

ask Thy particular blessing and mercy on George and Laura Bush. You have been working a long time on them, Father; you started back in the Senate with Old Man Prescott, and you came on through with George Herbert Walker Bush and Barbara, and blessed our nation with their leadership. And from their family, you have created a legacy of love, a legacy of mercy, a legacy of compassion, a legacy of peace, prosperity and justice. These we see not as their achievements so much as Your blessings.

We ask that as they embark upon the whirlwind which is our history, that You may strengthen them and guide them; surround them—the Cabinet, the Congress, the governors, the mayors, the ambassadors, the business leaders, all who are brought together in this creative time, which indeed is Your time—surround us with the guidance and love and strength of Your angels. Keep us always mindful of the presence of Your son.

Bow us daily on our knees together as we break bread and as we serve Thy holy name, to see to it that all of your children everywhere might share in the freedom, the blessing, the abundant life of grace and mercy that we so readily take for granted in these United States. Grant us wisdom, grant us courage for the living and serving of these days. In Jesus' name, amen.

(Applause.)

Rep. WAMP. Our closing song was not written by Senator Orrin Hatch, but it will be performed by Wintley Phipps. Welcome him back, please. Wintley. (Applause.)

(Song, "It Is Well With My Soul", is performed by Wintley Phipps.)

Rep. WAMP. I would ask the audience to please remain in place while President Bush and our first lady, and the Vice President and Mrs. Cheney leave the stage.

Thank you, Mr. President. (Applause.)

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

(Mr. INSLEE 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 gentlewoman from Kentucky (Mrs. NORTHUP) is recognized for 5 minutes.

(Mrs. NORTHUP addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

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

ADDRESSING MONETARY PROBLEMS

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

Mr. PAUL. Mr. Speaker, the markets today are reeling. The financial markets are indeed in big trouble. This could mean a couple of things to all of us. First, it could mean economic hard-

ship for many of our citizens. It also could mean that our budget figures will be completely changed here in the not-too-distant future, and we should be paying attention.

Some people claim that they are not quite sure why markets go up and all of a sudden crash; and others say if only Alan Greenspan would just print more money, inflate the currency faster, lower the interest rates, all would be well. But I do not think it is that simple.

It is very clear that we have these cycles and these booms coming from a monetary system that is pure fiat. Fiat money means that the money is created out of thin air, and the characteristic of a fiat monetary system is that you have overspeculation, you have stock market booms, you have stock market crashes, and you have a business cycle. This comes from the mismanagement of money, mainly because man, in his efforts to plan, to have economic central planning through monetary policy, is incapable of providing the information necessary that a free market is supposed to have.

Only a free market can tell us what interest rates should be or what the money supply should be. But we have become dependent on a Federal Reserve system that pretends to know all these things, and we have allowed Alan Greenspan to believe that he can regulate the entire economy as well as the stock market by the Open Market Committee.

Inflation is nothing more than the creation of new money out of thin air. Sometimes it raises prices in certain areas, and other times in other places. But the whole principle of fiat money is when you create new money, you devalue/lower the value of the dollar.

This is what is happening. Right now we are increasing the money supply as measured by MZM at the rate of 20 percent per year. This means that, ultimately, that dollar that we use to purchase goods and services will go down in value. And yet the only thing that we hear about is the cry to the Federal Reserve, just print more money, faster, because that will save us all. It will raise the stock market; it will make sure that the economy does not go down and go into a downturn.

This is not the case. Ultimately what we have to have is monetary reform, currency reform. We have to have a time when once again we have money that cannot be created out of thin air. We have to have money of value, something that governments and politicians cannot create out of thin air. Unless we address that, we are going to continue with these problems.

This can be very serious. Just in the last year there has been \$4 trillion of value lost in the stock market. Of course, it was artificially high, and now it is going to be artificially low, and these sudden changes reflect the disequilibrium built into the system once we have a monetary system of this sort.

In 1996, the chairman of the Federal Reserve Board talked about the exuberance, the irrational exuberance in the stock market; and yet I think he knew, I certainly knew, and others knew, that there was irrational exuberance, because even at that time we were printing money like crazy. There was overspeculation.

If he had been seriously concerned about the exuberance getting out of control in 1996, he might have considered not inflating the currency quite so rapidly, not devaluing the money quite so rapidly. But what has he done since that time? The Federal Reserve has literally created \$2.3 trillion of new money since 1996, further creating a bigger bubble, which eventually had to collapse, and that is what we are in the midst of. It can be tough. It is going to be tough for a lot of people. We can have this economic downturn, and this means jobs and a standard of living that will be threatened.

This type of a monetary system also encourages us to do things unwisely. When interest rates are lower than they are supposed to be, we borrow more money and we do not save as much money, so savings has a negative rate. Yet people are way in debt, business people are in debt, and then business people are actually encouraged to do things that are not wise. They overbuild; they build into the system overcapacity and mal-investment which eventually has to be cleansed out of the system.

So this mantra of saying all we need is more inflation will not work. Inflation caused the problem. The inflation of the monetary system is the problem. To believe that all we need is more inflation to solve the problem is a serious error. We need currency reform.

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

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

THE PRESIDENT'S EDUCATION INITIATIVE

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

Mr. SOUDER. Mr. Speaker, today is a historic day. We have introduced in the House H.R. 1, the President's education initiative. I am not an initial cosponsor, but I am basically supportive of this legislation and am looking forward to continuing to work in tweaking it.

Let me raise a couple of points that were of special concern. First, I think that the President's goal of leaving no children behind is admirable, and he is trying to develop accountability standards to make sure we actually know that no child has been left behind.

Some of us on the conservative side of the spectrum have been concerned