

FED SHADOW

Miran: We Warned You, and We're Warning You Again

Friday, August 8, 2025

Donald Luskin

The three sweetest words: "As we predicted." We would rather have been wrong.

We warned in April that President Donald J. Trump could nominate White House Council of Economic Advisors chair Stephan Miran to replace Jerome Powell as Federal Reserve chair (see ["Jay Powell: Alien Enemy"](#) April 21, 2025). Three of the last four Fed chairs over 37 years have previously held Miran's current position, yet in all the horse-race stories about the Fed chairmanship, we've never seen his name mentioned. It hasn't quite come to *that* yet, but yesterday Trump did nominate Miran to the Fed Board of Governors to replace Governor Adriana Kugler, who resigned last Friday.

- We're not going to mince words here. Miran is a dangerous crank,

whom we have already written about many times this year (see, first, ["Predictions for 2025: Tariffs"](#) January 3, 2025).

- He is a hardcore MAGA protectionist who laid out in a lengthy November 2024 manifesto – ["A Users Guide to Restructuring the Global Trading System"](#) – a "cookbook," as he called it later, for tariffs (of course), weakening the dollar, ending its role as the world's reserve currency and defaulting on Treasury debt held by foreigners, replete with

Update to strategic view

FEDERAL RESERVE, FX:

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[\[Strategy dashboard\]](#)



It is my Great Honor to announce that I have chosen Dr. Stephen Miran, current Chairman of the Council of Economic Advisors, to serve in the just vacated seat on the Federal Reserve Board until January 31, 2026. In the meantime, we will continue to search for a permanent replacement. Stephen has a Ph.D. in Economics from Harvard University, and served with distinction in my First Administration. He has been with me from the beginning of my Second Term, and his expertise in the World of Economics is unparalleled — He will do an outstanding job. Congratulations Stephen!



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schemes to do it involving capital controls, reliance on obscure statutes, elaborate trading schemes, and maneuvers such as selling all the gold in Fort Knox. [Some credible observers](#) are arguing that some of Miran's stratagems have already been quietly begun by the Treasury, explaining this year's dollar weakness.

- *Miran is especially dangerous because, unlike unhinged protectionism warriors in the Trump administration such as Special Counselor Peter Navarro or Commerce Secretary Howard Lutnick, Miran couches his agenda in highbrow economic parlance and elegant rhetoric.* As he spins his hare-brained schemes, he makes himself sound like the serious theorists who explore non-mainstream views about global trade, such as Michael Pettis (see ["Video: TrendMacro conversation with Michael Pettis on the risk to the US dollar losing reserve currency status"](#) August 27, 2024).
- He can really get you to *almost* believe the insane things he is saying. Trump truthed, "...his expertise in the World [sic] of Economics [sic] is unparalleled." But that's not truth. With his radical ideas concealed behind engaging words, *he is MAGA's Paul Krugman.*
- For instance, [Miran believes](#) that dollar savings held by foreign nations are a "public good" that is "provided" by US taxpayers "to facilitate non-Americans trading with each other." By using the plummy term "public good," and characterizing rationally self-interested acts of commerce as altruistic "providing," he shifts your focus to the abstract positive externalities of trade, and distracts you from the material reality that those dollars were not "provided" by anyone in the US, except as payment for automobiles, semiconductors and foodstuffs "provided" to the US by foreigners. It's not those dollars that are the "public good," it's trade itself – because trade lifts up everyone involved – and his program would destroy trade.
- *Miran was brought to the Trump administration by Treasury Secretary Scott Bessent,* who persuaded Trump to nominate him without even meeting him. And you thought Bessent was the adult in the room.
- As Fed chair, Miran would have the world's bulliest economic pulpit from which to advocate his mad schemes – and emergency powers to engage [the Fed as a backstop](#) that might embolden the Trump administration to dare to try his "Mar-a-Lago accord," a selective default on foreign Treasury holdings.
- Like Powell, he would just be one vote. But as time goes by, Trump would be able to populate the Board with more governors who would vote with Miran.

To be sure, *at this time Trump has not nominated Miran for chair, only for governor.* Indeed, because Kugler's unexpired term ends on January 31 of next year, Miran's place on the Board is necessarily temporary. Like any nomination to the Board, Miran will have to be confirmed by the Senate. And to extend his governorship to the next 14-year term for Kugler's seat, he would have to be renominated by Trump and confirmed by the Senate a second time.

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- That's the context for Trump saying, in the [Truth Social post announcing Miran's nomination](#), that "we will continue to search for a permanent replacement."
- The language here suggests that Miran is just a placeholder on the Board – and a friendly vote for the next several FOMC meetings – and in January the Kugler seat will be available for whomever Trump's "search" determines will be the next Chair – at least the external candidates, say, [Kevin Warsh](#).
- Or not.
- Trump may very much intend to nominate Miran to be chair, but doesn't think it wise to say so now while Miran faces Senate confirmation as governor-but-not-chair. He cannot actually *confirmed* for chair, because the governor's seat he will occupy expires in January, before Powell's term as chair expires in May. The Senate can't approve as chair someone whose governor's term doesn't extend far enough for him to be chair. Sitting governors like Christopher Waller, whose term doesn't end until 2030 (see "[Video: Iran hot take, and... What you're not hearing about Fed Governor Christopher Waller's job application to replace Jay Powell](#)" June 23, 2025) or Michelle Bowman, whose term doesn't end until 2034, could be confirmed for chair at any time.
- Sure, Trump could *announce his intention* for Miran to be chair without actually nominating him for it at this time. But why make his Senate confirmation difficult? Ranking Member Elizabeth Warren (D-MA), who didn't even bother to ask Miran a single question in his confirmation hearing for CEA chair [yesterday called](#) Miran a "Trump loyalist and one of the chief architects of the President's chaotic tariff policy that has hurt Americans' wallets." Imagine what she'd say if she were dealing with a nominee whom Trump has said he would later nominate for Chair? We don't usually agree with Elizabeth Warren, nor do the Republicans who make up the majority of the Committee. But when we do, it's when she dunks on a madman who wants the US dollar to lose its reserve currency status, sell all the gold in Fort Knox and default on Treasury bonds held by foreigners.
- Remember, in Trump's first term, he failed to get two nominations to the Board of Governors through the Banking Committee – Steven Moore and Judy Shelton. In both cases the Democrats engaged in very effective character assassination campaigns. And in both cases the Republicans were uncomfortable from the get-go with Moore's strong ideological bent – a conservative mirror of Miran's – and the fact that Shelton is a crank – as Miran is.
- If Trump wants to nominate Miran for chair, better to wait until he has been confirmed as a governor and spent several months keeping his head down and his mouth shut.

Miran as Fed chair would be a signal to markets that the Trump administration will seek a sharply weaker dollar. There is no surer way to destroy the value of assets – stocks, bonds, real estate, everything – than to undermine the currency in which they are denominated.

- As of this writing, markets haven't reacted to Miran's nomination to the Fed. We can only assume that means that markets are buying the idea that Miran is a mere placeholder, and not a serious possibility for chair. We might even get an extra rate cut or two out of the FOMC with one more friendly vote.
- That's the gist of the [major media stories](#) covering Miran's nomination, in which the market experts quoted focus exclusively on his presumed dovishness – as though they'd never heard of his plot to end the dollar's reserve currency status.
- It seems that markets just don't believe that Miran really thinks the things that Miran really thinks. Markets will have to take another look if Trump openly positions him for chair – and they won't like what they see.

Bottom line

Trump has nominated Miran, a MAGA trade warrior and a dangerous crank, to fill the short unexpired term of Kugler. We warned three months ago that Miran, chair of the White House Council of Economic Advisors, could become the next Fed chair from that position, as three of the last four Fed chairs have. Miran is a dangerous crank. He is a MAGA trade warrior who favors tariffs, radical dollar devaluation, ending of the dollar's reserve currency status, capital controls and selective default. Trump has not nominated Miran for Fed chair, nor said that he will. But that is far from demonstrating that he won't. Doing so now would be dangerous and pointless, as Miran is not confirmable by the Senate as chair, because his governor's term will expire in January before Powell's term as chair expires in May. Nominating him for chair now would focus opposition in the immediate confirmation process, and in the first term Trump failed with two nominees who were out of the mainstream, though far less radical than Miran. ▶