

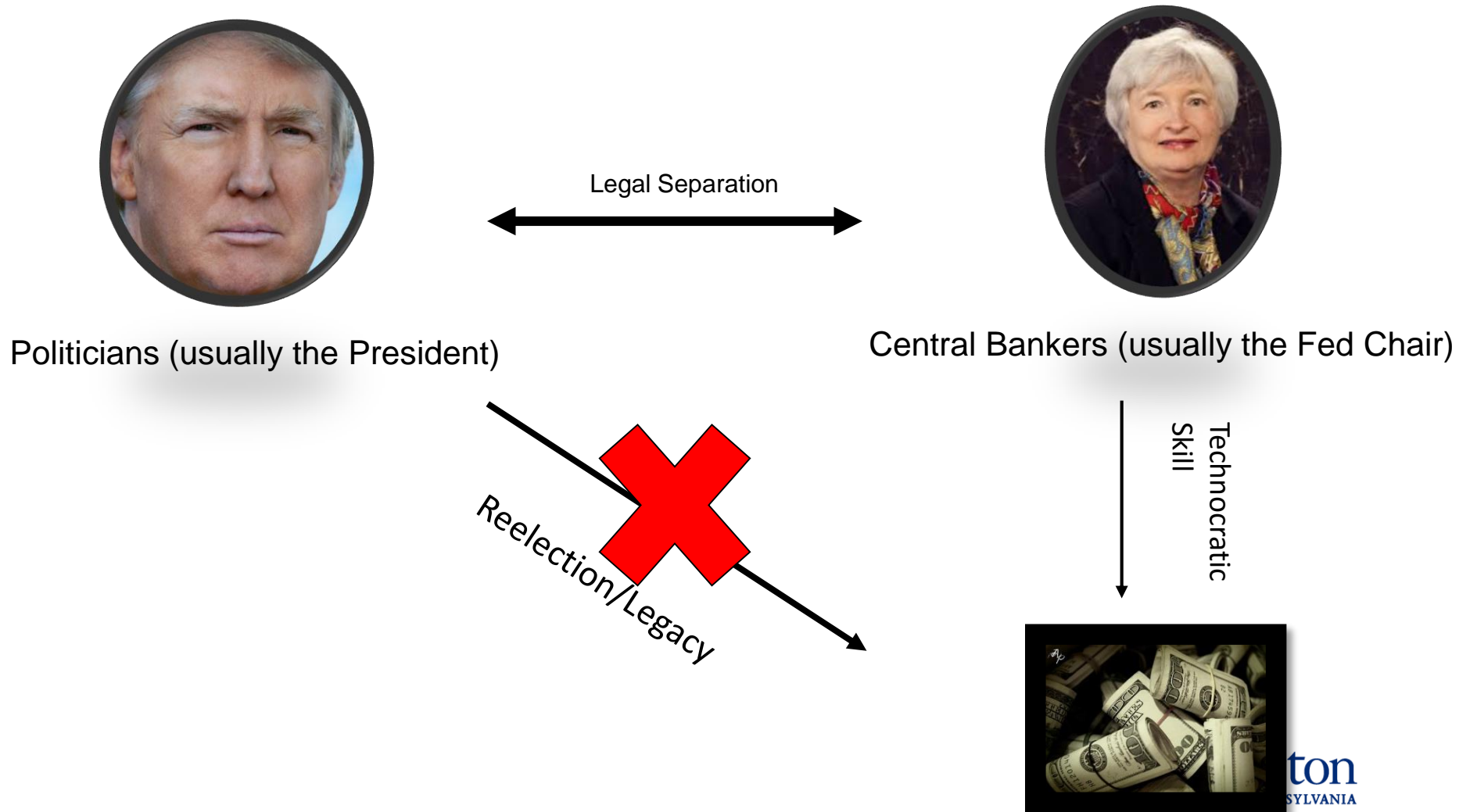
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KNOWLEDGE FOR ACTION
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POLITICS, INDEPENDENCE, AND LONG-TERM LOW INTEREST RATES AT THE FEDERAL RESERVE

Peter Conti-Brown
Assistant Professor



Standard Account of Central Bank Independence



Metaphors of Fed Independence

Ulysses Contract

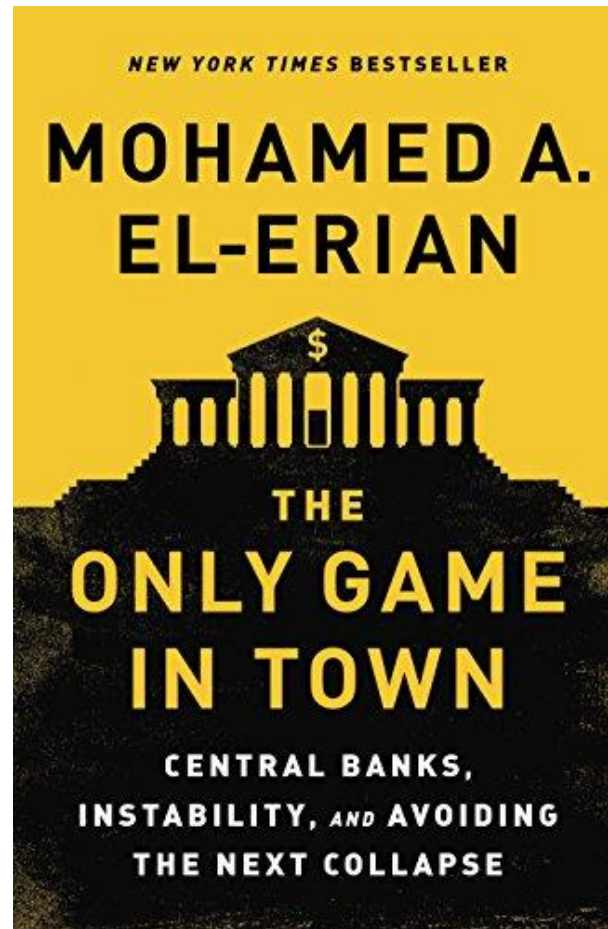


Metaphors of Fed Independence: Punch Bowl



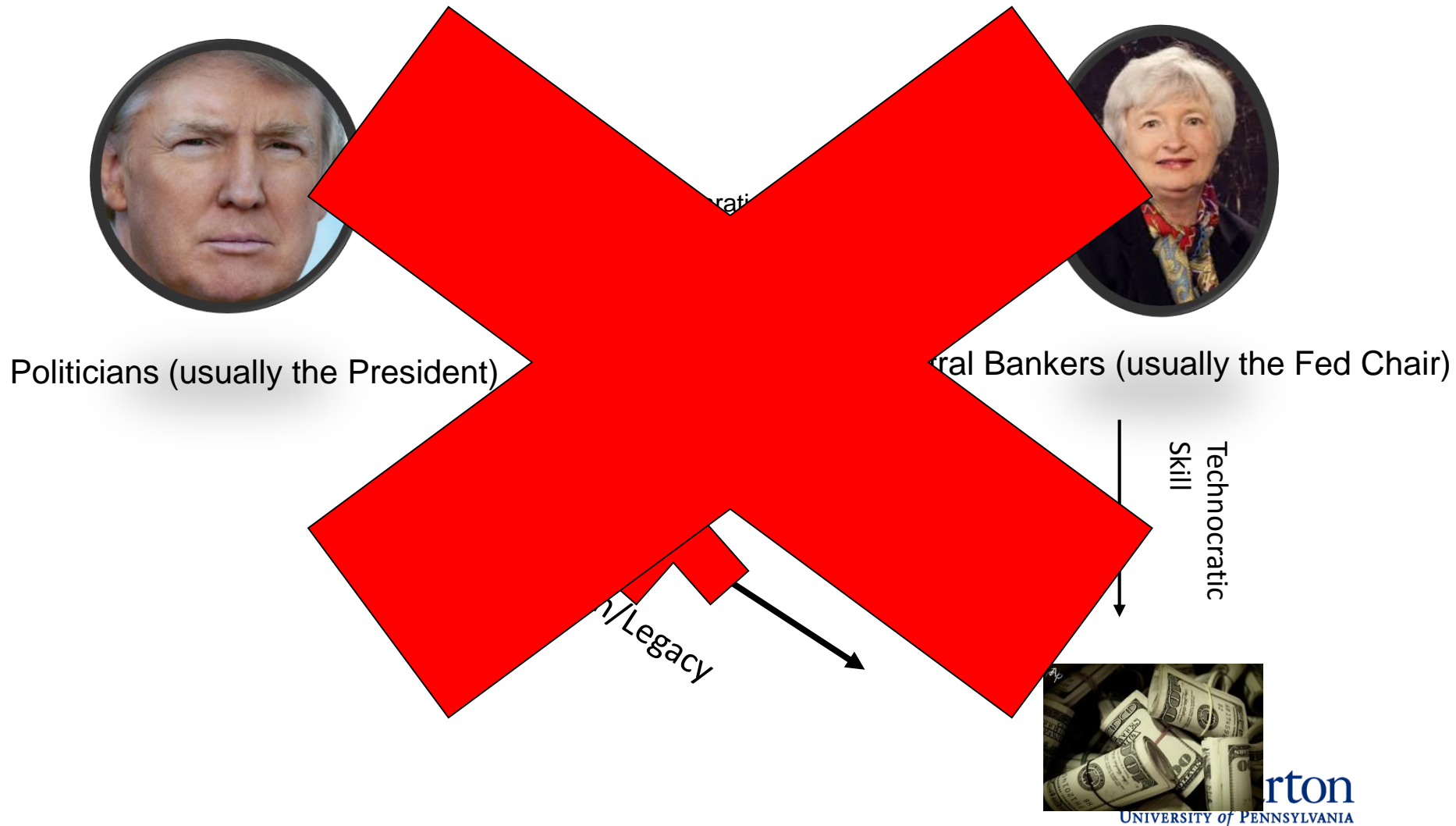
The Fed is “in the position of the chaperone who has ordered the punch bowl removed just when the party was really warming up.” William McChesney Martin (Fed Chair, 1955).







Standard Account of Fed Independence...



THE
POWER
AND
INDEPENDENCE
OF THE
**FEDERAL
RESERVE**

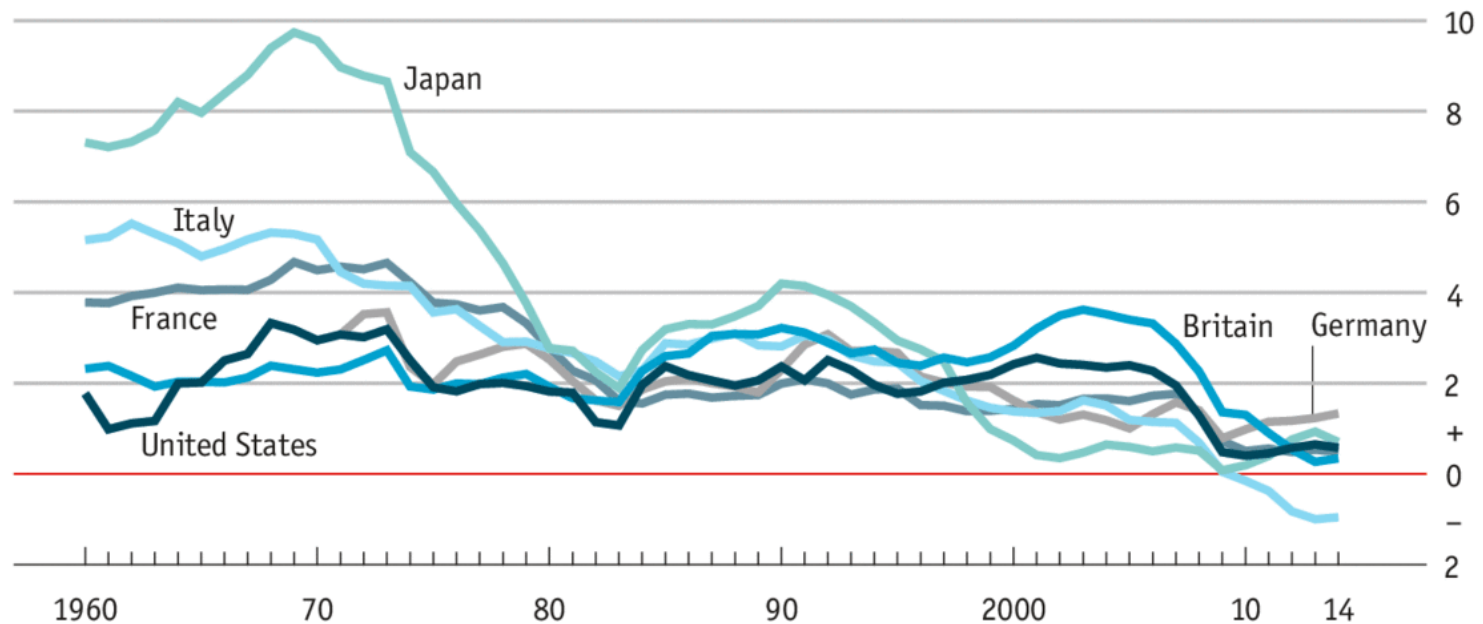


PETER CONTI-BROWN



Real GDP

% change on a year earlier
Ten-year moving average



Sources: Penn World Tables; *The Economist*

Economist.com/graphicdetail

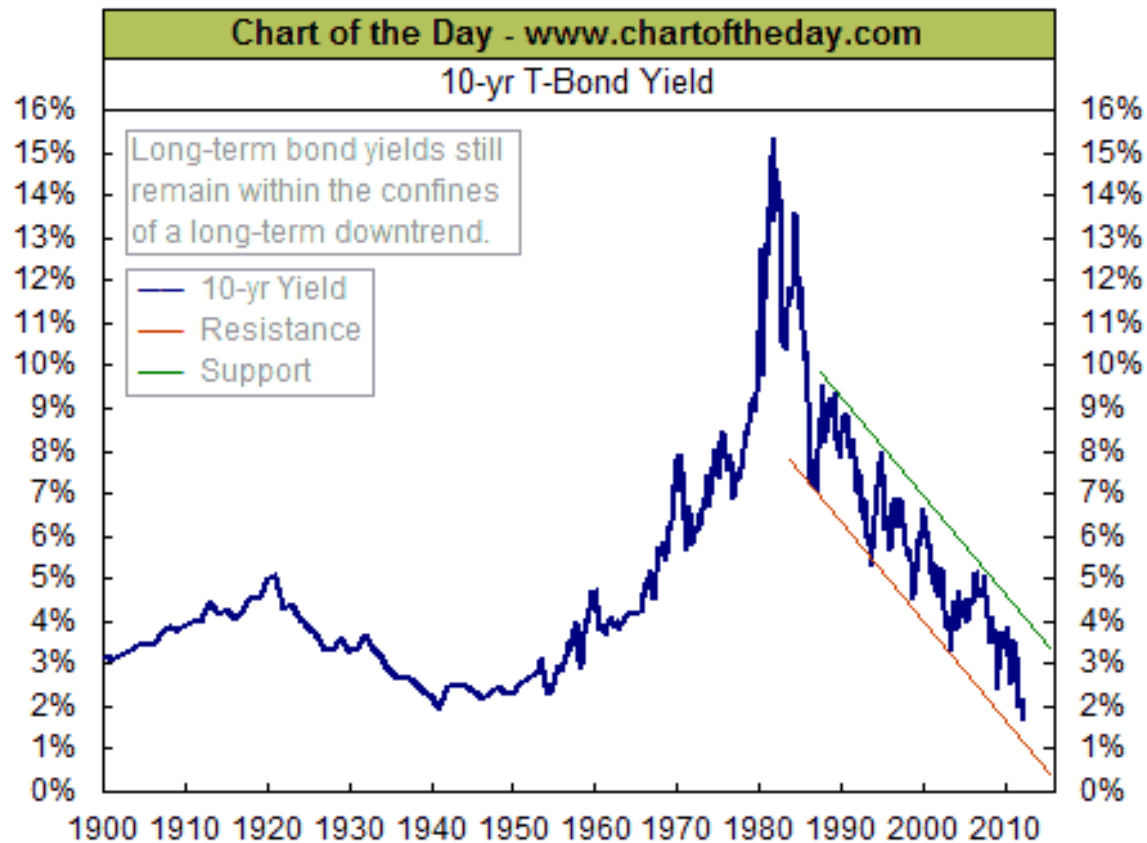
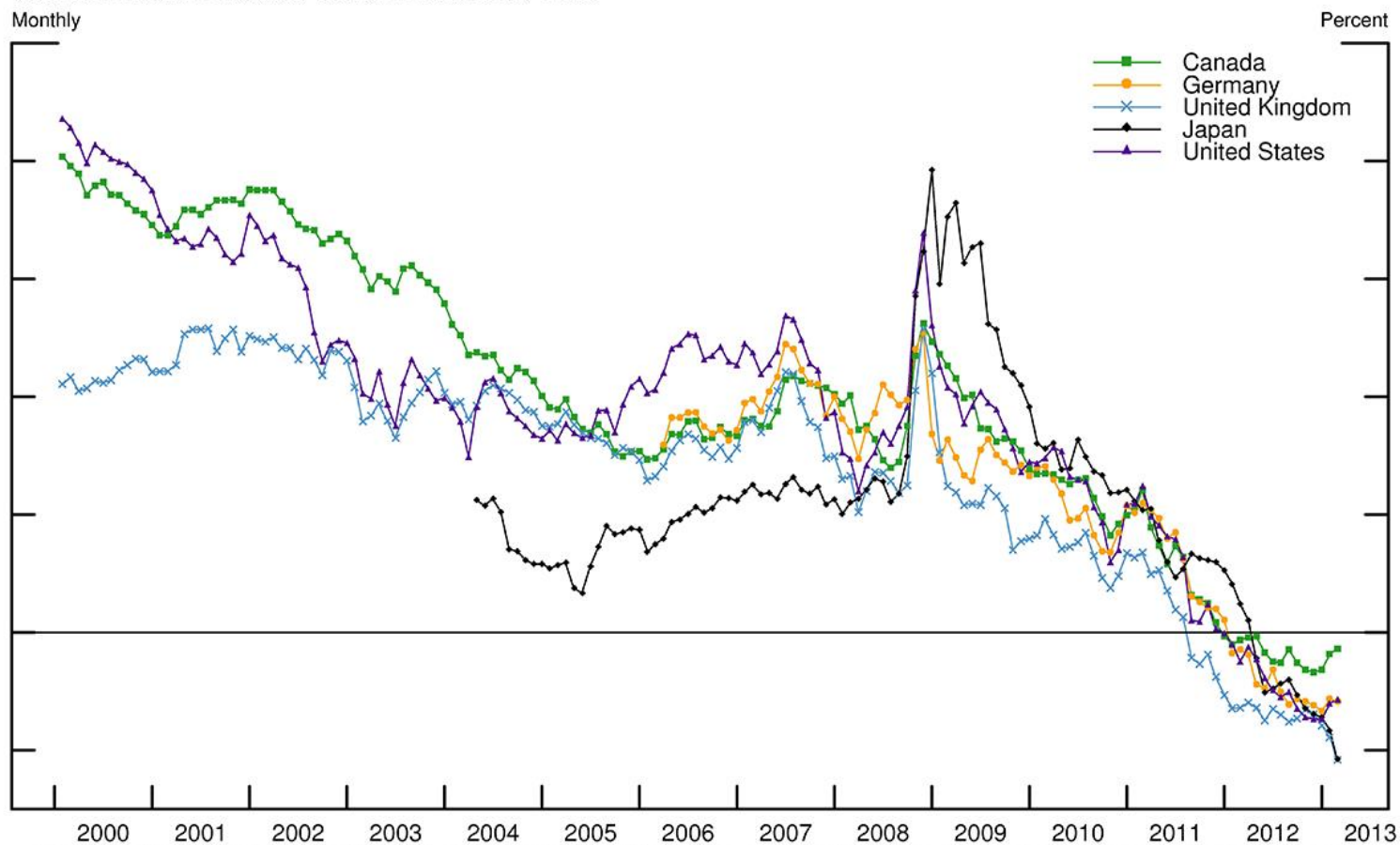
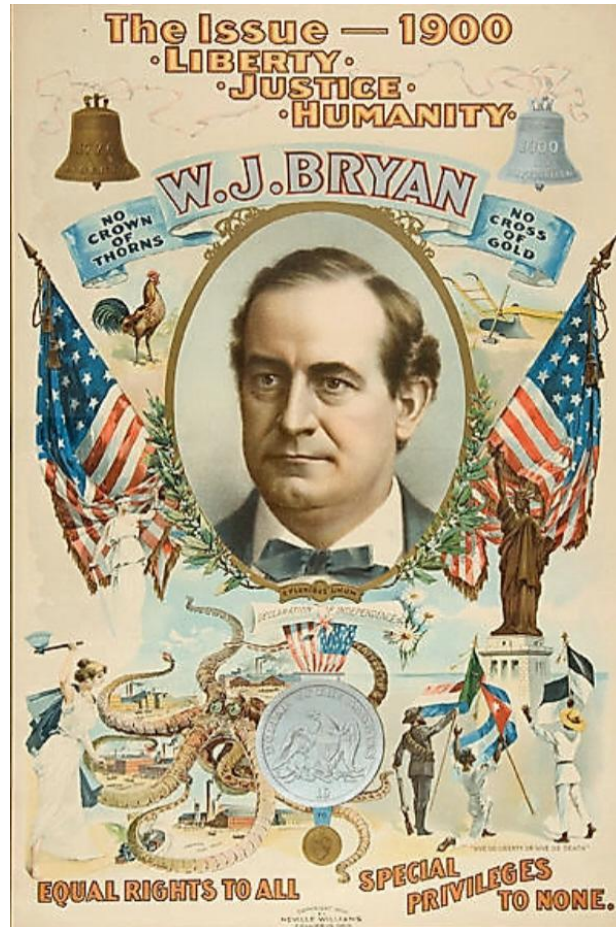


Chart 3. Inflation-Indexed Government Bond Yield



The Federal Reserve Coalition



The Federal Reserve Coalition



What Will Trump Do?

