

last August when Hurricane Katrina hit. Unfortunately, we had a horrible tornado come through Arkansas and Tennessee, numerous tornadoes, I might add, which literally destroyed the community of Marmaduke, Arkansas. It took a number of Congressmen, a number of Senators, a Governor and I don't know who all else two weeks to get FEMA to move 25 of these 10,477 mobile homes from Hope, Arkansas, to Marmaduke, Arkansas.

We come to find out they have simply moved them to a so-called FEMA staging area at Marmaduke, and are telling those homeless it might take 30 days to process their paperwork to see if they can get one of these homes.

This is a symbol of what is wrong with this administration, this Republican Congress and their Federal Emergency Management Agency. I will continue to raise this issue and continue to give you an update, Mr. Speaker, as long as we have got a single home sitting at the airport at Hope, Arkansas, while people remain homeless from these horrible natural disasters.

In fact, Mr. Speaker, the current update as I understand it is we now as of tonight have 10,112 manufactured homes sitting there at the airport in Hope, Arkansas. This is an example of the lack of accountability within our government, the kind of accountability that we need if we are going to get our Nation's fiscal house in order.

Mr. SCOTT of Georgia. Mr. Ross, you cannot help but feel compassion for the American people. They deserve much better than this, with Katrina, the natural disasters that are happening and the lack of response of FEMA. You talk about FEMA. I had a similar problem in my own district, where we had literally thousands of trailers sitting right there on the campus of Ft. Gillem.

□ 2230

Weeks, weeks, weeks went by, not going down into the Louisiana area. Lack of coordination, lack of proper direction.

The American people deserve much better than this, and we are going to give them much better. We have got to change the direction of this country. It is implicit in the debt that we are having. It is implicit in the response and the concerns with the rising gas prices. It is implicit in what is happening with the depletion of our military and our armed services, in the service of Iraq and Afghanistan. It is implicit in the situation with the Dubai Ports deal, even to think that they would turn over the security of this country to a company owned by a country who was only one of three countries to recognize the Taliban as the authority, ruler, in Afghanistan, while we have got our young men and women dying and fighting the Taliban. A tremendous disconnect.

And it is obvious it is there. As I said at the outset, we are here to be sojourners of truth. And we are sojourners of truth here tonight.

Mr. ROSS. I thank the gentleman from Georgia, the gentleman from Tennessee for joining me this evening as we discuss this huge issue, this debt, and deficit facing our country, as we do every Tuesday night.

We began the hour with a debt, \$8,353,429,193,726 and some change. Just in the last hour since we have been discussing the debt and the deficit and what it means to America and how America's priorities are not getting funded because of it, how our veterans are not being taken care of, our school children are not being taken care of, our Nation is not nearly as safe as it should be because of America's priorities cannot be met as long as we do not have our fiscal house in order.

But during this hour that we have stood here talking about this, this administration, this Republican Congress has increased the national debt to the tune of about \$41 million. In fact, this is no longer the national debt. The debt now is \$8,353,470,859,833. Just in the hour we have been here, our national debt increased by more than \$41 million.

It now stands at \$8,353,470,859,833 and some change. It is time for this Nation to get its fiscal house in order. Forty-nine States are required to have a balanced budget. As members of the fiscally conservative Democratic Blue Dog Coalition, we believe our Nation should have a balanced budget. Small businesses are required to have a balanced budget. And America's working families and seniors and farm families are required to have a balanced budget.

It is time for America to have a balanced budget. Madam Speaker, as members of the 37 Member strong, fiscally conservative Democratic Blue Dog Coalition, we will continue this dialogue and this debate on the House floor every Tuesday night until we have an administration and a Congress that will get our Nation's fiscal house in order.

With that, Madam Speaker, if you have any questions for us, in the time remaining, I would encourage you, Madam Speaker, if you have questions or comments or concerns, I would encourage you, Madam Speaker, to e-mail us at bluedog@mail.house.gov. That is bluedog@mail.house.gov.

GOLD AND THE U.S. DOLLAR

The SPEAKER pro tempore (Ms. Foxx). Under the Speaker's announced policy of January 4, 2005, the gentleman from Texas (Mr. PAUL) is recognized for half the remaining time until midnight.

Mr. PAUL. Madam Speaker, the financial press and even the network news shows have begun reporting the price of gold regularly.

For 20 years, between 1980 and 2000, the price of gold was rarely mentioned. There was little interest, and the price was either falling or remaining steady. Since 2001, however, interest in gold has soared along with its price.

With the price now over \$600 an ounce, a lot more people are becoming interested in gold as an investment and an economic indicator. Much can be learned by understanding what the rising dollar price of gold means.

The rise in gold prices, from \$250 per ounce in 2001 to over \$600 today has drawn investors and speculators into precious metals markets. Though many already have made handsome profits, buying gold, per se, should not be touted as a good investment. After all, gold earns no interest, and its quality never changes. It is static and does not grow as sound investments should.

It is more accurate to say that one might invest in a gold or silver mining company, where management, labor costs, and the nature of new discoveries all play a vital role in determining the quality of the investment and the profits made.

Buying gold and holding it is somewhat analogous to converting one's saving into \$100 bills and hiding them under the mattress, yet not exactly the same. Both gold and dollars are considered money, and holding money does not qualify as an investment. There is a big difference between the two, however, since by holding paper money, one loses purchasing power. The purchasing power of commodity money, that is gold, however, goes up if the government devalues the circulating paper currency.

Holding gold is protection or insurance against government's proclivity to debase the currency. The purchasing power of gold goes up not because it is a so-called good investment. It goes up in value only because the paper currency goes down in value. In our current situation, that means the dollar.

One of the characteristics of commodity money, one that originated naturally in the marketplace, is that it must serve as a store of value. Gold and silver meet the test; paper does not. Because of this profound difference, the incentive and wisdom of holding emergency funds in the form of gold becomes attractive when the official currency is being devalued. It is more attractive than trying to save wealth in the form of a fiat currency, even when earning some nominal interest.

The lack of earned interest on gold is not a problem once people realize the purchasing power of their currency is declining faster than the interest rates they might earn. The purchasing power of gold can rise even faster than increases in the cost of living.

The point is that most who buy gold do so to protect against the depreciating currency, rather than as an investment in the classical sense. Americans understand this less than citizens of other countries. Some nations have suffered from severe monetary inflation that literally led to the destruction of their national currency.

Though our inflation, that is the depreciation of the U.S. dollar, has been insidious, average Americans are unaware of how this occurs. For instance,

few Americans know nor seem concerned that the 1913 pre-Federal Reserve dollar is now worth only 4 cents. Officially, our central bankers and our politicians express no fear that the course on which we are set is fraught with great danger to our economy and to our political system.

The belief that money created out of thin air can work economic miracles if only properly managed is pervasive in the District of Columbia. In many ways, we should not be surprised about this trust in such an unsound system. For at least four generations our government-run universities have systematically preached a monetary doctrine justifying the so-called wisdom of paper money over the foolishness of sound money.

Not only that, paper money has worked surprisingly well in the past 35 years, the years the world has accepted pure paper money as currency. Alan Greenspan bragged that central bankers in these decades have gained the knowledge necessary to make paper money respond as if it were gold.

This, they argue, removes the problem of obtaining gold to back the currency and hence frees the politician from the rigid discipline a gold standard imposes. Many central bankers in the last 15 years became so confident they had achieved this milestone that they sold off large hordes of their gold reserves. At other times they tried to prove that paper works better than gold by artificially propping up the dollar by suppressing the market price of gold.

This recent deception failed just as it did in the 1960s when our government tried to hold gold artificially low at \$35 an ounce. But since they could not truly repeal the economic laws regarding money, just as many central bankers sold, others bought. It is fascinating that the European central banks sold gold while the Asian central banks bought it over the last several years.

Since gold has proven to be the real money of the ages, we see once again a shift in wealth from the West to the East, just as we saw a loss of our industrial base in the same direction.

Though Treasury officials deny any U.S. sales or loans of our official gold holdings, no audits are permitted, so no one can be certain. The special nature of the dollar as the reserve currency of the world has allowed this gain to last longer than it would have otherwise.

But the fact that gold has gone from \$250 an ounce to over \$600 an ounce means there is concern about the future of the dollar. The higher the price of gold the greater the concern for the dollar. But instead of dwelling on the dollar price of gold, we should be talking about the depreciation of the dollar.

In 1934, a dollar was worth one-twentieth of an ounce of gold. \$20 to buy one ounce. Today a dollar is worth one-sixth-hundredth of an ounce, meaning it takes \$600 to buy one ounce of gold.

The number of dollars created by the Federal Reserve and through the fractional reserve banking system is crucial in determining how the market assesses the relationship of the dollar and gold.

Though there is a strong correlation, it is not instantaneous or perfectly predictable. There are many variables to consider. But in the long term, the dollar price of gold represents past inflation of the money supply. Equally important, it represents the anticipation of how much new money will be created in the future.

This introduces the factor of trust and confidence in our monetary authorities and our politicians, and these days the American people are casting a vote of no confidence in this regard and for good reasons.

The incentive for central bankers to create new money out of thin air is two-fold. One is to practice central planning through the manipulation of interest rates. The second is to monetize the escalated Federal debt politicians create and thrive on.

Today, no one in Washington believes for a minute that runaway deficits are going to be curtailed. In March alone, the Federal Government created a historic \$85 billion deficit. The current supplemental bill going through Congress has grown from \$92 billion to over \$106 billion, and everyone knows it will not draw President Bush's first veto.

Most knowledgeable people therefore assume that inflation of the money supply is not only going to continue, but accelerate. This anticipation, plus the fact that many new dollars have been created over the past 15 years that have not yet been fully discounted, guarantees the future depreciation of the dollar in terms of gold.

□ 2245

There is no single measurement that reveals what the Fed has done in the recent past or tells us exactly what it is about to do in the future. Forget about the lip service given to transparency by the new Fed Chairman Bernanke. Not only is this administration one of the most secretive across the board in our history, the current Fed firmly supports denying the most important measurement of current monetary policy to Congress, the financial community and the American public.

Because of a lack of interest and poor understanding of monetary policy, Congress has expressed essentially no concern about the significant change in reporting statistics on the money supply. Beginning in March, though planned before Bernanke arrived at the Fed, the central bank discontinued compiling and reporting monetary aggregates known as M3. M3 is the best description of how quickly the Fed is creating new money and credit. Common sense tells us that a government central bank creating new money out of thin air depreciates the value of each dollar in circulation. Yet this re-

port is no longer available to us, and Congress makes no demands to receive it.

Though M3 is the most helpful statistic to track Fed activity, it by no means tells us everything we need to know about trends in monetary policy. Total bank credit, still available to us, gives us indirect information reflecting the Fed's inflationary policies. But ultimately the markets will figure out exactly what the Fed is up to, and then individuals, financial institutions, governments and other central bankers will act accordingly.

The fact that our money supply is rising significantly cannot be hidden from the markets. The response in time will drive the dollar down while driving interest rates and commodity prices up.

Already we see this trend developing, which surely will accelerate in the not-too-distant future. Part of this reaction will be from those who seek a haven to protect their wealth, not invest, by treating gold and silver as universal and historic money. This means holding fewer dollars that are decreasing in value while holding gold as it increases in value.

A soaring gold price is a vote of no confidence in the central bank and the dollar. This certainly was the case in 1979 and 1980. Today gold prices reflect a growing restlessness with the increasing money supply, our budgetary and trade deficits, our unfunded liabilities, and the inability of this Congress and the administration to rein in runaway spending.

Denying us statistical information, manipulating interest rates, and artificially trying to keep gold prices in check won't help in the long run. If the markets are fooled only on the short term, it only means the adjustments will be much more dramatic later on, and in the meantime other market imbalances develop.

The Fed tries to keep the consumer spending spree going, not through hard work and savings, but by creating artificial wealth in stock market bubbles and housing bubbles. When these distortions run these courses and are discovered, the corrections will be quite painful as was witnessed with the collapse of the NASDAQ bubble. Likewise a fiat monetary system encourages speculation and unsound borrowing.

As problems develop, scapegoats are sought and frequently found in foreign nations. This prompts many to demand altering exchange rates and protectionist measures. The sentiment for this type of solution is growing each day. Though everyone decries inflation, trade imbalances, economic downturns and Federal deficits, few attempt a closer study of our monetary system and how these events are interconnected.

Even if it were recognized that a gold standard without monetary inflation would be advantageous, few in Washington would accept the political disadvantages of living with the discipline

of gold since it serves as a check on government size and power. This is a sad commentary on the politics of today.

The best analogy to our affinity for government spending, borrowing and inflating is that of a drug addict who knows if he doesn't quit, he will die, yet he can't quit because of the heavy price required to overcome the dependency.

The right choice is very difficult, but remaining addicted to drugs guarantees the death of the patient, while our addiction to deficit spending, debt and inflation guarantees the collapse of our economy.

Special interest groups, who vigorously compete for Federal dollars, want to perpetuate the system rather than admit to a dangerous addiction. Those who champion welfare for the poor, entitlements for the middle class or war contracts for the military industrial complex all agree on the so-called benefits bestowed by the Fed's power to counterfeit fiat money.

Bankers who benefit from our fractional reserve system likewise never criticize the Fed, especially since it is the lender of last resort that bails out financial institutions when crises arise. It is true, special interest and bankers do benefit from the Fed and may well get bailed out, just as we saw with the long-term capital management fund crisis a few years ago.

In the past, companies like Lockheed and Chrysler benefited as well. But what the Fed cannot do is guarantee the market will maintain trust in the worthiness of the dollar. Current policy guarantees that the integrity of the dollar will be undermined. Exactly when this will occur, and the extent of the resulting damage to the financial system, cannot be known for sure, but it is coming. There are plenty of indications already on the horizon.

Foreign policy plays a significant role in the economy and the value of the dollar. A foreign policy of militarism and empire building cannot be supported through direct taxation. The American people would never tolerate the taxes required to pay immediately for overseas wars under the discipline of a gold standard. Borrowing and creating new money is much more politically palatable. It hides and delays the real costs of the war. The people are lulled into complacency, especially since the wars we fight are couched in terms of patriotism, spreading the ideas of freedom and stamping out terrorism. Unnecessary wars and fiat currencies go hand in hand, while a gold standard encourages a sensible foreign policy.

The cost of war is enormously detrimental. It significantly contributes to the economic instability of the Nation by boosting spending, deficits and inflation. Funds used for war are funds that could have remained in the productive economy to raise the standard of living of Americans now unemployed, underemployed or barely living on the margin.

Yet even these costs may be preferable to paying for war with huge tax increases. This is because although fiat dollars are theoretically worthless, value is imbued by the trust placed in them by the world's financial community. Subjective trust in a currency can override objective knowledge about government policies, but only for a limited time.

Economic strength and military power contributes to the trust in a currency. In today's world trust in the U.S. dollar is not earned, and, therefore, fragile. The history of the dollar, being as good as gold up until 1971, is helpful in maintaining an artificially higher value for the dollar than deserved.

Foreign policy contributes to the crisis when the spending to maintain our worldwide military commitments become prohibitive, and inflationary pressures accelerate. But the real crisis hits when the world realizes the king has no clothes in that the dollar has no backing, and we face a military setback even greater than we already are experiencing in Iraq. Our token friends may quickly transform into vocal enemies once the attack on the dollar begins.

False trust placed in the dollar once was helpful to us, but panic and rejection of the dollar will develop into a real financial crisis. Then we will have no other option but to tighten our belts, go back to work, stop borrowing, start saving, and rebuild our industrial base while adjusting to a lower standard of living for most Americans. Counterfeiting the Nation's money is a serious offense.

The Founders were especially adamant about avoiding the chaos, inflation and destruction associated with the continental dollar. That is why the Constitution is clear that only gold and silver should be legal tender in the United States. In 1792, the Coinage Act also authorized the death penalty for any private citizen who counterfeited the currency. Too bad they weren't explicit that counterfeiting by government officials is just as detrimental to the economy and the value of the dollar.

In wartime many nations actually operated counterfeiting programs to undermine the dollar, but never to a disastrous level. The enemy knew how harmful excessive creation of new money could be to the dollar and our economy. But it seems we never learned the dangers of creating new money out of thin air. We don't need an Arab nation or the Chinese to undermine our system with a counterfeiting operation. We do it to ourselves with all the disadvantages that would occur if others did it to us.

Today we hear threats from some Arab, Muslim and some Far Eastern countries about undermining the dollar system not by dishonest counterfeiting, but by initiating an alternative monetary system based on gold. Wouldn't that be ironic? Such an event

theoretically could do great harm to us. This day may well come not so much as a direct political attack on the dollar system, but out of necessity to restore confidence in money once again.

Historically paper money never has lasted for long periods of time, while gold has survived thousands of years of attacks by political interests and big government. In time the world once again will restore trust in the monetary system by making some currency as good as gold.

Gold or any acceptable market commodity money is required to preserve liberty. Monopoly control by government of a system that creates fiat money out of thin air guarantees the loss of liberty. No matter how well intended our militarism is portrayed or how happily the promises of wonderful programs for the poor are promoted, inflating the money supply to pay these bills makes government bigger.

Empires always fail, and expenses always exceed projections. Harmful unintended consequences are the rule, not the exception. Welfare for the poor is inefficient and wasteful. The beneficiaries are rarely the poor themselves, but, instead, the politicians, the bureaucrats or the wealthy. The same is true of all foreign aid. It is nothing more than a program that steals from the poor in a rich country and gives to the rich leaders of a poorer country.

Whether it is war or welfare payments, it always means higher taxes, inflation and debt. Whether it is the extraction of wealth from the productive economy, the distortion of the market by interest rate manipulation or spending for war and welfare, it can't happen without infringing upon personal liberty.

At home the war on poverty, terrorism, drugs or foreign rulers provide an opportunity for authoritarians to rise to power, individuals who think nothing of violating the people's rights to privacy and freedom of speech. They believe their role is to protect the secrecy of government rather than protect the privacy of citizens.

Unfortunately, that is the atmosphere under which we live today with essentially no respect for the Bill of Rights. Though great economic harm comes from a government monopoly, fiat monetary system, the loss of liberty associated with it is equally troubling.

Just as empires are self-limiting in terms of money and manpower, so, too, is a monetary system based on illusion and fraud.

When the end comes, we will be given an opportunity to choose once again between honest money and liberty on one hand, chaos, poverty and authoritarianism on the other. The economic harm done by a fiat monetary system is pervasive, dangerous and unfair.

Though runaway inflation is injurious to almost everyone, it is more insidious for certain groups. Once inflation is recognized as a tax, it becomes

clear that tax is regressive in nature, penalizing the poor and the middle class more than the rich and the politically privileged. Price inflation, a consequence of inflating the money supply by the central bank, hits poor and marginal workers first and foremost. It especially penalizes savers, retirees, those on fixed incomes, and anyone who trusts government promises.

□ 2300

Small businesses and individual enterprises suffer more than the financial elite, who borrow large sums before the money loses value. Those who are on the receiving end of government contracts, especially in the military industrial complex during wartime, receive undeserved benefits.

It is a mistake to blame high gasoline and oil prices on price gouging. If we impose new taxes or fix prices while ignoring monetary inflation, corporate subsidies and excessive regulations, shortages will result. The market is the only way to determine the best price for any commodity. The law of supply and demand cannot be repealed. The real problems arise when government planners give subsidies to energy companies and favor one form of energy over another.

Energy prices are rising for many reasons: inflation, increased demand from China and India, decreased supply resulting from our invasion into Iraq, anticipated disruption of supplies as we push regime change in Iran, regulatory restrictions on gasoline production, government interference in the free market development of alternative fuels, and subsidies to Big Oil, such as free leases and grants for research and development.

Interestingly, the cost of oil and gas is actually much higher than we pay at the retail level. Much of the DOD budget is spent protecting "our" oil supplies; and if such spending is factored in, gasoline probably costs us more than \$5 a gallon. The sad irony is that the military efforts to secure cheap oil supplies inevitably backfire and actually curtail supplies and boost prices at the pump. The waste and fraud in issuing contracts to large corporations for work in Iraq only adds to price increases.

When problems arise under conditions that exist today, it is a serious error to blame the little bit of the free market that still functions. Last summer, the market worked efficiently after Katrina. Gasoline hit \$3 a gallon, but soon supplies increased, usage went down, and the price returned to \$2. In the 1980s, market forces took oil from \$40 a barrel down to \$10 a barrel, and no one cried for the oil companies that went bankrupt. Today's increases are for the reasons mentioned above. It is natural for labor to seek its highest wage and businesses to strive for the greatest profits. That is the way the market works. When the free market is allowed to work, it is the consumer who ultimately determines price and

quality, with labor and businesses accommodating consumer choices. Once this process is distorted by government, prices rise excessively, labor costs and profits are negatively affected, and problems emerge.

Instead of fixing the problem, politicians and demagogues respond by demanding windfall profits taxes and price controls, while never questioning how previous government interference caused the whole mess in the first place. Never let it be said that high oil prices and profits cause inflation. Inflation of the money supply causes higher prices.

Since keeping interest rates below market levels is synonymous with new money creation by the Fed, the resulting business cycle, higher cost of living and job losses all can be laid at the doorstep of the Fed. This burden hits the poor the most, making Fed taxation by inflation the worst of all regressive taxes. Statistics about revenues generated by the income tax are grossly misleading. In reality, much harm is done by our welfare-warfare system supposedly designed to help the poor and tax the rich. Only sound money can rectify the blatant injustice of this destructive system.

The Founders understood this great danger and voted overwhelmingly to reject "emitting bills of credit," the term they used for paper money or fiat currency. It is too bad the knowledge and advice of our Founders and their mandate in the Constitution are ignored, and it is ignored at great peril. The current surge in gold prices, which reflects our dollar's devaluation, is warning us to pay closer attention to our fiscal, monetary, entitlement, and foreign policy.

A recent headline in the financial press announced that gold prices surged over concern that confrontation with Iran will further push oil prices higher. This may well reflect the current situation, but higher gold prices mainly reflect monetary expansion by the Federal Reserve. Dwelling on current events and their effect on gold prices reflects concern for symptoms rather than an understanding of the actual cause of these price increases. Without an enormous increase in the money supply over the past 35 years and a worldwide paper monetary system, this increase in the price of gold would not have occurred.

Certainly geopolitical events in the Middle East under a gold standard would not alter its price, though they could affect the supply of oil and cause oil prices to rise. Only under conditions created by excessive paper money would one expect all or most prices to rise. This is a mere reflection of the devaluation of the dollar.

Here are a few particular things that we should remember: if one endorses small government and maximum liberty, one must support commodity money.

One of the strongest restraints against unnecessary war is a gold standard.

Deficit financing by government is severely restricted by sound money.

The harmful effects of the business cycle are virtually eliminated with an honest gold standard.

Saving and thrift are encouraged by gold standard and discouraged by paper money.

Price inflation, with generally rising price levels, is characteristic of paper money. Reports that the Consumer Price Index and the Producer Price Index are rising are distractions. The real cause of inflation is the Fed's creation of new money.

Interest rate manipulation by central banks helps the rich, the banks, the government, and the politicians.

Paper money permits the regressive inflation tax to be passed off on the poor and the middle class.

Speculative financial bubbles are characteristic of paper money, not gold.

Paper money encourages economic and political chaos, which subsequently causes a search for scapegoats rather than blaming the central bank.

Dangerous protectionist measures frequently are implemented to compensate for the dislocations caused by paper money.

Paper money, inflation, and the conditions they create contribute to the problems of illegal immigration.

The value of gold is remarkably stable.

The dollar price of gold reflects dollar depreciation.

Holding gold helps preserve and store wealth; but technically, gold is not a true investment.

Since 2001, the dollar has been devalued by over 60 percent. In 1934, FDR devalued the dollar by 41 percent. In 1971, Nixon devalued the dollar by 7.9 percent. In 1973, Nixon devalued the dollar by 10 percent.

These were momentous monetary events, and every knowledgeable person worldwide paid close attention. Major changes were endured in 1979 and 1980 to save the dollar from disintegration. This involved a severe recession, interest rates over 21 percent, and general price inflation of 15 percent.

Today, we face a 60 percent devaluation and counting, yet no one seems to care. It is of greater significance than the three events mentioned above, and yet the one measurement that best reflects the degree of inflation, the Fed and our government denies us. Since March, M3 reporting has been discontinued. For starters, I would like to see Congress demand that this report be resumed. I fully believe the American people and Congress are entitled to this information.

Will we one day complain about false intelligence, as we have with the Iraq war? Will we complain about not having enough information to address monetary policy after it is too late?

If ever there was a time to get a handle on what sound money is and what it means, that time is today. Inflation, as exposed by high gold prices, transfers

wealth from the middle class to the rich, as real wages decline while the salaries of CEOs, movie stars, and athletes skyrocket, along with the profits of the military industrial complex, the oil industry, and other special interests.

A sharply rising gold price is a vote of no confidence in the Congress' ability to control the budget, the Fed's ability to control the money supply, and the administration's ability to bring stability to the Middle East.

Ultimately, the gold price is a measurement of trust in the currency and the politicians who run the country. It has been that way for a long time, and it is not about to change.

If we care about the financial system, the tax system, and the monumental debt we are accumulating, we must start talking about the benefits and discipline that come only with a commodity standard of money: money the government and central banks absolutely cannot create out of thin air.

Economic law dictates reform at some point, but should we wait until the dollar is $\frac{1}{1000}$ of an ounce of gold or $\frac{1}{2000}$ of an ounce of gold? The longer we wait, the more people will suffer and the more difficult reforms become. Runaway inflation inevitably leads to political chaos, something numerous countries have suffered throughout the 20th century. The worst example, of course, was the German inflation of the 1920s that led to the rise of Hitler.

□ 2310

Even the Communist takeover of China was associated with runaway inflation brought on by the Chinese nationalists.

The time for action is now, and it is up to the American people and the U.S. Congress to demand it.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Ms. FOXX). Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for the remaining time until midnight.

Mr. MEEK of Florida. Madam Speaker, it is an honor to address the House once again. The 30-something Working Group, we come to the floor to share with the American people some of the issues that are going on here in the Capitol dome, and hopefully bring about solutions that they can all feel good about, and hopefully we can work in a bipartisan way.

We want to thank the Democratic leadership for allowing us to have this hour on the floor: The Democratic Leader, Ms. Nancy Pelosi; and Mr. HOYER, our Democratic whip; and also our Democratic caucus chair Mr. CLYBURN; and also the vice chairman of the Democratic Caucus Mr. LARSON.

We have been on break for about 2 weeks. It seems like the American people have taken a deep breath to really take a step back and look at the way

this government is being operated. It is almost self-explanatory.

I am so glad Ms. WASSERMAN SCHULTZ from the State of Florida is here. We served together as public policymakers for more than a decade, and I think it is important that we look at this time in the history of our country, at how our government is functioning at this particular time, and we point out how it can be different. I think it is important that we continue to hammer on that.

With that, I would like to welcome my good friend here tonight as we are going to hold down this 30-something special hour. We know that Mr. RYAN is not going to be with us tonight, and I do not believe Mr. DELAHUNT is going to be with us tonight.

Ms. WASSERMAN SCHULTZ. Madam Speaker, I, too, want to express my thanks to the Democratic leader and the Democratic whip.

Wow, the 2 weeks we had at home, I am sure that you experienced just like I did, I went home and heard an earful from folks in my district who just really are at the end of their rope. They are fed up. They are sick and tired of being sick and tired. I think one woman said it best. She has just reached the end of her last nerve, whether it is the culture of corruption and the daily revelation that comes out of this capital with either an indictment or an accusation or an ethical cloud or an example of cronyism, or just one more example of the incompetence that has really permeated government as led by the Republican leadership.

People are sick of it. They really are. They are sick of the gas prices. They are sick of the issues coming up again repeatedly and not being dealt with and not being addressed and their concerns not being addressed until it becomes such an immense political issue that the Republican leadership realizes it is unavoidable. They are over it, and I can understand why they are over it.

Mr. MEEK of Florida. Madam Speaker, I just want to share with the gentleman that it is sad because we have had an opportunity to come to this floor and talk about the issues that are facing this country and that will face this country based on the legislation that the Republican majority has pushed through that the Bush White House wanted, that the majority in the Senate wanted that happened to be Republican. We talked about these things. We stood out as Democrats on the floor to try to come up with alternative fuels. We tried to get questions answered as it relates to the war in Iraq.

Now we have eight, nine, and if we continue to count, it will be in double digits, not just individuals within the military, but we are talking about generals, flag officers saying on behalf of their country we have to make a change.

Tonight, Madam Speaker, just like when we last year and the year before that talked about the K Street Project,

which was a project, and I am so glad we are joined by Mr. DELAHUNT. I take back my words. I did not think you were going to be with us tonight. As usual, you came through.

Mr. DELAHUNT. This was a test.

Mr. MEEK of Florida. We talked about the K Street Project and special influence here in this House of Representatives. We talked about how certain lobbyists could not go into certain offices of Members of the majority. This came out of the mouths of Members if they were not a part of this activity. And then later after a lobbyist admitted, and, hey, you do not even have to call a jury, we do not have to call a trial. He admits, I admit I am wrong, I was a part of this operation here in Washington, DC. It was encouraged by Members of Congress. Then all of a sudden the majority comes out and says, we denounce this. It is wrong. It will no longer be tolerated on Capitol Hill.

It sounds like what we are hearing now. We are hearing the President respond to, Mr. President, can you talk about the oil prices?

The President says, America is addicted to oil.

We have to chuckle about it because it is so in the face of the American people.

Ms. WASSERMAN SCHULTZ. It is insulting. In January, the three of us, along with our colleagues, sat in this Chamber and listened to the President deliver the State of the Union and the line he had in the State of the Union about America's addiction to oil and that we needed to end it. You know, it is insulting. It is insulting on so many levels.

Number one, it is insulting that just last year, and I have made this reference before. I have only been here 14 months now, and in the last 14 months just while I was here, we have voted on two different energy bills that gave away the store to the energy companies, to the oil companies.

So it was just so obnoxious when in the President's State of the Union he is talking about us, the United States, needing to end, Americans needing to end our addiction to oil. Where have his proposals been? Where has his agenda been? Suddenly today or yesterday he comes up with his five points that we need to move on to address the energy crisis that we are in? I mean, give me a break.

The American people understand when their leaders are genuine and when they are scrambling because politically they know there is no other choice.

Mr. DELAHUNT. Madam Speaker, I was listening to the President today, and I thought it was interesting that for the first time that I can remember, this President indicated that maybe it was time to take away those tax breaks for big oil. I mean, that is just a desperate response to falling polling numbers, because those tax breaks and