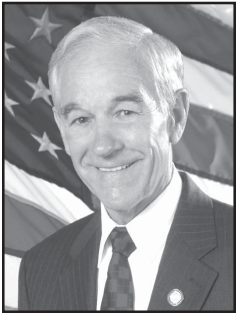


Ron Paul's FREEDOM REPORT

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Ron Paul's TEXAS STRAIGHT TALK

May 18, 2008

The Economy: Another Casualty of War

This week, as the American economy continued to suffer the effects of big government, the House attempted to pass two multibillion dollar “emergency” spending bills, one for continued spending on the war in Iraq, and one increasing spending on domestic and international welfare programs. The plan was to pass these two bills and then send them to the president as one package. Even though the House failed to pass the war spending bill, opponents of the war should not be fooled into believing this vote signals a long term change in policy. At the end of the day, those favoring continued military occupation of Iraq will receive every penny they are requesting and more as long as they agree to dramatically increase domestic and international welfare spending as well.

The continued War in Iraq and the constant state of emergency has allowed Congress to use these so-called “emergency” bills as a vehicle to dramatically increase spending across the board—including spending that does not meet even the most generous definition of emergency. For example, the spending proposals currently being considered by Congress provide \$210 million to the Census Bureau and \$4 million for the Bureau of Alcohol, Tobacco, and Firearms. \$4.6 billion is requested for the closing of military bases, but not any of the more than 700 bases overseas—but bases here at home! Another \$387 million would go to various international organizations and \$850 million more just in international food aid—all this when food

prices are skyrocketing here and American families are having a hard time making ends meet. Because this spending will be part of “emergency” measures, it will not count against debt ceilings, or any spending limits set by Congressional budget resolutions, and does not have to be offset in any way.

Explosive growth of government is just another tragedy of this war. The “bipartisan” compromises made in Washington are at the expense of the taxpayer, not in the interest of fiscal responsibility, or peace. The taxpayer loses and government grows.

The bottom line is that our dollar is falling, the economy is in rough shape, and government spending is wildly out of control. Congress argues over relatively minor details, instead of dramatically changing our flawed foreign policy. We need to bring our troops home, not only from Iraq and Afghanistan, but from South Korea, Germany, and the other 138 countries where we have troops stationed. Our foreign policy of interventionism is not only offensive to others, inviting further terrorist attacks, but it is ruining our economy as we tax, borrow and print the money to pay the bills of our empire. The economy and ultimately the American people suffer because Washington is refusing to adopt more sensible and constitutional policies.

Squabbling between those who favor increased welfare and those who favor increased warfare has giving the American people a temporary reprieve from having to bear the burden of yet another dramatic increase in government this week. However, as early as next week a compromise could be reached that expands both government warfare and welfare. As congressional approval ratings drop to 18% according to a recent Gallup poll, the American people are telegraphing that Congress is taking the country in the wrong direction. Our government must stop bankrupting the country so that we can get back on track to a peaceful, prosperous future.

**Ron Paul's
TEXAS STRAIGHT TALK**

May 25, 2008

Salute to Veterans

Most of my efforts on Capitol Hill are focused on reducing the federal government's size and scope, but I make an exception for a very important group of people. Our nation's men and women in uniform commit a selfless act of patriotism when they take up arms in defense of our country. As a veteran myself, I salute all those currently serving, or who have served in our armed forces. Our nation owes them a debt of gratitude for their sacrifices, their courage, their time away from friends and family, and the dangers they undertake. This Memorial Day we honor our soldiers and vets, we remember those who never came home, or who have since passed on. Above all, we acknowledge our respect for all who have served in the military.

Congress has considered several bills this past week that would affect veterans. Many of the measures are very positive. I applaud efforts to shore up health care for veterans, and make sure that veterans know about the services available to them. I strongly support improving educational opportunities for veterans. I also believe a pay raise is well-deserved, and long overdue for our men and women in uniform. These benefits constitute their pay for serving our country.

What I do not support is inserting immoral, unconstitutional provisions into veterans' bills. For example, HR 6081 the Heroes Earnings Assistance and Relief Tax Act, in addition to providing important tax benefits for soldiers, sends the IRS after civilians who move overseas. This method of funding is actually a slap in the face to our soldiers who vow to keep us free. After all, how free are we, if we are not really free to leave? Congress should not use the military as an excuse to behave tyrannically.

I was pleased with several of the veterans bills passed this past week, but more needs to be done. There are many other bills that should be passed dealing with veterans health care, how we treat disabled vets, and forgiving debts to the United States of fallen soldiers. We need to keep in mind younger generations who will someday face the choice of whether or not to enlist. They are watching to see how well we keep our promises. As it stands, our military is being rapidly depleted and exhausted by the continued, unconstitutional wars being fought in Iraq and Afghanistan. This problem must be addressed.

This Memorial Day, I thank all our soldiers who have fought so bravely for our country. I will continue to work hard in Congress to ensure they are treated with dignity, and receive the compensations they have been promised and deserve. They have given their best for this nation, and we should respond in kind.

**Ron Paul's
TEXAS STRAIGHT TALK**

June 1, 2008

**Sowing More Big Government
with the Farm Bill**

Recently Congress sent the latest Farm Bill to the president. The bill features brand new federal programs, expansion of existing subsidies, more food stamps and more foreign food aid. This bill hits the taxpayer hard, while at the same time ensuring food prices will remain elevated. The president vetoed the bill, citing concerns over its costs and subsidies for the wealthy in a time of high food prices and record farm income. Nevertheless, this over-reaching, government-expanding Farm Bill will soon be law.

The truth is most farmers simply want honest pay for honest work. However, if the government is providing competing farms with advantages, and one wants to remain a farmer, one must seek a proportional advantage from government. It is a difficult position for the farmer. Some are better at qualifying for taxpayers' largesse than others as evidenced by the fact that more than 60% of the subsidies go to just 10% of recipients, edging out the small family farm. This entire system is unfair and demoralizing. It disproportionately benefits big agribusiness at the expense of struggling family farms.

Third world countries also lose with these continued government manipulations. Agricultural subsidies lead to overproduction, which leads to foreign food aid as a form of dumping. By "dumping" government-created agricultural surpluses, agrarian economies are artificially kept in a constant state of economic depression. The would-be third world farmer cannot compete with "free" grain, thus he and his countrymen remain perpetual beggars rather than competitive producers. Also, by keeping food prices high, we keep more of our own citizens dependent on government food stamps, instead of paying fair market prices for food. Free trade helps farmers and consumers much more than

this convoluted system of subsidies, surpluses and central planning. Newly opened markets would create increased demand for what we produce. There is absolutely no reason we trade with China, yet not with Cuba. With energy and transportation prices as high as they are, opening up trade with a country as close as Cuba just makes sense. The recent power shift from Fidel Castro to his brother Raul, and the somewhat positive steps he has taken, provides an opportunity to lift the embargo.

Removing unreasonable, confiscatory tax policies would also make good farm policy. We need to permanently repeal the estate tax, which would again take a devastating 55% cut of family farms upon death of an owner. This tax will force the sale of many family farms, and further huge corporate agriculture.

Those who believe federal farm programs benefit independent farmers, should take note that after 70 years of this type of government intervention, small farms continue to struggle while large corporate farms control an ever-increasing share of the agricultural market. Subsidies for agribusiness should be stopped and the free market should be allowed to work. With commodity and food prices on the rise, Congress had an opportunity to scale down government controls and taxpayer funding of agriculture. Instead, despite the warning sent by an 18% approval rating, Congress stubbornly opted for more of the same.

**Ron Paul's
TEXAS STRAIGHT TALK**

May 11, 2008

**Big Government Responsible
for Housing Bubble**

The House passed two bills attempting to rehabilitate the housing and mortgage market this week. There doesn't seem to be any shortage of criticism and blame for the bad decisions, and rightly so. Lenders and banks do share much of the blame for the overheated market. Lending standards were relaxed, or even abandoned altogether, creating an exaggerated pool of homebuyers that led to ballooning home

prices that many, especially real estate investors, expected to continue forever. Now that the bubble has burst, the losses are staggering.

However, many in Washington fail to realize it was government intervention that brought on the current economic malaise in the first place. The Federal Reserve's artificially low interest rates created the loose, easy credit that ignited a voracious appetite in the banks for borrowers. People made these lending and buying decisions based on market conditions that were wildly manipulated by government. But part of sound financial management should be recognizing untenable or falsified economic conditions and adjusting risk accordingly. Many banks failed to do that and are now looking to taxpayers to pick up the pieces. This is wrong-headed and unfair, but Congress is attempting to do it anyway.

These housing bills address the crisis in exactly the wrong way, by seeking to hide the problem with more disastrous government bail-outs and interventions. One measure, HR 5830 the Federal Housing Administration (FHA) Housing Stabilization and Homeowner Retention Act would allow the FHA to guarantee as much as \$300 billion worth of refinanced home loans for those facing threat of foreclosure. HR 5818 the Neighborhood Stabilization Act, would provide \$15 billion in loans and grants to localities to purchase and renovate foreclosed homes with the object of then selling or renting out those homes. Thankfully, President Bush has vowed to veto both of these bills. It is neither morally right nor fiscally wise to socialize private losses in this way.

The solution is for government to stop micromanaging the economy and let the market adjust, as painful as that will be for some. We should not force taxpayers, including renters and more frugal homeowners, to switch places with the speculators and take on those same risks that bankrupted them. It is a terrible idea to spread the financial crisis any wider or deeper than it already is, and to prolong the agony years into the future. Socializing the losses now will only create more unintended consequences that will give new excuses for further government interventions in the future. This is how government grows—by claiming to correct the mistakes it earlier created, all the while constantly shaking down the taxpayer. The market needs a chance to correct itself, and Congress needs to avoid making the situation worse by pretending to ride to the rescue.

It is a terrible idea to spread the financial crisis any wider or deeper than it already is, and to prolong the agony years into the future.

Tuesday, May 20, 2008

*Dr. Paul addresses the
U.S. House of Representative*

March to War in Lebanon?

Madam Speaker I rise in opposition to H. Res. 1194 because it is dangerously interventionist and will likely lead to more rather than less violence in the Middle East.

I have noticed that this legislation reads eerily similar to a key clause in the 2002 Iraq war bill, H J Res 114, which authorized the use of force.

The key resolved clause in H. Res. 1194 before us today reads:

Resolved, That the House of Representatives—

(6) urges—

(A) the United States Government and the international community to immediately ***take all appropriate actions*** to support and strengthen the legitimate Government of Lebanon under Prime Minister Fouad Siniora;

The Iraq war authorization language from 2002 is strikingly similar, as you can see here:

(a) AUTHORIZATION- The President is authorized to use the Armed Forces of the United States ***as he determines to be necessary and appropriate*** in order to—

(1) defend the national security of the United States against the continuing threat posed by Iraq;

I am concerned that this kind of similarity is intentional and will inevitably result in U.S. military action in Lebanon, or against Syria or Iran.

I am also concerned over the process of bringing this resolution to the Floor for a vote. I find it outrageous that H. Res. 1194, which calls for more risky U.S. interventionism in the Middle East, is judged sufficiently “non-controversial” to be placed on the suspension calendar for consideration on the House Floor outside of normal order. Have we reached the point where it is no longer controversial to urge the president to use “all appropriate actions”—with the unmistakable implication that force may be used—to intervene in the domestic affairs of a foreign country?

Mr. Speaker, the Arab League has been mediating the conflict between rival political factions in Lebanon and has had some success in halting the recent violence. Currently,

negotiations are taking place in Qatar between the Lebanese factions and some slow but encouraging progress is being made. Regional actors—who do have an interest in the conflict—have stepped up in attempt to diffuse the crisis and reach a peaceful solution, and press reports today suggest that a deal between the rival factions may have been reached. Yet at this delicate stage of negotiations the U.S. House is preparing to pass a very confrontational resolution pledging strong support for one side and condemning competing factions. U.S. threats in this resolution to use “all appropriate actions” to support one faction are in fact a strong disincentive for factions to continue peaceful negotiations and could undermine the successes thus far under Arab League moderation.

This legislation strongly condemns Iranian and Syrian support to one faction in Lebanon while pledging to involve the United States on the other side. Wouldn't it be better to be involved on neither side and instead encourage the negotiations that have already begun to resolve the conflict? Afghanistan continues to sink toward chaos with no end in sight. The war in Iraq, launched on lies and deceptions, has cost nearly a trillion dollars and more than 4,000 lives with no end in sight. Saber rattling toward Iran and Syria increases daily, including in this very legislation. Yet we are committing ourselves to intervene in a domestic political dispute that has nothing to do with the United States.

This resolution leads us closer to a wider war in the Middle East. It involves the United States unnecessarily in an internal conflict between competing Lebanese political factions and will increase rather than decrease the chance for an increase in violence. The Lebanese should work out political disputes on their own or with the assistance of regional organizations like the Arab League. I urge my colleagues to reject this march to war and to reject H. Res. 1194.

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.