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## Congratulations! Now Shut Up.

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On Wednesday afternoon, Rep. Ron Paul met with Rep. Spencer Bachus, the incoming chairman of the House Financial Services Committee. Paul hated TARP, the 2008 program that bailed out the financial sector, and voted against it. Bachus had voted for TARP, and to get his new job he'd defeated Ed Royce, who voted against TARP. Still, Paul had supported Bachus. The two of them talked briefly, agreed that they could keep working together, and, just like that, any doubt that Paul would get to run the monetary policy subcommittee fell away.

Paul started to spread the news to his staff, who'd heard the rumors that he might be denied the job despite seniority putting him in line for it. Andrew Napolitano, who hosts a show on Fox Business and books Paul and his senator-elect son whenever humanly possible, started beseeching Paul to come on and break his news. Can I have it? he asked. Can I have it? He got it, and on Wednesday Paul announced the news that would not become official for 14 hours. And then Paul started to criticize his fellow Republicans for considering ways to define WikiLeaks as a terrorist organization instead of a journalistic one.

"Doesn't that remind you of 1984," asked Paul, referring to the Orwell novel, "when language becomes pretty vital?"

It was classic Ron Paul. Shortly after getting the job he's wanted for decades-oversight of the Federal Reserve-he was comparing Julian Assange to Winston Smith.

When the midterms were over, with the corpses of Democratic incumbents still being counted and labeled, conservatives and Tea Party activists went after the Republicans in line to take over key committees. They opposed Michigan Rep. Fred Upton's bid to run Energy and Commerce. They worked the phones against Hal Rogers of Kentucky, a "prince of pork" in line to run Appropriations. They backed outsiders to run Banking, the Republican Study Committee, and the Conference Committee. They lost all of these fights, which means that of all the committee fights that activists were watching, the only one they definitively won was Ron Paul's.

If you, like Paul, have spent most of your life arguing that the Federal Reserve is bad for the country and too secretive to boot, this is fantastic news. In a Thursday interview with Bloomberg News, Paul previewed his agenda and suggested that using the committee to educate America about the Fed and expose the threat of quantitative easing was exactly what voters wanted Congress to do.

"Obviously, it is very popular with the American people to audit the Fed and know what they're doing when they can spend trillions of dollars and we don't know where it goes," said Paul. "They have a bigger budget; they spend more money than Congress does. Yet, we have no oversight." In fact, a Bloomberg poll released on Thursday found that 55 percent of Americans wanted the Fed "held more accountable" or "abolished." Support for simply abolishing the Fed, as Paul wants to do, had doubled from 8 percent to 16 percent in just two months.

And yet there are libertarians who consider the Paul takeover in open-mouthed horror, a poor consolation for the elevation of Rogers and Upton.

"Republicans stashed him in this job because they don't want him making more important decisions," said Megan McArdle, a prominent libertarian blogger and economics editor of the Atlantic. "He cares passionately about

monetary policy, which most Republicans don't care about. But when you look at his speeches, he doesn't understand anything about monetary policy. He might actually understand it less than the average member of Congress. My personal opinion is that he wastes all of his time on the House Financial Services Committee ranting crazily."

Paul-phobia is almost as old as Paul-mania, especially among libertarians. The anti-Paul case consists of one simple argument-he sounds crazy-and one complex argument, which is that he's distracted libertarians and Tea Partiers by focusing their ire on the easily demonized Fed. Both of those factors were epitomized in February 2010, when he confronted Ben Bernanke with the allegation that the Fed "facilitated a \$5.5 billion loan to Saddam Hussein and he then bought weapons from our military industrial complex" in the 1980s. Paul would later explain what he meant, but Bernanke used the moment to dress him down.

"Well, Congressman," said Bernanke, "these specific allegations you've made I think are absolutely bizarre, and I have absolutely no knowledge of anything remotely like what you just described." That incident and incidents like it make the Paul skeptics cringe about what he'll do next.

"I don't think he's often the best messenger for the things he believes in," said Mark Calabria, director of financial regulation studies at the Cato Institute and a six-year veteran of the Senate Banking Committee. "I give the guy credit for bringing the Fed under the spotlight, but the real credit probably goes to the Fed for making enough mistakes to make us interested in them. Does Paul approach this in a way that helps his own cause? That's not a guarantee, necessarily. He needs to avoid going down the path to conspiracy theories and keep the focus on economics."

Paul's cheering section has gotten used to that, and they're past it now. In 2007 and 2008, the world of libertarian economists and pundits were pretty evenly divided over whether his presidential campaign and its obsession with the Federal Reserve were doing good for the movement. Paul's supporters mocked his opponents as the "Kochtopus," the small-minded and well-funded elitists looking down on the movement's best spokesman from perches at Cato, the Mercatus Center, and Reason magazine. (I'm a contributing editor of Reason.) But the criticism is more muted now. There's more excitement about what Paul will pull off now that he finally has a gavel.

"Paul's commentary on, and cross-examination of, the Federal Reserve has only seemed less crazy with the passage of time," said Matt Welch, editor-in-chief of Reason. "It sounded crazy when he kept pestering Bernanke or whoever about whether the Fed was involved in various overseas bailouts. But then the Fed was involved in various overseas bailouts! By trying quixotically to End the Fed, he will succeed in doing more to audit the Fed, because there is a growing interest/concern in the post-TARP world about the unprecedented and not-very-well-controlled power that the institution has to do whatever it wants."

There are some libertarians, like McArdle, who worry about Paul's ability to shake the markets by creating uncertainty about the Fed. But Paul, who laid low in order to make sure he wouldn't miss a chance at this job, has given every indication that he'll use the committee as an educational tool and as a place for oversight. He is likely to move Paul Martin-Foss, an economist working for him now, over to the committee. His model for success is not his grilling of Bernanke. It's the "Audit the Fed" legislation that he championed in the House and that Bernie Sanders championed in the Senate-legislation that led to a report on the Fed's activity during the recession that surely has had something to do with the uptick in anti-Fed sentiment.

"My ideas are powerful, but I am not," said Paul in his Bloomberg interview. "There is a committee chairman, speaker of the House. I am realistic and I know what that means. But I also know the strength of ideas, and that is what will prevail. It wasn't my political power that prevailed last year to get 320 co-sponsors of auditing the Fed. It was the power of the ideas. That is what they ought to worry about."

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