

the price down. The same people who were advocating the free trade of textiles and cars and steel and everything else were the same people that were saying we cannot be free-trading pharmaceuticals.

The only direct link for that position is where are you getting your campaign contributions. If you are for free trade of textiles, you can raise a lot of money. If you are for protectionism for pharmaceuticals, you can raise a lot of money.

Which brings us to the issue of health care. There are 41 million uninsured in this country. Eighty-two percent of the 41 million are from working families, industrial unions, people who go to work and work hard every day. And on every contract that they try to negotiate is the issue of health care costs, premiums, copays, prescription drugs going up by 15 percent, skyrocketing. Premiums increased by 12.7 percent in 2002 compared with 0.8 percent in 1996.

Mr. Speaker, we are not going to win this battle with money. It is going to take us uniting together, like we did in the past century, voter by voter by voter, if we want a policy in this country that advocates for the poor, that advocates for the middle class and that tells the pharmaceutical companies that have been the most profitable industry in this country in the last 10 years, that you cannot get money from the government to begin your research and development, public money, and then stick it to the consumer on the back end with inflated drug prices.

We need the unions of this country, the steelworkers of this country to unite again in an energized effort to take this country back so it is not who has the money gets the proper legislation; it ends up with who got the votes gets what this country not only needs, but really deserves.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. MCCOTTER) is recognized for 5 minutes.

(Mr. MCCOTTER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. LEE) is recognized for 5 minutes.

(Ms. LEE addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

PAPER MONEY AND TYRANNY

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 7, 2003, the gentleman from Texas (Mr. PAUL) is recognized for 60 minutes as the designee of the majority leader.

Mr. PAUL. Mr. Speaker, earlier we heard some concern expressed for jobs leaving this country. If one is concerned about that, maybe it would be advantageous to listen to what I say, because I will try to give an explanation for exactly the reason why those jobs leave.

My Special Order today is entitled "Paper Money and Tyranny."

Mr. Speaker, all great republics throughout history cherished sound money. This meant the monetary unit was a commodity of honest weight and purity. When money was sound, civilizations were found to be more prosperous and freedom thrived. The less free a society becomes, the greater the likelihood its money is being debased and the economic well-being of its citizens diminished.

Alan Greenspan, years before he became Federal Reserve Board Chairman in charge of flagrantly debasing the U.S. dollar, wrote about this connection between sound money, prosperity and freedom.

In his article "Gold and Economic Freedom" in 1966, Mr. Greenspan starts by saying, "An almost hysterical antagonism toward the gold standard is an issue that unites status of all persuasions. They seem to sense that gold and economic freedom are inseparable."

Further he states that under the gold standard, "a free banking system stands as the protector of an economy's stability and balanced growth."

Astoundingly, Mr. Greenspan's analysis of the 1929 market crash and how the Fed precipitated the crisis directly parallels current conditions we are experiencing under his management of the Fed. Greenspan explains, "The excess credit which the Fed pumped into the economy spilled over into the stock market, triggering a fantastic speculative boom, and by 1929 the speculative imbalances had become overwhelming and unmanageable by the Fed."

Greenspan concluded his article by stating, "In the absence of the gold standard, there is no way to protect savings from confiscation through inflation." He explains that the "shabby secret of the proponents of big government and paper money is that deficit spending is simply nothing more than a scheme for the hidden confiscation of wealth."

Yet here we are today with a purely fiat monetary system managed almost exclusively by Mr. Greenspan who once so correctly denounced the Fed's role in the Depression while recognizing the need for sound money.

The founders of this country and a large majority of the American people up until the 1930s disdained paper money, respected commodity money and disapproved of the Central Bank's monopoly control of money creation and interest rates. Ironically, it was the abuse of the gold standard, the

Fed's credit-creating habits of the 1920s and its subsequent mischief in the 1930s, that not only gave us the Great Depression, but also prolonged it. Yet sound money was blamed for all the suffering. That is why people hardly objected when Roosevelt and his status friends confiscated gold and radically debased the currency, ushering in the age of worldwide fiat currencies with which the international community struggles today.

If honest money and freedom are inseparable, as Mr. Greenspan argues, and paper money leads to tyranny, one must wonder why it is so popular with the economists, the business community, bankers and our government officials. The simplest explanation is that it is a human trait to always seek the comforts of wealth with the least amount of effort.

This desire is quite positive when it inspires hard work and innovation in a capitalist society. Productivity is improved and the standard of living goes up for everyone. This process has permitted the poorest in today's capitalist countries to enjoy luxuries never available to the royalty of old. But this human trait of seeking wealth and comfort with the least amount of effort is often abused. It leads some to believe that by certain monetary manipulations, wealth can be made more available to everyone.

Those who believe in fiat money often believe wealth can be created without a commensurate amount of hard work and innovation. They also come to believe that savings and market control of interest rates are not only unnecessary, but actually hinder a productive, growing economy.

Concern for liberty is replaced by the illusion that material benefits can be more easily obtained with fiat money than through hard work and ingenuity. The perceived benefits soon become of greater concern for society than the preservation of liberty.

This does not mean proponents of fiat money embark on a crusade to promote tyranny, though that is what it leads to, but rather they hope that they have found the "philosopher's stone" and a modern alternative to the challenge of turning lead into gold.

Our founders thoroughly understood this issue and warned us against the temptation to seek wealth and fortune without the work and savings that real prosperity requires. James Madison warned of "the pestilent effects of paper money," as the founders had vivid memories of the destructiveness of the continental dollar.

George Mason of Virginia said that he had a "mortal hatred of paper money."

Constitutional Convention delegate Oliver Ellsworth from Connecticut thought the convention "a favorable moment to shut and bar the door against paper money."

This view of the evils of paper money was shared by almost all of the delegates to the convention and was the