New York Times in 1992, "I'd like to see another lowering of interest rates. . . . I can understand people worrying about inflation. But I don't think that's the big problem now."[48] A week later, the Fed cut the Fed Funds Target by 0.5%, and by another 0.25% about a month prior to the election.[49] Despite the lowered rates, Bush insisted in a 1998 interview that he lost the re-election because then-Chairman Alan Greenspan did not lower rates enough after the 1990–91 recession, stating "I reappointed him, and he disappointed me."[50]

President H.W. Bush's harsh comments were not unprecedented. Two decades earlier President Nixon also pressured the Fed to lower rates in the midst of an eventually successful re-election bid.[51]

---

[44] *Id.* (explaining how FOMC member Federal Reserve Presidents appear to be officers).
[45] Conti-Brown, *supra* note 40, at 293.
[46] *See id.* (arguing that "[t]he unconstitutionality of the Reserve Banks' governance highlights the way that law, politics, and custom interact to create a separate policy-making space for the Federal Reserve").
[47] Puzzanghera, *supra* note 5.
[48] *Id.*
[49] *Id*.
[50] *Bush Pins the Blame for '92 Election Loss on Alan Greenspan*, WALL ST. J., Aug. 25, 1998, at A16 (quoting President Bush in an interview with David Frost stating, "I think that if the interest rates had been lowered more dramatically that I would have been re-elected president because the [economic] recovery that we were in would have been more visible.").
[51] Patrick Hosking, *Don't Mess with the Fed: A Lesson for Trump*, TIMES, Aug. 25, 2018, at 44, 45 (detailing President Nixon's pressure on Arthur Burns to cut interest rates to boost his re-election bid).

As unemployment slowly rose during Nixon's first term as president, Nixon pressured then-Chairman Arthur Burns telling him, "[y]ou can lead 'em. You always have, now. Just kick 'em in the rump a little."[52] In turn, the Fed lowered rates to 4.5% in 1972, which according to some economists ushered in a long period of inflation and higher unemployment.[53] This period of stagflation, marked by high inflation, high unemployment, and low economic growth, was not corrected until the Fed ratcheted up interest rates approximately a decade later in what is known as the "Volcker Shock," named for then-Chairman Paul Volcker.[54] However, not all economists agree that the 1970s interest rate cuts were to blame for the stagflation.[55] The mid-70s also saw the Yom Kippur War and Middle East oil embargo send oil prices soaring, which some insist explains the spike in US inflation.[56] While today's economy is markedly different from that of the 1970s, economists still warn that the lessons learned then still ring true, and that our central banking system should remain independent.[57]

C. Current Legal Challenges to Independent Financial Policy

A potential circuit split on the constitutionality of an independent government financial bureau's structure could set the stage for a U.S. Supreme Court grant of certiorari.[58] The cases are focused on the constitutionality of the Consumer Financial Protection Bureau (CFPB), an independent agency established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 that is funded by the Federal Reserve and led by a single Director who is appointed by the

---

[52] *Id.*
[53] *Id.* (citing Burton Abrams, economics professor at the University of Delaware, who believes Burns actions to lower interest rates "helped to trigger an extremely costly inflationary boombust cycle" in the mid-70s).
[54] Martin & Bryan, *supra* note 6.
[55] Hosking, *supra* note 51 (citing a quote from Paul Ashworth, chief U.S. economist at Capital Economics, stating "Unless Arthur Burns secretly greenlighted the Yom Kippur War, you can't really blame him for the oil embargo and the quadrupling of oil prices in 1974. That explains most of the spike in US inflation.").
[56] *Id*.
[57] Martin & Bryan, *supra* note 6.
[58] Jeff Reynolds, *CFPB Lawsuits Could Create 'Circuit Split'*, HEARTLAND INST. (Aug. 13, 2018), https://www.heartland.org/news-opinion/news/cfpb-lawsuits-could-create-circuit-split [https://perma.cc/TL5N-NV6K].

President for a five year term but who can only be removed for cause.[59] The appointment of an independent director was meant to insulate the agency from pressure from Wall Street and other political lobbies.[60]

The CFPB faced a constitutional challenge in the D.C. Circuit in 2016.[61] Writing for a three-judge panel of the Court of Appeals for the District of Columbia, Judge Brett Kavanaugh struck down the structure of the CFPB on constitutional grounds.[62] Kavanaugh claimed the Director of the CFPB is the "single most powerful official in the entire United States Government, at least when measured in terms of unilateral power" other than the President.[63] In the opinion Kavanaugh also wrote, "[t]he concentration of massive, unchecked power in a single Director marks a dramatic departure from settled historical practice and makes the CFPB unique among traditional independent agencies . . . ."[64] However, in an *en banc* appeal the D.C. Circuit overturned Kavanaugh's ruling and held the CFPB's structure constitutional, citing *Humphrey's Executor v. United States*, a 1935 case in which the Supreme Court found that for-cause removal was permissible as applied to the Federal Trade Commission commissioners.[65]

---

[59] Daniel Bush, *What is the Consumer Financial Protection Bureau, Anyway?*, PBS NEWS HOUR (Nov. 27, 2017, 4:39 PM), https://www.pbs.org/newshour/economy/making-sense/what-is-the-consumer-financial-protection-bureau-anyway [https://perma.cc/Y6J5-AH2X].

[60] Jonnelle Marte, *This Court Case Could Have a Huge Impact on the Future of a Key Consumer Watchdog*, WASH. POST (May 24, 2017), https://www.washingtonpost.com/news/get-there/wp/2017/05/23/federal-court-will-hear-arguments-on-whether-the-structure-of-cfpb-is-constitutional/?noredirect=on&utm_term=.589dbbc310a5.

[61] PHH Corp. v. Consumer Fin. Prot. Bureau, 839 F.3d 1 (D.C. Cir. 2016), *rev'd en banc*, 881 F.3d 75 (D.C. Cir. 2018).

[62] Tucker Higgins, *The Supreme Court Could Cripple an Obama-era Consumer Finance Watchdog if Agency Critic Brett Kavanaugh is Confirmed*, CNBC (July 10, 2018, 5:06 PM) https://www.cnbc.com/2018/07/10/scotus-could-cripple-cfpb-with-brett-kavanaugh-on-the-bench.html [https://perma.cc/JTP9-J8G9].

[63] 839 F.3d at 16.

[64] *Id.* at 17.

[65] PHH Corp. v. Consumer Fin. Prot. Bureau, 881 F.3d 75 (D.C. Cir. 2018) (en banc) (citing Humphrey's Ex'r v. United States, 295 U.S. 602, 626 (1935)). *See also* Eric J. Mogilnicki & Ethan Levisohn, *PHH v. CFPB: The Impact on the Bureau's Future,* NAT'L L. REV. (Feb. 2, 2018), https://www.natlawreview.com/article/phh-v-cfpb-impact-bureau-s-future [https://perma.cc/EAU8-MXD9].

In February 2017, the CFPB, alongside the New York Attorney General, filed a suit against RD Legal Funding LLC alleging fraud related to 9/11 victim compensation payments and payments to football players with brain injuries.[66] Judge Loretta Preska of the U.S. District for the Southern District of New York concluded that the structure of the CFPB was unconstitutional.[67] In her decision, Judge Preska disagreed with the D.C. circuit's majority *en banc* decision and instead sided with the dissent in that case, stating that the CFPB is "unconstitutionally structured because it is an independent agency that exercises substantial executive power and is headed by a single director."[68] This ruling comes while the Ninth and Fifth circuits have two similar constitutional challenges pending before them.[69] The inconsistent rulings and pending cases throughout the country have policy analysts predicting, and calling for, Supreme Court clarity surrounding the isolation of financial agencies.[70] On September 6, 2018 petitioners filed a petition for certiorari with the Supreme Court in the case *State National Bank of Big Spring v. Mnuchin*[71] which also seeks to argue the CFPB is unconstitutional on the grounds the CFPB violates the Constitution's separation of powers provisions due to a lack of checks by the legislature, executive, and judicial branches.[72]

---

[66] Consumer Fin. Prot. Bureau v. RD Legal Funding, LLC, 332 F. Supp. 3d 729 (S.D.N.Y. 2018).
[67] *Id.* at 784.
[68] *Id.* (quoting PHH Corp. v. Consumer Fin. Prot. Bureau, 881 F.3d 75 (D.C. Cir. 2018) (Kavanaugh, J., dissenting)); Vaishali Rao, Hinshaw & Culbertson LLP, *Is CFPB's Constitutionality Headed for the U.S. Supreme Court?*, JDSUPRA (June 25, 2018) https://www.jdsupra.com/legalnews/is-cfpb-s-constitutionality-headed-for-42690 [https://perma.cc/JA3Z-9HSF].
[69] Evan Weinberger, *N.Y. Judge Adds Fire to CFPB Constitutionality Question*, BLOOMBERG (June 22, 2018), https://www.bna.com/ny-judge-adds-n73014476808.
[70] Reynolds, *supra* note 58 (citing Daniel Press, a policy analyst for the Competitive Enterprise Institute, stating "You just cannot have a critical agency—something that is a very substantial part of the financial regulatory regime—being struck down as unconstitutional by different courts around the country. . . . That's crazy. We're going to need some clarity from the Supreme Court.").
[71] Petition for Writ of Certiorari, State Nat'l Bank of Big Spring v. Mnuchin (No. 18-307), 2018 WL 4331933.
[72] *Supreme Court Asked to Hear Challenge to Constitutionality of Consumer Financial Protection Bureau,* COMPETITIVE ENTERPRISE INST. (Sept. 7, 2018), https://cei.org/content/supreme-court-asked-hear-challenge-constitutionality-consumer-financial-protection-bureau [https://perma.cc/C3QC-L894]

D. Is the Federal Reserve Truly Independent from Executive Pressure?

Despite the Fed's carefully chosen structure, it does not appear the system has achieved true political isolation.[73] Structurally, while Fed Board members are strategically appointed to fourteen-year terms, the members frequently retire before the end of their tenure, leading to more turnover than designed.[74] Further, the Chairman, appointed by the President, has a large amount of influence over the FOMC, as the Chairman holds final appointment powers within the Fed and sets meeting agenda.[75] Evidence from voting records, memorandum, and transcripts of FOMC meetings under Burns and Greenspan point to presidential influence on Fed priorities and FOMC voting.[76] Studies have found that Presidents tend to appoint Chairmen, Vice Chairmen, and Vice Chairmen for Supervision along party lines early in their presidencies, while late in their presidencies they tend to appoint members who appease special interest groups.[77] However, other studies indicate that regardless of appointments, monetary policy remains largely intact with the changing of presidential administration.[78] Administrations do, however, have the chance to influence monetary policy through traditional weekly meetings between the Chairman and the Administration designed to coordinate policy efforts.[79] Not unexpectedly, studies also show presidential appointees' voting patterns change preceding elections, which commenters believe suggests an "adjustment of Fed policy to promote the electoral success of their respective party."[80] Further, studies even show that monetary policy in election years tends to be simulative, returning to restrictive in years succeeding elections.[81]

(announcing a petition for certiorari filed with the Supreme Court challenging the CFPB's structure).

[73] Peter J. Boettke & Daniel J. Smith, *Federal Reserve Independence: A Centennial Review*, 1.1 J. PRICES & MKTS. 31, 31–48 (2013).

[74] *Id.* at 33.

[75] *Id*.

[76] *Id.*

[77] *Id*.

[78] *Id.*

[79] *Id.*

[80] *Id.*

[81] *Id.*

E. Conclusion

While President Trump's recent public sentiments regarding the Fed were shocking to some political and economic pundits, they were not unprecedented (aside from the use of the chosen medium). Evidence shows that presidential administrations have influenced monetary policy in the past through both public and back channels. However, President Trump should take note of President Nixon's mistakes and tread lightly, as pressuring the Fed runs the risk of ushering in a long period of stagflation long past the end of his presidency.

Kevin Morrissey[82]

---

[82] Student, Boston University School of Law (J.D. 2020).