

Last week, in the name of protecting the little guy from Wall Street, the House passed HR 4173 to increase the little guy's false sense of security in the financial system. This mammoth piece of legislation would massively increase government regulation and oversight in the banking industry under the misguided reasoning that more government could have stopped faulty lending practices, when in actuality it caused them. This bill would also greatly increase the powers of the Federal Reserve, which too many in Congress still see as savior rather than perpetrator in this mess.

One silver lining is that the amendment to audit the Fed is still attached to the bill, and if it survives the Senate, the Fed will no longer operate in secrecy. If any version of HR 4173 becomes law, the Fed will be intervening and bailing out more rather than less, as it will gain enormous new powers in addition to those it already has. Whatever happens, the Fed and its defenders have seen that people are becoming very wary of its methods of operation, and many are downright angry at its very existence.

Never again will the Fed be immune from the scrutiny of its critics.

This is very positive.

Because of legal tender laws that force acceptance of the dollar, the Fed has absolute power over the currency. This absolute power is leading to the absolute corruption of our currency. The money supply has doubled in the last year or so, which is extremely dangerous.

The banks seem to be hoarding liquidity now but once these dollars make their way into the economy, hyperinflation and economic chaos will be a real possibility.

Every time hyperinflation rips through an economy, the middle class gets completely wiped out. It is very alarming to watch the purchasing power of an entire life savings reduced to that of a few pennies. Those savings represent years of real labor, real time, effort and sacrifice exchanged for corruptible pieces of paper that politicians and bankers can destroy at whim.

Legal tender laws force the people to become subject to this risk for the benefit of the rulers. Artificial demand for currency allows the authorities to create arbitrary amounts of it to pay for wasteful projects, like frivolous wars and an ever-expanding public sector.

This saps the private economy of jobs and purchasing power, yet the temptation proves too great for politicians, time and time again.

Our government is no different.

Although our dollar has taken nearly a century to lose 98% of its purchasing power, the fact that we are all obliged to participate in this slow burn of the economy on pain of imprisonment is

anathema to the principles of liberty.

I introduced the Free Competition in Currency Act last week to free the people from these governmental threats. HR 4248 would repeal legal tender laws, prohibit taxation on certain coins and bullion, and repeal certain laws related to coinage.

The prospect of people turning away from the dollar towards alternate currencies should provide incentive for Congress 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.

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