

America's Economy in 2024: Soft Landing or Hard Crash? Ron Paul

By [Rep. Ron Paul](#)

Global Research, January 09, 2024

[The Ron Paul Institute for Peace and Prosperity](#) 8 January 2024

Region: [USA](#)

Theme: [Global Economy](#)

All Global Research articles can be read in 51 languages by activating the Translate Website button below the author's name (only available in desktop version).

To receive Global Research's Daily Newsletter (selected articles), [click here](#).

Click the share button above to email/forward this article to your friends and colleagues. Follow us on [Instagram](#) and [Twitter](#) and subscribe to our [Telegram Channel](#). Feel free to repost and share widely Global Research articles.

[**New Year Donation Drive: Global Research Is Committed to the "Unspoken Truth"**](#)

A clip from the 1990 movie Home Alone where the lead character purchases groceries, household goods, and toys recently went viral because he paid a total of \$19.83 whereas today the same purchase would cost over three times as much. Ironically, while this evidence of the Federal Reserve's failure to maintain the dollar's value was going viral, stocks rose because investors believed the Fed had successfully engineered a "soft landing" by bringing down price inflation without causing a recession and would soon begin reducing interest rates.

Then, stocks fell at the beginning of the year when the release of the notes of the Federal Reserve Board's last meeting suggested the Fed would not hurry rate cuts. The likelihood of a delay in cutting rates was further increased by a "positive" December Jobs report.

The jobs report did show unemployment remaining low and wages slightly increasing, but the news was not all positive. One of the report's most troubling items is that a top source of increased wages is government. An increase in the salaries of government employees also increases government debt, which will have to be paid for by taxes. Since tax increases are unpopular, the government relies on the Federal Reserve to do the dirty work by purchasing federal debt instruments and thus creating more inflation. This inflation tax is the worst of all taxes because it is regressive and hidden.

If the Fed allowed interest rates to increase to anywhere near what they would likely be in a free market, interest rate payments on the federal debt would rise to a level causing a financial crisis.

Even though the federal government will soon spend more on interest on the federal debt than on the Pentagon and the military-industrial complex, few in DC are serious about cutting spending. Federal debt increased by one trillion dollars from mid-September to the beginning of the new year. It is expected to increase by around another trillion dollars by the end of March! To put this in perspective, consider that the federal debt did not reach a trillion dollars until 1981 — almost two hundred years after the Constitution was ratified.

Continuing increases in federal debt and Federal Reserve created inflation will lead to economic crisis caused by a rejection of the dollar's world reserve currency status. There is already resentment over the US government's use of the dollar's reserve status to support US sanctions. This is why Russia and Iran recently signed a deal to trade in their own currencies rather than in dollars and Russia is no longer accepting dollars for its oil.

President Biden has kept his promise to refrain from criticizing the Fed's conduct of monetary policy. In contrast, his predecessor regularly took to Twitter to lambaste the central bank. This means the Fed will likely try to help President Biden by trying to keep interest rates low enough to not increase unemployment yet high enough to not increase price inflation.

While **Donald Trump** is more likely than **Joe Biden** to challenge the deep state and neoconservative foreign policy, **the truth is neither Biden nor Trump will seek to reduce spending. Unless a critical mass of Americans demand an end to the welfare-warfare state and the fiat money system, the soft landing sought by the Fed and the politicians will turn into a hard crash.**

*

Note to readers: Please click the share button above. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

The original source of this article is [The Ron Paul Institute for Peace and Prosperity](#)
Copyright © [Rep. Ron Paul](#), [The Ron Paul Institute for Peace and Prosperity](#), 2024

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Rep. Ron Paul](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long as the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca
www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those

who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca