

Matt O'Brien @ObsoleteDogma 4 days ago

Remember the 2020 financial crisis? Oh right, there wasn't one when there easily could have been because of everything the Fed did. Powell deserves to keep the job.



Mike Bird
@Birdyword



"My sources say the decision hasn't been made yet, but Biden is likely to name a new Fed chair."



Fed: Steady as She Goes

Today on TAP: Powell indicates post-pandemic inflation fears are unfounded
prospect.org

2:38 PM · Jul 14, 2021

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Matt O'Brien @ObsoleteDogma 4 days ago

It's pretty simple: the potential upside of replacing Powell is much, much smaller than the potential downside. It'd be easy to end up with someone more hawkish than Powell at a time when being too hawkish is one of the biggest threats to the recovery. If it ain't broke, etc.

Brad DeLong: 'Live long, & prosper!' @delong yesterday

Lael Brainard was Powell before Powell (but without power), and stuck around at Fort Zinderouno while other Democratic appointees of all kinds resigned and lounged about on the Riviera. She behaved very well, and would be inferior to Powell because...?

Matt O'Brien @ObsoleteDogma yesterday

Those are all good points. It's more that I'm not completely sure they'd pick Brainard, and even if they did, it's not clear that she'd be enough of an upgrade to warrant spending political capital on it

Felix Salmon @felixsalmon yesterday

There's a Nixon-in-China aspect to "even the Republican private equity exec Jay Powell thinks we should keep rates low" that definitely has value

Brad DeLong: 'Live long, & prosper!' @delong yesterday

In this particular case, there is that element. in general, however: I dislike "only Nixon could go to China" arguments. First, they create bad incentives: before Nixon went to China, he spent his entire career making it impossible for anyone else to do so and otherwise... 2/

Brad DeLong: 'Live long, & prosper!' @delong yesterday

...damaging US foreign policy. Second, when Nixon did go to China, He got himself taken to the cleaners by Zhou Enlai running the Strategy of the Empty Fortress. He got zero. He gave away valuable chickens that may now be coming home to roost. And he added to the internal... 3/

Brad DeLong: 'Live long, & prosper!' @delong yesterday

...strength within China's politics of some very bad actors. 4/END

Tim Duy @TimDuy yesterday

I don't sense that anyone will expend the political capital to push Brainard. There is no wave building in that direction to ride on.

Brad DeLong: 'Live long, & prosper!' @delong yesterday

Shouldn't males over 68 be in half-time jobs, not full-time jobs?

Tim Duy @TimDuy yesterday

I was thinking that age cut off was supposed to be 55. Or maybe just hoping.

Brad DeLong: 'Live long, & prosper!' @delong yesterday

I'm 61...

Tim Duy @TimDuy yesterday

Are you half time yet? Fair game after 55.

Ronald Brakels @BrakelsRonald 16 hours ago

Full time jobs, but from 5:00am to 2:00pm 4 days a week.

Sam 🎙️ @sam_a_bell yesterday

Brad, you have a sense of why she, the clear frontrunner, was passed over for Treasury? I'd be happy with Lael, although any non-Powell choice would have imho a tougher time keeping the committee together and congress on sides. Completely agree she deserves major kudos 4 staying.

Sam 🎙️ @sam_a_bell yesterday

And not just staying to deny Trump a seat but actually winning some policy fights !

Brad DeLong: 'Live long, & prosper!' @delong yesterday

I assumed this was just a pure Biden-comfort thing. He's appointed enough young people (e.g. Lina Khan) so that when there's a slot that he has to work closely with for which someone he knows well and is comfortable with qualifies, you slot her into it...

Quantian @Quantian1 yesterday

Why should she get it as a consolation prize for party loyalty, instead of keeping on the most successful crisis Fed chair since Eccles?

JJ Andrade 🇺🇸 @JAndrade0112 yesterday

Because Powell is a full employment hawk who is also a Republican, which is a valuable way to sell the policy

Christopher Vecchio, CFA @CVecchioFX 4 days ago

Replacing the Fed Chair during one of their most challenging comms environments in history would be destabilizing, to say the least.

George Pearkes @pearkes 4 days ago

Good point.

XLProfessor @XLProfessor yesterday

This. And it is really weird to me that it has fallen by the wayside that Yellen raised rates in 2015 with bad economic and political results Powell has proven himself a dove, you never know what someone else might do, even if you think they're a dove

Matt O'Brien
@ObsoleteDogma

Replying to @ObsoleteDogma

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If it ain't broke, etc.

5:23 PM · Jul 14, 2021

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The DC Pope @TheDCPope 4 days ago

Especially when the guy actually has a good relationship with congressional Republicans. Sort of important...

The White Visitation @R0g3rM3xic0 yesterday

No, no, no, you don't understand. Even Phil Jackson pulled Michael Jordan from finals games in the 4th quarter to put in untested rookies. That's how you succeed.

Steve Zorowitz @szorowitz 4 days ago

If they're concerned about financial regulation, they can get rid of Quarles.