

EXTENSIONS OF REMARKS

HONORING THE GENESEE COUNTY FREE MEDICAL CLINIC

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 2011

Mr. KILDEE. Mr. Speaker, on March 30th the Genesee County Free Medical Clinic will honor the healthcare providers that volunteer their time and talents to ensuring the uninsured low-income people of Genesee County have access to quality medical care.

Conceived in 1991 by Dr. M. Nagaraju, the Genesee County Free Medical Clinic started as a one night a week clinic. Because there was no waiting room, the patients had to wait outside regardless of the weather. Today the clinic has its own building with 10 exam rooms, a licensed on-site pharmacy, and a waiting room. During an average week between 80 and 85 patients are treated and the clinic is the primary care provider for 3,000 uninsured patients. To be treated, a patient must be a Genesee County resident between 18 and 64 years old, have no medical coverage and income under 200 percent of the federal poverty level. The clinic is funded through their annual fundraising event—the Healing Hands 5K Run/Walk, grants and private donations.

The commitment of the medical community is integral to the success of the clinic. Thirty-nine physicians, 48 nurses, 8 pharmacists, and other professionals donate their time and skills to treat patients. Sixty specialty care physicians and the 3 hospitals in Genesee County; Genesys Health Park, Hurley Medical Center and McLaren Regional Medical Center; work with the clinic to provide hospitalizations, laboratory services and diagnostic tests.

Mr. Speaker, I ask the House of Representatives to join me in applauding the work of the staff, medical community, volunteers, and supporters of the clinic for their selfless dedication to serving those in need. Twenty years ago the medical community saw a need in the greater Flint area to help those individuals that did not have health insurance and the Genesee County Free Medical Clinic was born. For the past 20 years the men and women of the medical community have been steadfast in their commitment to the clinic and I commend them for their enthusiasm, devotion, work and compassion.

INTRODUCING THE FREE COMPETITION IN CURRENCY ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 15, 2011

Mr. PAUL. Mr. Speaker, I rise to introduce the Free Competition in Currency Act. Currency, or money, is what allows civilization to flourish. In the absence of money, barter is the name of the game; if the farmer needs shoes,

he must trade his eggs and milk to the cobbler and hope that the cobbler needs eggs and milk. Money makes the transaction process far easier. Rather than having to search for someone with reciprocal wants, the farmer can exchange his milk and eggs for an agreed-upon medium of exchange with which he can then purchase shoes.

This medium of exchange should satisfy certain properties: it should be durable, that is to say, it does not wear out easily; it should be portable, that is, easily carried; it should be divisible into units usable for everyday transactions; it should be recognizable and uniform, so that one unit of money has the same properties as every other unit; it should be scarce, in the economic sense, so that the extant supply does not satisfy the wants of everyone demanding it; it should be stable, so that the value of its purchasing power does not fluctuate wildly; and it should be reproducible, so that enough units of money can be created to satisfy the needs of exchange.

Over millennia of human history, gold and silver have been the two metals that have most often satisfied these conditions, survived the market process, and gained the trust of billions of people. Gold and silver are difficult to counterfeit, a property which ensures they will always be accepted in commerce. It is precisely for this reason that gold and silver are anathema to governments. A supply of gold and silver that is limited in supply by nature cannot be inflated, and thus serves as a check on the growth of government. Without the ability to inflate the currency, governments find themselves constrained in their actions, unable to carry on wars of aggression or to appease their overtaxed citizens with bread and circuses.

At this country's founding, there was no government controlled national currency. While the Constitution established the congressional power of minting coins, it was not until 1792 that the U.S. Mint was formally established. In the meantime, Americans made do with foreign silver and gold coins. Even after the Mint's operations got underway, foreign coins continued to circulate within the United States, and did so for several decades.

On the desk in my office I have a sign that says: "Don't steal—the government hates competition." Indeed, any power a government arrogates to itself, it is loathe to give back to the people. Just as we have gone from a constitutionally-instituted national defense consisting of a limited army and navy bolstered by militias and letters of marque and reprisal, we have moved from a system of competing currencies to a government-instituted banking cartel that monopolizes the issuance of currency. In order to introduce a system of competing currencies, there are three steps that must be taken to produce a legal climate favorable to competition.

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 in November of 2007. 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.

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