

Ron Paul's **entire speech** before the House now follows:

Madam Speaker, I have, for the past 35 years, expressed my grave concern for the future of America . The course we have taken over the past century has threatened our liberties, security and prosperity. In spite of these long-held concerns, I have days--growing more frequent all the time--when I'm convinced the time is now upon us that some Big Events are about to occur. These fast-approaching events will not go unnoticed. They will affect all of us. They will not be limited to just some areas of our country. The world economy and political system will share in the chaos about to be unleashed.

Though the world has long suffered from the senselessness of wars that should have been avoided, my greatest fear is that the course on which we find ourselves will bring even greater conflict and economic suffering to the innocent people of the world--unless we quickly change our ways.

America , with her traditions of free markets and property rights, led the way toward great wealth and progress throughout the world as well as at home. Since we have lost our confidence in the principles of liberty, self reliance, hard work and frugality, and instead took on empire building, financed through inflation and debt, all this has changed. This is indeed frightening and an historic event.

The problem we face is not new in history. Authoritarianism has been around a long time. For centuries, inflation and debt have been used by tyrants to hold power, promote aggression, and provide "bread and circuses" for the people. The notion that a country can afford "guns and butter" with no significant penalty existed even before the 1960s when it became a popular slogan. It was then, though, we were told the Vietnam War and the massive expansion of the welfare state were not problems. The seventies proved that assumption wrong.

Today things are different from even ancient times or the 1970s. There is something to the argument that we are now a global economy. The world has more people and is more integrated due to modern technology, communications, and travel. If modern technology had been used to promote the ideas of liberty, free markets, sound money and trade, it would have ushered in a new golden age--a globalism we could accept.

Instead, the wealth and freedom we now enjoy are shrinking and rest upon a fragile philosophic infrastructure. It is not unlike the levies and bridges in our own country that our system of war and welfare has caused us to ignore.

I'm fearful that my concerns have been legitimate and may even be worse than I first thought. They are now at our doorstep. Time is short for making a course correction before this grand experiment in liberty goes into deep hibernation.

There are reasons to believe this coming crisis is different and bigger than the world has ever experienced. Instead of using globalism in a positive fashion, it's been used to globalize all of the mistakes of the politicians, bureaucrats and central bankers.

Being an unchallenged sole superpower was never accepted by us with a sense of humility and respect. Our arrogance and aggressiveness have been used to promote a world empire backed by the most powerful army of history. This type of globalist intervention creates problems for all citizens

of the world and fails to contribute to the well-being of the world's populations. Just think how our personal liberties have been trashed here at home in the last decade.

The financial crisis, still in its early stages, is apparent to everyone: gasoline prices over \$4 a gallon; skyrocketing education and medical-care costs; the collapse of the housing bubble; the bursting of the NASDAQ bubble; stock markets plunging; unemployment rising; massive underemployment; excessive government debt; and unmanageable personal debt. Little doubt exists as to whether we'll get stagflation. The question that will soon be asked is: When will the stagflation become an inflationary depression?

There are various reasons that the world economy has been globalized and the problems we face are worldwide. We cannot understand what we're facing without understanding fiat money and the long-developing dollar bubble.

There were several stages. From the inception of the Federal Reserve System in 1913 to 1933, the Central Bank established itself as the official dollar manager. By 1933, Americans could no longer own gold, thus removing restraint on the Federal Reserve to inflate for war and welfare.

By 1945, further restraints were removed by creating the Bretton-Woods Monetary System making the dollar the reserve currency of the world. This system lasted up until 1971. During the period between 1945 and 1971, some restraints on the Fed remained in place. Foreigners, but not Americans, could convert dollars to gold at \$35 an ounce. Due to the excessive dollars being created, that system came to an end in 1971.

It's the post Bretton-Woods system that was responsible for globalizing inflation and markets and for generating a gigantic worldwide dollar bubble. That bubble is now bursting, and we're seeing what it's like to suffer the consequences of the many previous economic errors.

Ironically in these past 35 years, we have benefited from this very flawed system. Because the world accepted dollars as if they were gold, we only had to counterfeit more dollars, spend them overseas (indirectly encouraging our jobs to go overseas as well) and enjoy unearned prosperity. Those who took our dollars and gave us goods and services were only too anxious to loan those dollars back to us. This allowed us to export our inflation and delay the consequences we now are starting to see.

But it was never destined to last, and now we have to pay the piper. Our huge foreign debt must be paid or liquidated. Our entitlements are coming due just as the world has become more reluctant to hold dollars. The consequence of that decision is price inflation in this country--and that's what we are witnessing today. Already price inflation overseas is even higher than here at home as a consequence of foreign central banks' willingness to monetize our debt.

Printing dollars over long periods of time may not immediately push prices up--yet in time it always does. Now we're seeing catch-up for past inflating of the monetary supply. As bad as it is today with \$4 a gallon gasoline, this is just the beginning. It's a gross distraction to hound away at "drill, drill, drill" as a solution to the dollar crisis and high gasoline prices. It's okay to let the market increase supplies and drill, but that issue is a gross distraction from the sins of deficits and Federal Reserve monetary shenanigans.

This bubble is different and bigger for another reason. The central banks of the world secretly collude to centrally plan the world economy. I'm convinced that agreements among central banks to "monetize" U.S. debt these past 15 years have existed, although secretly and out of the reach of any oversight of anyone--especially the U.S. Congress that doesn't care, or just flat doesn't understand. As this "gift" to us comes to an end, our problems worsen. The central banks and the various

governments are very powerful, but eventually the markets overwhelm when the people who get stuck holding the bag (of bad dollars) catch on and spend the dollars into the economy with emotional zeal, thus igniting inflationary fever.

This time--since there are so many dollars and so many countries involved--the Fed has been able to "paper" over every approaching crisis for the past 15 years, especially with Alan Greenspan as Chairman of the Federal Reserve Board, which has allowed the bubble to become history's greatest.

The mistakes made with excessive credit at artificially low rates are huge, and the market is demanding a correction. This involves excessive debt, misdirected investments, over-investments, and all the other problems caused by the government when spending the money they should never have had. Foreign militarism, welfare handouts and \$80 trillion entitlement promises are all coming to an end. We don't have the money or the wealth-creating capacity to catch up and care for all the needs that now exist because we rejected the market economy, sound money, self reliance and the principles of liberty.

Since the correction of all this misallocation of resources is necessary and must come, one can look for some good that may come as this "Big Event" unfolds.

There are two choices that people can make. The one choice that is unavailable to us is to limp along with the status quo and prop up the system with more debt, inflation and lies. That won't happen.

One of the two choices, and the one chosen so often by government in the past is that of rejecting the principles of liberty and resorting to even bigger and more authoritarian government. Some argue that giving dictatorial powers to the President, just as we have allowed him to run the American empire, is what we should do. That's the great danger, and in this post-911 atmosphere, too many Americans are seeking safety over freedom. We have already lost too many of our personal liberties already. Real fear of economic collapse could prompt central planners to act to such a degree that the New Deal of the 30's might look like Jefferson 's Declaration of Independence.

The more the government is allowed to do in taking over and running the economy, the deeper the depression gets and the longer it lasts. That was the story of the 30s and the early 40s, and the same mistakes are likely to be made again if we do not wake up.

But the good news is that it need not be so bad if we do the right thing. I saw "Something Big" happening in the past 18 months on the campaign trail. I was encouraged that we are capable of waking up and doing the right thing. I have literally met thousands of high school and college kids who are quite willing to accept the challenge and responsibility of a free society and reject the cradle-to-grave welfare that is promised them by so many do-good politicians.

If more hear the message of liberty, more will join in this effort. The failure of our foreign policy, welfare system, and monetary policies and virtually all government solutions are so readily apparent, it doesn't take that much convincing. But the positive message of how freedom works and why it's possible is what is urgently needed.

One of the best parts of accepting self reliance in a free society is that true personal satisfaction with one's own life can be achieved. This doesn't happen when the government assumes the role of guardian, parent or provider, because it eliminates a sense of pride. But the real problem is the government can't provide the safety and economic security that it claims. The so called good that

government claims it can deliver is always achieved at the expense of someone else's freedom. It's a failed system and the young people know it.

Restoring a free society doesn't eliminate the need to get our house in order and to pay for the extravagant spending. But the pain would not be long-lasting if we did the right things, and best of all the empire would have to end for financial reasons. Our wars would stop, the attack on civil liberties would cease, and prosperity would return. The choices are clear: it shouldn't be difficult, but the big event now unfolding gives us a great opportunity to reverse the tide and resume the truly great American Revolution started in 1776. Opportunity knocks in spite of the urgency and the dangers we face.

Let's make "Something Big Is Happening" be the discovery that freedom works and is popular and the big economic and political event we're witnessing is a blessing in disguise.

SOURCE: House.gov/Paul