

The first step consists of eliminating legal tender laws. Article I Section 10 of the Constitution forbids the States from making anything but gold and silver a legal tender in payment of debts. States are not required to enact legal tender laws, but should they choose to, the only acceptable legal tender is gold and silver, the two precious metals that individuals throughout history and across cultures have used as currency. However, there is nothing in the Constitution that grants the Congress the power to enact legal tender laws. We, the Congress, have the power to coin money, regulate the value thereof, and of foreign coin, but not to declare a legal tender. Yet, there is a section of U.S. Code, 31 U.S.C. 5103, that purports to establish U.S. coins and currency, including Federal Reserve notes, as legal tender.

Historically, legal tender laws have been used by governments to force their citizens to accept debased and devalued currency. Gresham's Law describes this phenomenon, which can be summed up in one phrase: Bad money drives out good money. An emperor, a king, or a dictator might mint coins with half an ounce of gold and force merchants, under pain of death, to accept them as though they contained one ounce of gold. Each ounce of the king's gold could now be minted into two coins instead of one, so the king now had twice as much "money" to spend on building castles and raising armies. As these legally overvalued coins circulated, the coins containing the full ounce of gold would be pulled out of circulation and hoarded. We saw this same phenomenon happen in the mid-1960s when the U.S. government began to mint subsidiary coinage out of copper and nickel rather than silver. The copper and nickel coins were legally overvalued, the silver coins undervalued in relation, and silver coins vanished from circulation.

These actions also give rise to the most pernicious effects of inflation. Most of the merchants and peasants who received this devalued currency felt the full effects of inflation, the rise in prices and the lowered standard of living, before they received any of the new currency. By the time they received the new currency, prices had long since doubled, and the new currency they received would give them no benefit.

In the absence of legal tender laws, Gresham's Law no longer holds. If people are free to reject debased currency, and instead demand sound money, sound money will gradually return to use in society. Merchants would have been free to reject the king's coin and accept only coins containing full metal weight.

The second step to reestablishing competing currencies is to eliminate laws that prohibit the operation of private mints. One private enterprise which attempted to popularize the use of precious metal coins was Liberty Services, the creators of the Liberty Dollar. Evidently the government felt threatened, as Liberty Dollars had all their precious metal coins seized by the FBI and Secret Service this past November. Of course, not all of these coins were owned by Liberty Services, as many were held in trust as backing for silver and gold certificates which Liberty Services issued. None of this matters, of course, to the government, who hates to see any competition.

The sections of U.S. Code which Liberty Services is accused of violating are erro-

neously considered to be anti-counterfeiting statutes, when in fact their purpose was to shut down private mints that had been operating in California. California was awash in gold in the aftermath of the 1849 gold rush, yet had no U.S. Mint to mint coinage. There was not enough foreign coinage circulating in California either, so private mints stepped into the breach to provide their own coins. As was to become the case in other industries during the Progressive era, the private mints were eventually accused of circulating debased (substandard) coinage, and in the interest of providing government-sanctioned regulation and a government guarantee of purity, the 1864 Coinage Act was passed, which banned private mints from producing their own coins for circulation as currency.

The final step to ensuring competing currencies is to eliminate capital gains and sales taxes on gold and silver coins. Under current Federal law, coins are considered collectibles, and are liable for capital gains taxes. Short-term capital gains rates are at income tax levels, up to 35 percent, while long-term capital gains taxes are assessed at the collectibles rate of 28 percent. Furthermore, these taxes actually tax monetary debasement. As the dollar weakens, the nominal dollar value of gold increases. The purchasing power of gold may remain relatively constant, but as the nominal dollar value increases, the Federal government considers this an increase in wealth, and taxes accordingly. Thus, the more the dollar is debased, the more capital gains taxes must be paid on holdings of gold and other precious metals.

Just as pernicious are the sales and use taxes which are assessed on gold and silver at the State level in many States. Imagine having to pay sales tax at the bank every time you change a \$10 bill for a roll of quarters to do laundry. Inflation is a pernicious tax on the value of money, but even the official numbers, which are massaged downwards, are only on the order of 4 percent per year. Sales taxes in many states can take away 8 percent or more on every single transaction in which consumers wish to convert their Federal Reserve Notes into gold or silver.

In conclusion, Madam Speaker, allowing for competing currencies will allow market participants to choose a currency that suits their needs, rather than the needs of the government. The prospect of American citizens turning away from the dollar towards alternate currencies will provide the necessary impetus to the U.S. government to regain control of the dollar and halt its downward spiral. Restoring soundness to the dollar will remove the government's ability and incentive to inflate the currency, and keep us from launching unconstitutional wars that burden our economy to excess. With a sound currency, everyone is better off, not just those who control the monetary system. I urge my colleagues to consider the redevelopment of a system of competing currencies.

EXPRESSING THE CONDOLENCES OF THE HOUSE OF REPRESENTATIVES ON THE DEATH OF THE HONORABLE TOM LANTOS, A REPRESENTATIVE OF THE STATE OF CALIFORNIA

SPEECH OF

**HON. RON KLEIN**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, February 12, 2008*

Mr. KLEIN of Florida. Madam Speaker, I rise today to honor a great man, Congressman TOM LANTOS.

I would like to send my deepest sympathies to Annette and the whole Lantos family. Congressman TOM LANTOS' partnership with his wife, Annette, was one of respect and true adoration. I hope that the whole family will be comforted by the knowledge that TOM's work has enhanced the lives of millions around the world.

I was proud to serve on the Foreign Affairs Committee under the chairmanship of TOM LANTOS. Within the Congress, he was viewed as the strongest and most vocal defender of human rights. When he spoke, people listened, and when he led, people followed. His moral clarity serves as an example that generations to come will strive to follow.

His achievements in world affairs will live on as his legacy. His impassioned protection of human rights, his crusade for democracy, his defense of Israel and Jews worldwide, show that one individual truly can make a difference in this world.

Last fall, he and Annette asked me to lead the Congressional Taskforce on Anti-Semitism, which is a project that they started together as Holocaust survivors. Now, as we continue our fight against anti-Semitism throughout the world, his memory will carry on in everything that we do.

Congress and the Nation have lost an important voice. But that voice will continue to inspire America and people throughout the world.

#### PERSONAL EXPLANATION

**HON. LYNN C. WOOLSEY**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 13, 2008*

Ms. WOOLSEY. Madam Speaker, on February 7, 2008, I was unavoidably detained and was not able to record my votes for rollcall Nos. 32–42.

Had I been present I would have voted:

Rollcall No. 32—"yes"—Providing for consideration of the bill (H.R. 4137) to amend and extend the Higher Education Act of 1965, and for other purposes.

Rollcall No. 33—"yes"—Providing for consideration of the bill (H.R. 4137) to amend and extend the Higher Education Act of 1965, and for other purposes.

Rollcall No. 34—"yes"—Calling for a peaceful resolution to the current electoral crisis in Kenya.

Rollcall No. 35—"yes"—To extend for one year parity in the application of certain limits to mental health benefits, and for other purposes.

Rollcall No. 36—"yes"—Petri of Wisconsin Amendment No. 4.

Rollcall No. 37—"yes"—Petri of Wisconsin Amendment No. 5.

Rollcall No. 38—"yes"—Davis of Illinois Amendment.

Rollcall No. 39—"no"—To amend and extend the Higher Education Act of 1965, and for other purposes.

Rollcall No. 40—"yes"—To amend and extend the Higher Education Act of 1965, and for other purposes.

Rollcall No. 41—"yes"—Congratulating Lee Myung-Bak on his election to the Presidency of the Republic of Korea and wishing him well during his time of transition and his inauguration on February 25, 2008.

Rollcall No. 42—"yes"—Recovery Rebates and Economic Stimulus for the American People Act of 2008.

#### HONORING THE LIFE AND WORK OF MARY ISAAK

#### HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 13, 2008*

Ms. WOOLSEY. Madam Speaker, it is with great sadness that I rise today to recognize the passing of Mary Isaak, a Petaluma activist who was committed to the noble struggle of helping the less fortunate overcome homelessness. Mary died of congestive heart failure last month at the age of 88, leaving an enduring legacy to the people of Petaluma, California through the establishment of COTS—the Committee on the Shelterless.

After receiving a music degree from the University of Oregon, Mary moved to Berkeley, where she met her future husband, who later tired of the area and moved his family to what was then rural California—to the egg basket of the State, Petaluma. There, Mary raised five children and taught at Live Oak High, the small school she started on their 22-acre ranch.

Mary's life of community service continued in the late 1980s, when she and Laure Reichel noticed the increasing number of homeless in the area and determined to obviate the problem. In 1988, they founded COTS. I was on the Petaluma City Council during this time and had the good fortune to work with Mary and Laure in facilitating the establishment of this incredible organization, dedicated to housing homeless families.

"It eventually took on a life of its own," says John Records, COTS current executive director. "It activated something in the community and it gave people the opportunity to help. It offered a way to get involved."

In a town of 55,000 residents, the nonprofit registered more than 50,000 volunteer hours last year alone. These volunteers helped prepare and serve more than 100,000 meals besides working on other programs the facility offers.

The community embraced COTS because Mary set an example, volunteering for countless tasks and remaining on the board of directors.

"Even as she aged and became less strong, she continued to be involved," Records notes.

In 2004, COTS recognized Mary's vision and commitment by naming its new housing facility in her honor—the Mary Isaaks Center. The center houses beds for 300, provides be-

tween 50,000 and 100,000 bed-nights per year, and its kitchen offer more than half a million pounds of food each year to the hungry and homeless of Petaluma. Other programs thrive, as well. For example, recently COTS added an innovative pilot trauma center to its services.

Madam Speaker, it is impossible to measure the impact Mary Isaak's work has had on the individuals—both homeless and volunteers—and on the community of my hometown of Petaluma. She leaves to the community a legacy of compassion and involvement that the world would do well to follow. She will be greatly missed.

#### INTRODUCING LEGISLATION TO UPGRADE THE SECURITY OF THE SOCIAL SECURITY CARD

#### HON. MARK STEVEN KIRK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 13, 2008*

Mr. KIRK. Madam Speaker, today, along with my colleague Mr. ROSKAM, I am introducing legislation requiring the Social Security Administration to develop secure Social Security cards to combat the rising problem of identity theft and immigration fraud.

Since Social Security started in 1935, more than 450 million Social Security cards have been issued. Over the years, we've had 50 card variations, but all have one common element—they are too easy to counterfeit.

According to a 2005 Government Accountability Office report, employers reported the use of 1.4 million Social Security numbers that don't exist. Additionally, nearly 1.7 million numbers have been used by multiple individuals, some as many as 500 times or more.

In 2006, U.S. Immigration and Customs Enforcement (ICE) officials made 1,272 arrests for identity and benefit fraud. While there is no central database for confiscated fraudulent Social Security card statistics, regional illegal document rings illustrate a systemic problem.

Last April, Federal agents arrested 23 individuals and broke up an illegal document ring in the Little Village neighborhood of Chicago. Officials estimated that up to 100 fake Social Security cards were issued each day at the location. According to the Northern Illinois U.S. Attorney's Office, the enterprise netted \$3 million per year for a violent Mexico-based crime syndicate.

ICE broke up a similar ring in the same neighborhood in December 2005. Last October, Cook County Sheriff's detectives arrested two individuals for manufacturing hundreds of fake identification documents in Chicago's West Lawn neighborhood. Outside of the Chicago area, one ICE raid in Washington, DC, netted 880 fake Social Security cards.

In Waukegan, police raids discovered numerous crimes of identity theft, including criminals purchasing homes and cars with stolen Social Security numbers. For as little as \$100, an individual in Waukegan can purchase a fake Social Security card.

It's time we upgrade Social Security cards with photos and biometric data like a fingerprint to protect seniors from identity theft and prevent draining of Social Security trust funds.

Many government agencies already use secure IDs, including the Department of De-

fense. An ID with a bar code embedded with biometric data, as well as a picture, will help prevent counterfeiting. We have the technology now—there is no excuse to use a document that anyone can forge at a Kinkos.

To protect seniors, fight identity theft and defend our homeland, I urge my colleagues to join this effort.

#### HONORING TOM H. SPARKS

#### HON. FRED UPTON

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 13, 2008*

Mr. UPTON. Madam Speaker, I rise to recognize and pay tribute to Tom H. Sparks of St. Joseph, Michigan, who is celebrating his 100th birthday.

Mr. Sparks was born in a log cabin with a dirt floor and sod roof in Oklahoma in 1908. He was taken out of school at the age of 14 when he went to work to support his family. He was a member of the "Greatest Generation" and served his country with distinction and honor in World War II in the European Theatre.

Mr. Sparks has been a resident of St. Joseph, Michigan for more than 80 years. To say that Tom Sparks is a man who has been active in his community would be a gross understatement. Mr. Sparks has rarely missed a meeting of the St. Joseph City Commission over the last eight decades. He was first elected to serve on the St. Joseph City Commission in 1948 and served as Mayor of his adopted hometown from 1955 to 1963. Even into his 90s—his name appeared on the ballot seeking a seat on the City Commission.

Mr. Sparks retired from the City of Benton Harbor as assistant to the superintendent and a building inspector in 1975 at the age of 67. As part of his birthday celebration, it is fitting he is being recognized by City Commissioners in St. Joseph.

#### FREEDOM FOR CARLOS MARTÍN GOMEZ

#### HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 13, 2008*

Mr. LINCOLN DIAZ-BALART of Florida. Madam Speaker, I rise today to remind my colleagues about Carlos Martín Gomez, a political prisoner in totalitarian Cuba who continues his struggle to bring human rights and dignity to the people of Cuba.

In 2000 Cuban regime thugs arrested Mr. Martín for "desecrating" the thug-in-chief Fidel Castro. How exactly does one desecrate a tyrannical despot? In Mr. Martín's case by going to the Jose Martí Airport and calling out loud for the end of Fidel Castro's oppression of the Cuban people. Such a brave act earned Mr. Martín a 4-year sentence in the gulag.

The regime may have thought they could quiet Mr. Martín's calls for the end to the dictatorship by throwing him into a prison to suffer under unbearable conditions. But Mr. Martín would not let the walls of the gulag suffocate his continued calls for a free Cuba. Because of his continued crusade to bring freedom to