

Ron Paul's FREEDOM REPORT

A publication of the Foundation for Rational Economics and Education.

VOLUME 8, NO. 1 JANUARY 2004



MON., DECEMBER 8, 2003

Whose Peace?

*Dr. Paul addresses the
House of Representatives*

Much has been written lately about several attempts to craft an alternative peace plan in the decades-old Israeli-Palestinian dispute. The best known of these recent plans — the *Geneva Initiative* — was conceived and written by representatives of both sides of the conflict, but without the involvement of governments or politicians. As such, it is a fresh approach that should provide a lesson to those who continue to believe that peace is something that can only be crafted by government officials, or bribed and bullied by the “international community.”

We do know this: after decades of conflict and tens of billions of U.S. taxpayer dollars spent, U.S. government involvement in the Israeli-Palestinian peace process has led nowhere. The latest U.S. government-initiated plan for peace, the “road map,” appears to be a map to nowhere. This does not surprise me much. With a seemingly endless amount of money to bribe the leaders of the two opposing sides to remain engaged in the process, is it any wonder why the two parties never arrive at peace?

People on both sides are becoming more and more frustrated with the endless impasse and endless government and bureaucrat-written peace agreements that go nowhere.

That is why plans like this should be of such interest. Initially conceived by an obscure Swiss professor, the project was joined by former Israeli Justice Minister Yossi Beilin, former Palestinian Authority Information Minister Yasser Abed Rabbo, and by other prominent individuals like former president Jimmy Carter. The negotiations led to the creation of a 50-page detailed accord.

I do not know whether the product is perfect. I have not studied the minute details of the proposal. But what I do know is that politicians, governments, and special interests promote war at the expense of those who have to fight them. Wars end when the victims finally demand peace. And that is what we are beginning to see. According to one recent survey, a majority among both the Israeli and Palestinian population support this new initiative. That is encouraging.

To his credit, President Bush has demonstrated an open mind toward this alternative approach. He declared the Geneva Initiative “productive,” and added that the United States “appreciates people discussing peace.” Secretary of State Colin Powell echoed the President when he resisted hard-line pressure to ignore the proposed accord, stating, “I have an obligation to listen to individuals who have interesting ideas.” This is also encouraging.

Predictably, though, this new approach is not as welcomed by those — governments, politicians, and special interests — who have a stake in dragging out the process indefinitely. Palestinian authority President Yasser Arafat has been lukewarm at best. Extremist Arab organizations that have a special interest in continuing the violence have also rejected the Geneva Initiative. Israeli Prime Minister Ariel Sharon has rejected the Initiative out of hand. Said Mr. Sharon: “Geneva is an attempt to do something only a government can do.”

But the point is that governments have little incentive to finally end conflicts such as these. The United States is in places like Kosovo and Bosnia indefinitely in the name of “peace-keeping” and “peace processes.” The same will be true of our involvement in Afghanistan and Iraq. It is not until foreign involvement ceases — that includes our continued meddling in the Middle East — and the people involved demand peace that real working solutions begin to emerge. The Geneva Initiative is therefore a positive step toward peace in the Middle East. Let us step back and get out of the way!

[Editor's note: following are four of Dr. Paul's weekly columns from 2003 that provide an interesting way to look back on how we began the year, and the assault on constitutional principle with which we ended.]

DECEMBER 22, 2003

Dr. Paul's Texas Straight Talk
A Weekly Column

“Campaign Finance Reform” Muzzles Political Dissent

In a devastating blow to political speech, the Supreme Court recently upheld most of the McCain-Feingold campaign finance bill passed by Congress last year. The legislation will do nothing to curb special-interest power or reduce corruption in Washington, but it will make it harder for average Americans to influence government. “Campaign finance reform” really means the bright-line standard of free speech has been replaced by a murky set of regulations and restrictions that will muzzle political dissent and protect incumbents. Justice Scalia correctly accuses the Court of supporting a law “that cuts to the heart of what the First Amendment is meant to protect: the right to criticize the government ... This is a sad day for freedom of speech.”

Two important points ignored by the Court should be made. First, although the new campaign rules clearly violate the First Amendment, they should be struck down primarily because Congress has no authority under Article I of the Constitution to regulate campaigns at all. **Article II authorizes only the regulation of elections, not campaigns, because our Founders knew Congress might pass campaign laws that protect incumbency. This is precisely what McCain-Feingold represents: blatant incumbent protection sold to the public as noble reform.**

Second, freedom of the press applies equally to all Americans, not just the institutional, government-approved media. An unknown internet blogger, a political party, a candidate, and the *New York Times* should all enjoy the same right to political speech. Yet McCain-Feingold treats the mainstream press as some kind of sacred institution rather than the for-profit industry it is. Why should giant media companies be able to spend unlimited amounts of money to promote candidates and issues, while an organization you support cannot? The notion of creating a preferred class of media, with special First Amendment rights, is distinctly elitist and un-American.

Outrageously, the Court failed to strike down a provision of the campaign finance bill that virtually outlaws criticism of incumbent politicians for 60 days before an election — exactly the time when most voters learn about candidates and issues. The ban essentially prohibits any group from airing radio or television ads that cast politi-

cians in a negative light during the critical final months of an election. The ban even carries the possibility of criminal penalties, meaning the Court has endorsed *criminalizing political dissent!* Incumbent politicians certainly will be the beneficiaries of the new ban, as they no longer have to suffer through ads that criticize their performance.

Wealthy people will always seek to influence politicians, because government unfortunately plays a very big role in determining who gets (and stays) rich in our country. Our federal government has become a taxing, spending, and regulating leviathan that virtually controls the economy. Having rejected the notion of limited, constitutional government, we can hardly be surprised when special interests use corrupting campaign money to influence the process! We need to get money out of government; only then will money not be important in politics. Big government and big campaign money go hand-in-hand.

DECEMBER 1, 2003

Dr. Paul's Texas Straight Talk
A Weekly Column

GOP Abandons Conservatives

The Medicare prescription drug bill passed by Congress last week may prove to be a watershed event for political conservatives in America. This latest expansion of the federal government, potentially the largest in our nation's history, is firmly in keeping with the failed New Deal and Great Society programs of the utopian left. This leaves true conservatives, who believe strongly in limited government and identify with the Goldwater-era Republican party, wondering whether they still have a political home in the modern GOP. In the eyes of many conservatives, today's GOP simply has abandoned its limited-government heritage to buy votes and gain political power in Washington.

The unfortunate truth is that the Bush administration, aided by a Republican Congress, has increased spending more in three years than the previous administration did in eight. Federal spending has grown by more than 25% since the President took office. The federal government now spends roughly \$21,000 per household every year, up from \$16,000 just 4 years ago. Columnist Cal Thomas, in a recent article entitled “The Embarrassing GOP,” raises an excellent question: “How much of that \$21,000 could you spend that would produce better results for yourself and your family?”

Consider that Mr. Bush has not vetoed a single bill, nor does he even bother to employ conservative rhetoric. Chris Edwards of the Cato Institute says this about the President: “I've never seen him give a speech in which he says government is too big and we need to cut costs.” Furthermore, the outlook for spending restraint during a second Bush term is nil: “When you have a president who has a bunch of his

own spending initiatives like education and the Medicare drug bill, it makes it difficult for him to go out and say that Congress is being wasteful,” Mr. Edwards states.

Columnists have coined the phrase “**Big-Government Republicans**” to describe the current crop of free spenders now controlling the White House, Senate, and House of Representatives. Many of the President’s closest advisors are Big-Government Republicans; former leftists who have no qualms about spending huge amounts of money both at home and abroad to achieve supposedly conservative ends. **The irony is that conservatives suffered through decades of Democratic control of Congress, always believing that liberals were to blame for the relentless growth of the federal government.** When Republicans finally took control of Congress in 1994, many saw an opportunity for a real conservative revolution. But first, conservatives were told, the Democratic administration had to be removed. In the meantime, spending continued unabated throughout the 1990s.

When Republicans won the White House in 2000, another opportunity seemed at hand. The Senate, however, was still in Democratic hands — the last possible GOP scapegoat. Finally, in 2002 the GOP took control of the Senate and increased its majority in the U.S. House. Surely this was the moment conservatives had been waiting for! Yet the past year has seen more spending than ever, including the disastrous Medicare bill that will cost trillions over coming decades. The latest line is that the GOP needs a filibuster-proof Senate of 60 Republicans, and then, finally, the party can begin to implement a conservative agenda.

At what point will conservatives stop accepting these excuses? When does the conservative base of the GOP, a base that remains firmly committed to the principle of limited government, finally demand new leadership and a return to conservative values? Will conservatives abandon the party when they realize the GOP, at least under its current leadership, is simply not interested in reducing the size and scope of the federal government?

With Republicans controlling the administration and the legislature, and nominally controlling the Supreme Court, the party has run out of other people to blame. One thing is certain: Republicans who support bigger entitlement programs and bigger federal budgets have lost all credibility as advocates for limited government.

AUGUST 25, 2003

Dr. Paul’s Texas Straight Talk
A Weekly Column

Trust Us, We’re the Government

Attorney General John Ashcroft has embarked on a bizarre promotional tour to counter growing public opposition to the Patriot Act. The administration clearly is worried by

recent votes in Congress to limit the scope of the Act, votes that reflect the willingness of even GOP loyalists to buck the President on the issue. So Mr. Ashcroft is visiting several cities to give a stump speech that essentially says this: *Trust us - we’re the government, and we say the Patriot Act does not threaten civil liberties.*

But the Attorney General misses the point. 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.

Furthermore, Mr. Ashcroft is an administrator, not a legislator. It is not his job to write laws or say what the law should be. His job is to execute the laws passed by Congress. It is not his place to chide Congress or the American people for not supporting his viewpoint. He certainly should not be spending taxpayer money to lobby for his political positions.

Mr. Ashcroft complains 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 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. The Act’s complexity is even more troubling when we consider how powers given to the Justice Department today might be abused by future administrations.

It is clear, however, that the Patriot Act expands the government’s ability to monitor us. The Act eases federal rules for search warrants in some cases; allows expanded wiretaps and Internet monitoring; allows secret “sneak and peek” searches; and even permits federal agents to examine library and bookstore records. On these grounds alone it should be soundly rejected.

Mr. Ashcroft was not always so cavalier about civil liberties. Consider the following statement by then-Senator Ashcroft during the Clinton years:

“The Clinton administration would like the federal government to have the capability to read any international or domestic computer communications. The FBI wants access to decode, digest, and discuss financial transactions, personal e-mail, and proprietary information sent abroad — all in the name of national security.

“The administration’s interest in all e-mail is a wholly unhealthy precedent, especially given this administration’s track record on FBI files and IRS snooping. Every medium by which people communicate can be subject to exploitation by those with illegal intentions. Nevertheless, this is no reason to hand Big Brother the keys to unlock our e-mail diaries, open our ATM records, read our medical records, or translate our international communications...The impli-

cations here are far-reaching, with impacts that touch individual users, companies, libraries, universities, teachers, and students.”

The Attorney General’s blatant flip-flop can, of course, be ascribed to partisan politics. Like many conservatives, Mr. Ashcroft correctly understood that the Clinton Justice Department did not believe in the rule of law and terribly abused its power. Yet even after the Janet Reno debacles, he wants us to believe that his Justice Department — *and future departments* — can be entrusted with more power.

FEBRUARY 3, 2003

Dr. Paul’s Texas Straight Talk
A Weekly Column

Welfare for the Left, Welfare for the Right, Welfare for the World

“The President, a Republican no less, seems to believe that government should be telling us what kind of car to drive, what kind of education our kids should receive, how to cure disease in Africa and the Caribbean, how to liberate women the world over, how to fund technological innovation, and even how to ‘transform our souls’ and lift the ‘hopes of all mankind’ — all courtesy of the long-suffering taxpayer who is, once again, supposed to believe that the government can make better use of his money than he can.”

Low Rockwell Jr., President of the Mises Institute

The State of the Union speech delivered last week showed little enthusiasm for the kind of real spending cuts our nation so desperately needs. Instead, it outlined a federal budget that grows at a rate of 5 to 7 percent each year, and in the twilight zone of Washington, this is deemed to show spending restraint! Much of this lack of restraint will take the form of good old-fashioned welfare, whether for liberal social causes or conservative corporate causes.

Consider the call for hydrogen-powered cars. The administration wants to spend more than \$1.2 billion tax dollars promoting hydrogen research. This is hailed as forward-thinking environmentally friendly policy, but really it’s just corporate welfare. No one considers that certain companies and lobbyists will benefit handsomely from this new government spending, or that American taxpayers might prefer to keep the money for themselves. If companies in the hydrogen industry get a billion dollars, what about other industries? Why should government favor one industry or technology, and who in government is qualified to choose?

A better approach would be to follow the Constitution and stop spending tax dollars on corporate subsidies. Private-sector research always works better than government-sponsored research, and it always produces more honest results. If hydrogen power really works well, and companies

can profitably provide clean-running, affordable cars that people like, then the market for such cars will be tremendous. In other words, if hydrogen cars are so great, they will become popular without government subsidies. Why should the technology be developed at taxpayer expense, when future profits will be reaped by private companies? Let the market, rather than the lobbyists, decide whether hydrogen-powered cars are the future.

The administration also wants to spend a whopping \$15 billion in Africa to fight AIDS. Again, this is praised as compassionate and progressive policy. But what about the people who are suffering here at home, whether from AIDS or other diseases, poverty, or unemployment? Of course there is absolutely no constitutional authority to send tax dollars overseas. It is unconscionable to tax Americans, especially poor Americans, to supposedly alleviate suffering in other countries.

I say “supposedly” because the money never really helps, and almost always ends up in the hands of dictators, corrupt government officials, or thuggish leaders of local factions. We could send \$100 or \$500 billion, and Africa would remain mired in AIDS and poverty. Only freedom, property rights, capitalism, and the rule of law can help Africa. The AIDS crisis cannot be solved by government, but rather requires a combination of truly independent private-sector medical research and politically incorrect prevention efforts. Americans are the most charitable people on earth, and we should stop taxing them so much and allow private charities, including charities aimed at combating AIDS, to flourish.

The State of the Union speech provided stark evidence that the era of Big Government is hardly over, and that welfare has not been reformed. **Hydrogen boondoggles and AIDS industry welfare are just two small examples, symbols of what is wrong with a federal government that spends 2.4 trillion dollars in a single year.** Not only does government spend far too much of your money, it spends the money badly. Once we as a society accepted the notion that Congress could fund programs not authorized in the Constitution, the sky was the limit — and we’ve reached that limit 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.