



Nobody for Fed Chairman

President Trump has recently suggested that, unless Federal Reserve Chairman Jerome Powell cuts interest rates, the president might revert to his *The Apprentice* days and tell Powell, “you’re fired.”



Ron Paul
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President Trump backtracked on firing Powell after the president’s comments caused stock markets to fall. However, it is almost certain that President Trump will not reappoint Powell when Powell’s term ends in May.

Media reports indicate the leading candidates to replace Powell include Treasury Secretary Scott Bessent, former Federal Reserve Board Governor Kevin Warsh, and National Economic Council Director Kevin Hassett.

A more interesting question than who will replace Powell is why would anyone want to, since the next Fed chairman will likely face another Fed-caused meltdown.

The national debt is over 37 trillion dollars and rising. Yet few in Congress are serious about cutting federal spending. This puts pressure on the Fed to keep interest rates low to limit the cost of ongoing debt interest payments. So, the Fed continues monetizing the debt, pumping more money into the economy, weakening the dollar’s purchasing power, and eroding the American people’s standard of living. The Federal Reserve’s low interest rate policy also distorts the market, leading to the bubble-boom-and-bust business cycle that has plagued the American economy since the last link between the dollar and gold was severed in 1971.

The Fed’s job is also made more difficult by a reduced demand for Treasury securities among investors, causing the Fed to increase its purchases. This pumps more money into the economy, further eroding the dollar’s value.

Concerns about the national debt’s effect on monetary policy are a key factor behind the recent increase in gold prices and the interest in cryptocurrencies. The danger posed by the national debt is one reason why foreign countries are increasing their gold holdings and considering challenging the US dollar’s world reserve currency status.

Whoever succeeds Jerome Powell as Fed chairman will face a no-win choice. He could try to keep interest rates low to ensure the federal government’s interest payments remain manageable, at the cost of making it more likely the US economy will face another Federal Reserve caused meltdown. Instead, he could try increasing rates to limit price increases thus raising the cost of managing government (and private sector) debt to unsustainable levels, throwing the economy into a severe downturn.

Congress members and President Trump are attacking Chairman Powell for spending over two billion dollars on Federal Reserve headquarters renovations. This is a waste of taxpayer money, but it pales in comparison to the harm suffered by the American people because of the Federal Reserve’s inflationary policies.

Treasury Secretary Bessent has suggested expanding the investigation beyond the costs of renovating the Fed headquarters to examination of “the entire Federal Reserve institution” to determine if the Fed has “succeeded in its mission.” This suggests Secretary Bessent would support passing the Audit the Fed legislation, which is a step toward returning to a constitutional and sound monetary policy.



Written by [Ron Paul](#) on July 28, 2025

However, anyone who understands Austrian economics knows a fiat money system managed by a secretive central bank can never succeed in creating lasting prosperity and will eventually crash the economy.

No person or persons can know the “correct” interest rates, and the Federal Reserve’s attempts to control interest rates are destructive like other central planning. The proper answer to who should be Fed chairman is ... nobody.

Ron Paul is a former U.S. congressman from Texas. This [article](#) originally appeared at the Ron Paul Institute for Peace and Prosperity and is reprinted here with permission.



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