

Ron Paul's FREEDOM REPORT

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Ron Paul's **TEXAS STRAIGHT TALK**

January 2, 2006

Peace and Prosperity in 2006?

The ongoing war in Iraq, hurricanes Katrina and Rita, and congressional scandals all served to make 2005 a tough year for America. We can hope and pray that 2006 is a happier and more peaceful year for our nation.

All Americans, regardless of their views on the Iraq war, can share the hope that the killing in that country will end in 2006 — and that our troops can begin to come home.

Our goal in Iraq at this point must be self-determination for the Iraqi people, nothing more and nothing less. Nation building doesn't work and we can't afford it. We should seek to get our troops out of the country as soon as possible and remain neutral toward the various factions still vying for power. The ultimate solution may be for Iraq to break up into several countries based on ethnic and religious differences.

Regardless of the outcome, we must have the courage and integrity to admit that our Founders' wise counsel against foreign entanglements was correct. Once the rationale for the war shifted from weapons of mass destruction to installing democracy, our credibility became dependent on true Iraqi sovereignty — even if the government that emerges is not to our liking. True sovereignty for Iraq cannot be realized unless and until we end our occupation and stop trying to engineer political outcomes.

Meanwhile, prosperity at home cannot be achieved if we allow government to engage in the kind of runaway spending that marked the final months of 2005. The fiscal year 2006 budget, already bloated with billions of dollars in unnecessary and counterproductive spending, became an 11th hour Christmas grab bag for every group or industry seeking a handout. Several federal agencies and bureaucracies need-

lessly received even more funding than originally requested by the administration.

Dangerous foreign aid spending also grows next year, sending more of your tax dollars overseas to fund dubious regimes that often later become our enemies — as we've seen in both Iraq and Afghanistan. Congress cannot continue to increase spending each year and expect tax revenues to keep pace. No reasonable person can argue that a \$2.4 trillion budget does not contain huge amounts of special-interest spending that can and should be cut by Congress, especially when we are waging an off-budget war in Iraq that costs more than \$1 billion every week.

It is easy for us to lose sight of the primary responsibility of our government during troubled times, and many Americans are anxious to have the administration spend any amount and ignore the Constitution to achieve some mythical standard of security. Yet we should not forget that peace and prosperity are best secured by a government that secures liberty for its citizens. The best formula for securing liberty is limited government at home and a noninterventionist foreign policy abroad. Americans deserve better from their government in 2006 than huge deficits, scandals, domestic spying, and mindless partisanship.

WEDNESDAY, NOVEMBER 16, 2005

Dr. Paul addresses the House of Representatives

Congress Erodes Privacy

The privacy issue has been around for a long time. The brutal abuse of privacy and property of early Americans played a big role in our revolt against the King. **The 1st, 4th and 5th amendments represented attempts to protect**

private property and privacy from an overzealous federal government. Today those attempts appear to have failed.

There have been serious legal debates in recent decades about whether *privacy* is protected by the Constitution. Some argue that since the word does not appear in the text of that document, it is not protected. Others argue that privacy protection grants the federal government power to dictate to all states limits or leniency in enforcing certain laws. **But the essence of liberty is privacy.**

In recent years — especially since 9-11 — Congress has been totally negligent in its duty to protect U.S. citizens from federal government encroachment on the rights of privacy. Even prior to 9-11, the Echelon worldwide surveillance system was well entrenched, monitoring telephones, faxes, and emails.

From the 1970s forward, national security letters were used sparingly in circumventing the legal process and search-warrant requirements. Since 9-11 and the subsequent passage of the Patriot Act, however, use of these instruments has skyrocketed, from 300 annually to over 30,000. There is essentially no oversight nor understanding by the U.S. Congress of the significance of this pervasive government surveillance. It's all shrugged off as necessary to make us safe from terrorism. Sacrificing personal liberty and privacy, the majority feels, is not a big deal.

We soon will vote on the conference report reauthorizing the Patriot Act. Though one could argue there's been a large grassroots effort to discredit the Patriot Act, Congress has ignored the message. Amazingly, over 391 communities and 7 states have passed resolutions highly critical of the Patriot Act.

The debate in Congress — if that's what one wants to call it — boils down to whether the most egregious parts of the Act will be sunsetted after four years or seven. The conference report will adjust the numbers, and members will vote willingly for the *compromise* and feel good about their effort to protect individual privacy.

But if we're honest with ourselves, we would admit that the 4th Amendment is essentially a dead letter. There has been no effort to curb the abuse of national security letters nor to comprehend the significance of Echelon. Hard-fought liberties are rapidly slipping away from us.

Congress is not much better when it comes to protecting against the erosion of the centuries-old habeas corpus doctrine. By declaring anyone an *enemy combatant* — a totally arbitrary designation by the President — the government can

deny an individual his right to petition a judge or even speak with an attorney. Though there has been a good debate on the insanity of our policy of torturing prisoners, holding foreigners and Americans without charges seems acceptable to many. **Did it never occur to those who condemn torture that unlimited detention of individuals without a writ of habeas corpus is itself torture — especially for those who**

are totally innocent? Add this to the controversial worldwide network of secret CIA prisons now known of for two years, and we should be asking ourselves what we have become as a people. Recent evidence that we're using white phosphorus chemical weapons in Iraq does nothing to improve our image.

Our prestige in the world is slipping. The war is going badly. Our financial system is grossly overburdened. And we spend hundreds of hours behind the scenes crafting a mere \$5 billion spending cut while pretending no one knows we can spend tens of billions in off-budget supplemental bills — sometimes under unanimous consent!

It's time we reconsider the real purpose of government in a society that professes to be free: protection of liberty, peaceful commerce, and keeping itself out of our lives, our economy, our pocketbooks, and certainly out of the affairs of foreign nations.

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Ron Paul's TEXAS STRAIGHT TALK

December 5, 2005

What Do Rising Gold Prices Mean?

The market price for an ounce of gold rose to over \$500 last week, a significant milestone for economists watching precious metals and commodities markets. The last time gold topped \$500 was December 1987, in the wake of the *Black Monday* stock-market collapse earlier that fall.

Gold prices historically rise when faith in paper currencies erodes, as investors seek the intrinsic value of gold to protect themselves from inflation. It's interesting to note that while the U.S. dollar has regained some of its value relative to other paper currencies like the Euro, it continues to lose value relative to gold and other hard assets. This shows the folly of using one fiat currency to value another.

Gold is history's oldest and most stable currency. **Central bankers and politicians don't want a gold-backed**

currency system, because it denies them the power to create money out of thin air. Governments by their very nature want to expand, whether to finance military intervention abroad or a welfare state at home. Expansion costs money, and politicians don't want spending limited to the amounts they can tax or borrow. This is precisely why central banks now manage all of the world's major currencies.

Yet while politicians favor central bank control of money, history and the laws of economics are on the side of gold. Even though central banks try to mask their inflationary policies and suppress the price of gold by surreptitiously selling it, the gold markets always cut through the smokescreen eventually. Rising gold prices like we see today historically signify trouble for paper currencies, and the dollar is no exception.

President Nixon finally severed the last tenuous links between the dollar and gold in 1971. Since 1971, the Federal Reserve and U.S. Treasury have employed a pure fiat money system, meaning government can create money whenever it decrees simply by printing more dollars. The "value" of each newly minted dollar is determined by the faith of the public, the money supply, and the financial markets. In other words, fiat dollars have no intrinsic value.

What does this mean for you and your family? Since your dollars have no intrinsic value, they are subject to currency market fluctuations and ruinous government policies, especially Fed inflationary policies. Every time new dollars are printed and the money supply increases, your income and savings are worth less. Even as you save for retirement, the Fed is working against you. Inflation is nothing more than government counterfeiting by the Fed printing presses.

Ron Paul's TEXAS STRAIGHT TALK

December 12, 2005

Don't Complicate Immigration Reform

Congress is poised to consider an immigration reform bill this week, but as usual the devil will be in the details. A sensible bill would bolster enforcement of existing immigration laws, reject any form of amnesty, and address the underlying welfare state that adds to the problem. I fear, how-

ever, that Congress will bow to the president and accept some sort of amnesty. Even worse, I fear **Congress may use the immigration bill to create a national employment database that has nothing to do with border control and everything to do with monitoring American citizens and employers.**

Most Americans understandably want Congress to do something about illegal immigration, which has become a national embarrassment. One important solution is better enforcement of the laws we've got — which plainly call for illegal immigrants to be arrested and deported. Congress can pass any law it wants, but unless federal agencies enforce those laws, they are meaningless.

The ultimate responsibility for our immigration mess, therefore, lies squarely with successive presidents, not Congress. For decades our chief executives simply have lacked the political will, the manpower, or the desire to police our borders and deport lawbreakers. It's been nearly impossible politically for presidents or candidates to suggest the obvious, namely that illegal immigration mocks the rule of law and creates huge social and economic problems. But the tide is turning, and a majority of Americans will demand real action on immigration by the next administration.

Real immigration reform will be difficult, but it need not be complicated.

First, enforce existing laws by controlling the borders once and for all. **We must recognize that true national defense means defending our own borders and coastlines.**

This is the primary constitutional responsibility of the federal government. This means it's time to stop spending hundreds of billions of dollars on overseas military adventures and countless alphabet-soup domestic agencies. **Borders should be the number one national priority, plain and simple.** Does the federal government have something better to do?

Second, we must end birthright citizenship by constitutional amendment, if necessary. House Joint Resolution 46, which I introduced earlier this year, begins the process in Congress. As long as illegal immigrants know that their children born here will be citizens, the perverse incentive to sneak into this country remains strong. **Citizenship involves more than the mere location of one's birth.** True citizenship requires cultural connections and an allegiance to the United States. Americans are happy to welcome those who wish to come here and build a better life for themselves, but we rightfully expect immigrants to show loyalty and attempt to assimilate themselves culturally. Birthright citizenship some-

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times confers the benefits of being American on people who do not truly embrace America.

Finally, we must end welfare-state subsidies for illegal immigrants. Some illegal immigrants — certainly not all — receive housing subsidies, food stamps, free medical care, and other forms of welfare. This alienates taxpayers and breeds suspicion of immigrants, even though the majority of them work very hard. Without a welfare state, we would know that everyone coming to America wanted to work hard and support himself.

Immigration admittedly is a difficult issue, and nobody wants America to become an unwelcoming fortress. On the contrary, we need to attract the best and brightest people by remaining an entrepreneurial society that rewards initiative and hard work. But we must gain control of our borders, not only to strengthen our national security, but also to preserve our national identity.

***Ron Paul's* TEXAS STRAIGHT TALK**

December 26, 2005

Domestic Surveillance and the Patriot Act

Recent revelations that the National Security Agency has conducted broad surveillance of American citizens' emails and phone calls raise serious questions about the proper role of government in a free society. This is an important and healthy debate, one that too often goes ignored by Congress.

Public concerns about the misnamed Patriot Act are having an impact, as the Senate last week refused to reauthorize the bill for several years. Instead Congress will be back in Washington next month to consider many of the Act's most harmful provisions.

Of course most governments, including our own, cannot resist the temptation to spy on their citizens when it suits government purposes. **But America is supposed to be different. We have a mechanism called the Constitution that is supposed to place limits on the power of the federal government. Why does the Constitution have an enumerated powers clause if the government can do things wildly beyond those powers — such as establish a domestic spying program? Why have a 4th Amendment if it does not prohibit government from eavesdropping on phone calls without telling anyone?**

We're told that September 11th changed everything, that new government powers like the Patriot Act are necessary to thwart terrorism. But these are not the most dangerous times in American history, despite the self-flattery of our

politicians and media. This is a nation that expelled the British, saw the White House burned to the ground in 1814, fought two world wars, and faced down the Soviet Union. **September 11th does not justify ignoring the Constitution by creating broad new federal police powers.** The rule of law is worthwhile if we ignore it whenever crises occur.

The administration assures us that domestic surveillance is done to protect us. But the crucial point is this: Government assurances are not good enough in a free society. The overwhelming burden must always be placed on government to justify any new encroachment on our liberty.

Now that the emotions of September 11th have cooled, the American people are less willing to blindly accept terrorism as an excuse for expanding federal surveillance powers. Conservatives who support the Bush administration should remember that powers we give government today will not go away when future administrations take office.

Some Senators last week complained that the Patriot Act is misunderstood. But it's not the American public's fault nobody knows exactly what the Patriot Act does. **The Act contains over 500 pages of detailed legalese, the full text of which was neither read nor made available to Congress in a reasonable time before it was voted on** — which by itself should have convinced members to vote against it. Many of the surveillance powers authorized in the Act are not clearly defined and have not yet been tested. When they are tested, court challenges are sure to follow. It is precisely because we cannot predict how the Patriot Act will be interpreted and used in future decades that we should question it today.

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

About the F.R.E.E. Foundation

The Foundation for Rational Economics and Education, Inc. is a 501(c)(3) tax-exempt public foundation dedicated to individual liberty and free-market economics. It was founded by Congressman Ron Paul of Texas and publishes his Freedom Report. For more information, or to make a tax-deductible donation write: F.R.E.E., Inc., P.O. Box 1776, Lake Jackson, Texas 77566, or call 979-265-3034.