

Ron Paul's FREEDOM REPORT

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Ron Paul's **TEXAS STRAIGHT TALK**

October 30, 2006

The NAFTA Superhighway

By now many Texans have heard about the proposed “NAFTA Superhighway,” which is also referred to as the trans-Texas corridor. What you may not know is the extent to which plans for such a superhighway are moving forward without congressional oversight or media attention.

This superhighway would connect Mexico, the United States, and Canada, cutting a wide swath through the middle of Texas and up through Kansas City. Offshoots would connect the main artery to the West Coast, Florida, and the northeast. Proponents envision a ten-lane colossus the width of several football fields, with freight and rail lines, fiber-optic cable lines, and oil and natural gas pipelines running alongside.

This will require coordinated federal and state eminent domain actions on an unprecedented scale, as literally millions of people and businesses could be displaced. The loss of whole communities is almost certain, as planners cannot wind the highway around every quaint town, historic building, or senior-citizen apartment for thousands of miles.

Governor Perry is a supporter of the superhighway project, and Congress has provided small amounts of money to study the proposal. Since this money was just one item in an enormous transportation appropriations bill, however, most members of Congress were not aware of it.

The proposed highway is part of a broader plan advanced by a quasi-government organization called the “Security and Prosperity Partnership of North America,” or SPP.

The SPP was first launched in 2005 by the heads of state of Canada, Mexico, and the United States at a summit in Waco.

The SPP was not created by a treaty between the nations involved, nor was Congress involved in any way. Instead,

the SPP is an unholy alliance of foreign consortiums and officials from several governments. One principal player is a Spanish construction company, which plans to build the highway and operate it as a toll road. But don't be fooled: the superhighway proposal is not the result of free-market demand, but rather an extension of government-managed trade schemes like NAFTA that benefit politically-connected interests.

The real issue is national sovereignty. Once again, decisions that affect millions of Americans are not being made by those Americans themselves, or even by their elected representatives in Congress. Instead, a handful of elites use their government connections to bypass national legislatures and ignore our Constitution—which expressly grants Congress the sole authority to regulate international trade.

The ultimate goal is not simply a superhighway, but an integrated North American Union—complete with a currency, a cross-national bureaucracy, and virtually borderless travel within the Union. Like the European Union, a North American Union would represent another step toward the abolition of national sovereignty altogether.

A new resolution, introduced by Representative Virgil Goode of Virginia, expresses the sense of Congress that the United States should not engage in the construction of a NAFTA superhighway, or enter into any agreement that advances the concept of a North American Union. I wholeheartedly support this legislation, and predict that the superhighway will become a sleeper issue in the 2008 election.

Any movement toward a North American Union diminishes the ability of average Americans to influence the laws under which they must live. The SPP agreement, including the plan for a major transnational superhighway through Texas, is moving forward without congressional oversight—and that is an outrage. The administration needs a strong message from Congress that the American people will not tolerate backroom deals that threaten our sovereignty.

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TEXAS STRAIGHT TALK**

October 9, 2006

Deficit Spending and Social Security

During a speech in Washington last week, Federal Reserve Chairman Ben Bernanke warned that the coming retirement of the Baby Boomer generation will place tremendous strains on the nation's budget and economy. He stresses that Social Security and Medicare must be reformed sooner rather than later, because demographic trends make the current system unsustainable over time. In future decades there will be too many retirees and not enough younger taxpayers.

Still, the problem seems vague and faraway for most. Today's seniors hope the system will hold together for the remainder of their lives, while younger working people hope government will somehow fix things before they retire. Not surprisingly, Congress doesn't want to face the problem until it becomes an acute crisis. It's hard to sell voters on austerity today to avoid a relatively distant problem. Politicians usually operate on the opposite principle, by promising great things now and leaving the bills for others to pay later.

The only honest solution to the future insolvency of Social Security is for Congress to stop spending so much money. When Congress outspends federal revenues, it raids Social Security funds to cover the difference. Unless Congress makes real cuts in spending—and stops spending Social Security taxes on completely unrelated programs—millions of Americans simply will not receive even a fraction of the money they paid into Social Security. Ignore the rhetoric about tax increases and cuts in benefits, as though you are to blame for the problem! All Social Security obligations could be met if Congress did not spend so much on other things.

Congress can begin addressing the problem immediately by cutting at least 5% from other areas of the federal budget every year for the next five years. The budget has nearly tripled just since 1990; surely Congress can find 5% worth of fat to cut each year. When members of Congress vote for bigger and bigger appropriations bills each year, they threaten the very solvency of Social Security. That's why I vote against every wasteful appropriations bill.

Social Security contributions are supposed to be set aside from general revenues and placed in a trust fund. The truth,

of course, is that your contributions are not put aside. Over the decades Congress found itself simply unable to sit on a big pile of money, so it began treating Social Security contributions as general revenues to fund the ever-growing federal government. Today your Social Security account is nothing more than a ledger filled with IOUs.

I introduced legislation to end this terrible practice. Under my bill, HR 219, your Social Security contributions are set aside in an interest-bearing account and cannot be spent. In other words, your Social Security account would be treated as YOUR account and not a slush fund for Congress. This is

the simplest approach to Social Security reform, and it has the added benefit of making it harder for Congress and the administration to mask the deficit spending that is the real cause of our problems.

**Ron Paul's
TEXAS STRAIGHT TALK**

October 23, 2006

**Do Tax Cuts Cost the Government
Money?**

Whenever tax cuts are discussed in Washington, the media and most politicians use the phrase, "cost to government." "How much will this tax cut cost the government?" we are asked, as though some crime is being contemplated when we consider reducing taxes. The American people have every right to fund the federal government at whatever level they deem acceptable, and if they

choose—through their elected representatives—to reduce that funding level, they are not somehow injuring the government. If Congress passes a new law that results in your paying \$1000 less in taxes next year, have you taken something from the government that rightfully belongs to it? Or has the government simply taken less from you?

You don't cost the government money, the government costs you money!

Of course it's reasonable to demand that politicians cut spending when they cut taxes. That's the definition of real fiscal conservatism: government should not take too much from the private economy in taxes, but neither should it spend too much and run up deficits. That's why I vote against the wasteful appropriations bills that relentlessly increase federal spending year after year.

I reject the notion that tax cuts harm the economy. The economy suffers when government takes money from your paycheck that you otherwise would spend, save, or invest.

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Taxes never create prosperity. Private-sector innovation and productivity are the engines that drive our economy, regardless of what politicians tell us.

Tax reduction is my first priority in Congress. The reality is that most working Americans lose about half of their incomes to federal, state, and local taxes. “Tax Freedom Day,” representing the portion of the year you must work to pay for government at all levels, is roughly June 1st for most Americans. Imagine all of your hard work this year between January and the end of May going to the government!

One tax in particular should be eliminated as soon as possible—the tax on Social Security benefits. Those benefits were never taxed between the 1930s and 1984. Treating them as taxable income represents nothing more than a trick to reduce Social Security benefits by stealth. I supported legislation that successfully repealed a 1993 tax increase on benefits, and my own bill, HR 180, would go further and eliminate all taxes on Social Security. Our seniors paid taxes throughout their working lives to fund the Social Security system, and it is immoral to tax them again on their benefits.

Various other taxes also must be reduced. Capital gains taxes are terribly counterproductive, punishing those who save and invest. Payroll taxes impose a tremendous compliance burden on businesses, especially smaller entrepreneurs who cannot hire an accounting department. Federal gas taxes should be slashed to provide taxpayers relief at the pump. Most importantly, federal spending must be dramatically reduced so that all Americans can go back to working for themselves instead of working to pay their taxes.

**Ron Paul’s
TEXAS STRAIGHT TALK**

October 16, 2006

**Taxes, Spending, and Debt are
the Real Issues**

In Washington we hear a lot of talk about tax cuts, but the rhetoric does not always match the reality. For most Americans, taxes remain too complex and too high. After the tumult of the upcoming midterm election, it is imperative that Congress gets back to basics and addresses our terrible tax system.

Lower taxes benefit all Americans by increasing economic growth and encouraging wealth creation. I’m in favor of cutting *everybody’s* taxes—rich, poor, and otherwise. Whether a tax cut reduces a single mother’s payroll taxes by forty dollars a month, or allows a business owner to save thousands in capital gains and hire more employees, the net effect is beneficial. Both either spend, save, or invest the extra dollars, which helps all of us more than if those dollars were sent to the black hole known as the federal treasury.

Many conservatives have touted the Fair Tax proposal as an issue in the upcoming election. A pure consumption tax like the Fair Tax would be better than the current system only if we truly did away with the income tax by repealing the 16th Amendment. Otherwise, we could end up with both the income tax and a national sales tax. A consumption tax also provides more transparency and less complexity. But the real issue is *total spending by government*, not tax reform. In other words, why change the tax structure if spending stays the same? Once we accept that the federal government needs \$2.7 trillion from us—and more each year—the only question left is from whom it will be collected. Until the federal government is held to its proper constitutionally limited functions, tax reform will remain a mirage. I apply a very simple test to any proposal to overhaul the tax code: Does it reduce or eliminate an existing tax? If not, then it amounts to nothing more than a political shell game that pits taxpayers against each other in a lobbying scramble to make sure the other guy pays. True tax reform is as

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simple as cutting or eliminating taxes. No studies, panels, committees, or hearings are needed. When reform proposals seem complicated, they almost certainly don’t cut taxes. Congress should simply focus on cutting existing taxes and reducing spending, instead of complicated overhauls of the system.

The question to ask yourself is this: What would I do with the money withheld from my paycheck each month? The answer is simple: you would spend, save, or invest the money, all of which do more for the economy and society than sending it to Washington. Thanks to the deception of income tax withholding, however, some people actually look forward to tax time and a much-anticipated refund. Imagine how quickly Americans would demand lower taxes and spending if they had to write the federal government a check each month!

Tax relief is important, but members of Congress need to back up tax cuts with spending cuts—and they need to

vote NO on every wasteful appropriations bill until we start over with the federal budget. True fiscal conservatism combines both low taxes and low spending.

Cutting spending would not be hard if Congress simply showed the political will to tackle the problem. I'm not talking about cutting the *rate* at which government spending grows, but cutting the actual amount of money spent by the federal government in a single year.

If federal spending grows at 5% rather than 7% one year, that's hardly a great achievement on the part of Congress. The current federal budget of around \$2.7 trillion could be cut to \$2.5 trillion quite easily. The vast majority of Americans would not even notice. But we must begin chipping away at the federal budget if we hope to address the underlying problem of government debt.

Ron Paul's
TEXAS STRAIGHT TALK

November 6, 2006

Gun Control on the Back Burner

For most Americans, guns are not a political issue. People buy and own guns to protect their families, not to commit crimes. The truth is that even millions of Americans who support and vote for gun control own guns themselves, because deep down they share the basic human need to feel secure in their homes.

The gun control movement has lost momentum in recent years. The Democratic Party has been conspicuously silent on the issue in recent elections because they know it's a political loser. In the midst of declining public support for new gun laws, more and more states have adopted concealed-carry programs. The September 11th terrorist attacks and last year's hurricanes only made matters worse for gun control proponents, as millions of Americans were starkly reminded that we cannot rely on government to protect us from criminals. Gun sales have gone up.

Most supporters of gun rights take no pleasure in this fact, nor do they trumpet it as a political victory over gun control forces. The time has come to stop politicizing gun ownership, and start promoting responsible use of firearms to make America a safer place. Guns are here to stay; the question is whether only criminals will have them.

The media has not been honest in reporting about guns, especially when it comes to statistics about law-abiding individuals who use firearms to prevent or deter crimes. Many of the "assault rifles" vilified by the press are in fact sporting rifles that are no longer available to hunters and outdoorsmen. Of course true military-style fully automatic rifles remain widely available to criminals on the black market.

The gun control debate generally ignores the historical and philosophical underpinnings of the Second Amendment. The Second Amendment is not about hunting deer or keeping a pistol in your nightstand. It is not about protecting oneself against common criminals. It is about preventing tyranny. The Founders knew that unarmed citizens would never be able to overthrow a tyrannical government as they did. They envisioned government as a servant, not a master, of the American people. The muskets they used against the British Army were the assault rifles of that time. It is practical, rather than alarmist, to understand that unarmed citizens cannot be secure in their freedoms.

It's convenient for gun banners to dismiss this argument by saying, "That could never happen here, this is America." But history shows that only vigilant people can keep government under control. By banning certain weapons today, we may plant the seeds for tyranny to flourish decades from now.

Tortured interpretations of the Second Amendment cannot change the fact that both the letter of the amendment itself and the legislative history conclusively show that the Founders intended ordinary citizens to be armed. The notion that the Second Amendment confers rights only upon organized state-run militias is preposterous; the amendment is meaningless unless it protects the gun rights of individuals.

Gun control may have faded as a political issue, but the mentality that Washington knows best—and that certain constitutional rights are anachronisms—is alive and well. Look for gun control advocates to bide their time and look for new ways to resurrect the issue in 2008 and beyond.

Nothing in this publication is intended to aid or hinder the passage of legislation before Congress.

About the F.R.E.E. Foundation

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