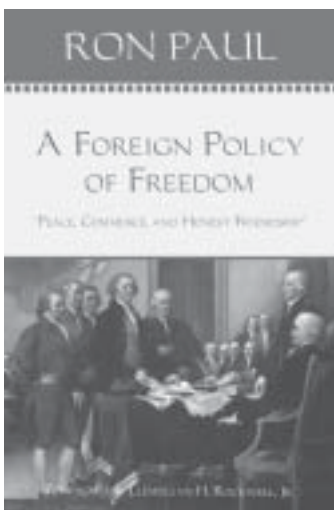


Ron Paul's FREEDOM REPORT

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An Historic New Book by Congressman Ron Paul



A FOREIGN POLICY OF FREEDOM

'PEACE, COMMERCE, AND
HONEST FRIENDSHIP'

Foreword by
Llewellyn H. Rockwell, Jr.

372 pages

*Three decades of wisdom
from Congressman Paul's
speeches before the
United States Congress*

other than American national security. These events motivated me to speak out more frequently on foreign affairs, and vote (often by myself) to make that point that we should follow the Constitution and the Founding Fathers by staying out of the affairs of foreign nations—especially when our meddling has nothing to do with national security interests....

"Our country is now geared to an arms economy bred in an artificially induced psychosis of war hysteria and an incessant propoganda of fear."—General Douglas MacArthur

See reply form to obtain a copy of this book!

Printed below are some sample excerpts from the book.

INTRODUCTION A Personal Note

...as time passed it became clear to me that economic policy (especially deficit financing) and monetary policy were closely interrelated with foreign policy and war. Today, I'm equally concerned with both our flawed foreign policy and our bad economic policies.

...During the Reagan years I began to realize how special interests, with bipartisan support, drive our policy of foreign intervention. We sent troops to Lebanon and Granada; financial aid to Nicaragua; weapons to Iran and Iraq; military assistance to Osama bin Laden and Saddam Hussein; and bombed Libya—all for reasons

CHAPTER 5

These next two speeches focus upon our current Middle East morass, which has been in the making for decades. Our policy has harmed our interests without adding stability to the region. In an attempt to "balance interests" we anger all sides, and that anger has consequences for our service members, as well as American civilians in the region.

February 24, 1983

U.S. INVOLVEMENT IN MIDDLE EAST
HON. RON PAUL of TEXAS
IN THE HOUSE OF REPRESENTATIVES

Mr. Speaker, this week President Reagan pledged U.S. border protection for Israel if Israel removes its troops from Lebanon. As Commander in Chief, the president certainly can respond militarily in an emergency,

if our nation is attacked or our security threatened. But by no stretch of the imagination can it be said that such an elaborate arrangement in the Middle East is required for America's security. Moreover, the president has no authorization to make any such agreement.

This assumption of power, nevertheless, is the logical outgrowth of a decades-old foreign policy based on our extended commitments overseas. An interventionist foreign policy creates problems, the so-called solutions to which can only be found in further commitments and intervention. I do not believe the American people are happy with the ever-growing number of obligations we have assumed over the last several decades, but they feel helpless to change this policy.

Israel has not and will not benefit from our persistent involvement in the Mideast. Since our dollars flow to both Arabs and Israelis, we will not be inclined to allow either side to decide for itself what is in its own best interest.

Israel, under today's circumstances, cannot retain its sovereignty, for we will always feel compelled to criticize their actions if, in our opinion, these actions destabilize the area. This is true whether it involves their borders with Gaza in the south or the settlement on the West Bank. I think what they do in these areas is their business, not ours. How would we feel if a country halfway around the world told us how we should act in the face of what we believed to be a threat to our borders?

Committing unlimited troops and American dollars to secure a border between two warring factions who have fought for thousands of years does not make much sense. **Our presence in the Middle East helps neither the Arabs nor the Israelis, and it does little to increase the probability of peace in the long run. Although the proponents of these policies are sincere in their intent to bring peace, their actions in fact jeopardize America's interests.**

February 2, 1999

**THE STATE OF THE REPUBLIC
or CONGRESS RELINQUISHING THE
POWER TO WAGE WAR
HON. RON PAUL of TEXAS
IN THE HOUSE OF REPRESENTATIVES**

Madam Speaker, I have great concern for the future of the American Republic. Many Americans argue that we now enjoy the best of times. Others concern

themselves with problems less visible but smoldering beneath the surface. Those who are content point out that the economy is booming, we are not at war, crime rates are down, and the majority of Americans feel safe and secure in their homes and community. Others point out that economic booms, when brought about artificially with credit creation, are destined to end with a bang. The absence of overt war does not negate the fact that tens of thousands of American troops are scattered around the world in the middle of ancient fights not likely to be settled by our meddling and which may escalate at any time.

Madam Speaker, the relinquishing of the power to wage war by Congress to the President, although ignored or endorsed by many, raises serious questions regarding the status of our Republic, and although many Americans are content with their routine activities, much evidence demonstrating that our personal privacy is routinely being threatened. Crime still remains a concern for many with questions raised as to whether or not violent crimes are accurately reported, and ironically there are many Americans who now fear that dreaded federal bureaucrat and possible illegal seizure of their property by the government more than they do the thugs in the street. I remain concerned about the economy, our militarism and internationalism, and the systemic invasion of our privacy in every aspect of our lives by nameless bureaucrats. I am convinced that if these problems are not dealt with, the Republic for which we have all sworn an oath to protect will not survive.

Madam Speaker, all Members should be concerned about the war powers now illegitimately assumed by the president, the financial bubble that will play havoc with the standard of living of most Americans when it bursts, and the systemic undermining of our privacy even in this age of relative contentment.

The Founders of this great nation abhorred tyranny and loved liberty. The power of the King to wage war, tax and abuse the personal rights of the American colonists drove them to rebel, win a revolution, and codify their convictions in a new Constitution. It was serious business, and every issue was thoroughly debated and explained most prominently in the Federalist Papers. Debate about trade among the States and with other countries, sound money, and the constraints on presidential power occupied a major portion of their time.

Initially the Articles of Confederation spoke clearly of just who would be responsible for waging war. It gave

the constitutional Congress, “sole and exclusive right and power of determining on peace and war.” In the debate at the Constitutional Convention, it was clear that this position was maintained as the power of the British King was not to be “a proper guide in defining executive war powers” for the newly formed Republic. The result was a Constitution that gave Congress the power to declare war, issue letters of mark and reprisal, call up the militia, raise and train an Army and Navy, and regulate foreign commerce, a tool often used in international conflict. The president was also required to share power with the Senate in ratifying treaties and appointing ambassadors.

Let there be no doubt: the president, according to the Constitution, has no power to wage war. However it has been recognized throughout our history that certain circumstances might require the president to act in self-defense if Congress is not readily available to act if the United States is attacked.

November 21, 2003
**CONSCRIPTION—THE
TERRIBLE PRICE OF WAR**
HON. RON PAUL of TEXAS
IN THE HOUSE OF
REPRESENTATIVES

The ultimate cost of war is almost always the loss of liberty. True defensive wars and revolutionary wars against tyrants may preserve or establish a free society, as did our war against the British. But these wars are rare. Most wars are unnecessary, dangerous, and cause senseless suffering with little being gained. The result of most conflicts throughout the ages has been loss of liberty and life on both sides. **The current war in which we find ourselves clearly qualifies as one of those unnecessary and dangerous wars. To get the people to support ill-conceived wars, the nation’s leaders employ grand schemes of deception.**

Woodrow Wilson orchestrated our entry into World War I by first promising during the election of 1916 to keep us out of the European conflict, then a few months later pressuring and maneuvering Congress into declaring war against Germany. Whether it was the Spanish American War before that, or all the wars since,

U.S. presidents have deceived the people to gain popular support for ill-conceived military ventures. Wilson wanted the war and immediately demanded conscription to fight it. He didn’t have the guts even to name the program a military draft; instead in a speech before Congress calling for war he advised the army should be “chosen upon the principle of universal liability to service.” Most Americans at the time of the declaration didn’t believe actual combat troops would be sent. What a dramatic change from this early perception, when the people endorsed the war, to the carnage that followed—

and the later disillusionment with Wilson and his grand scheme for world government under the League of Nations. The American people rejected this gross new entanglement, a reflection of a somewhat healthier age than the one we find ourselves in today. ■

**Ron Paul’s
TEXAS STRAIGHT TALK**

February 19, 2007

**Monetary Policy is Critically
Important**

Federal Reserve Chairman Ben Bernanke testifies twice every year before the congressional Financial Services committee, and I look forward to these opportunities to raise questions about monetary policy.

I believe monetary policy is critically important yet overlooked in Washington. Money is the lifeblood of any economy, and control over a nation’s currency means control over its economic well being. Fed bankers quite literally determine the value of our money, by controlling the supply of dollars and establishing interest rates. Their actions can make you richer or poorer overnight, in terms of the value of your savings and the buying power of your paycheck. So I urge all Americans to educate themselves about monetary policy, and better understand how a small group of unelected individuals at the Federal Reserve and Treasury department wield tremendous power over our lives.

The following are some excerpted comments from my opening remarks at the hearing with Mr. Bernanke: Transparency in monetary policy is a goal we should

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all support. I've often wondered why Congress so willingly has given up its prerogative over monetary policy. Astonishingly, Congress in essence has ceded total control over the value of our money to a secretive central bank.

Congress, although not by law, essentially has given up all its oversight responsibility over the Federal Reserve. There are no true audits, and Congress knows nothing of the conversations, plans, and actions taken in concert with other central banks. We get less and less information regarding the money supply each year, especially now that M3 is no longer reported.

The role the Fed plays in the President's secretive Working Group on Financial Markets goes unnoticed by members of Congress. The Federal Reserve shows no willingness to inform Congress voluntarily about how often the Working Group meets, what actions it takes that affect the financial markets, or why it takes those actions.

But these actions, directed by the Federal Reserve, alter the purchasing power of our money. And that purchasing power is always reduced. The dollar today is worth only four cents compared to the dollar in 1913, when the Federal Reserve started. This has profound consequences for our economy and our political stability. All paper currencies are vulnerable to collapse, and history is replete with examples of great suffering caused by such collapses, especially to a nation's poor and middle class. This leads to political turmoil.

Government officials consistently claim that inflation is in check at barely 2%, but middle class Americans know that their purchasing power—especially when it comes to housing, energy, medical care, and school tuition—is shrinking much faster than 2% each year.

We look at GDP numbers to reassure ourselves that all is well, yet a growing number of Americans still do not enjoy the higher standard of living that monetary inflation brings to the privileged few. Those few have access to the newly created money first, before its value is diluted.

For example: Before the breakdown of the Bretton Woods system, CEO income was about 30 times the average worker's pay. Today, it's closer to 500 times. It's hard to explain this simply by market forces and increases in productivity. One Wall Street firm last year gave out bonuses totaling \$16.5 billion. There's little evidence that this represents free market capitalism.

In 2006 dollars, the minimum wage was \$9.50

before the 1971 breakdown of Bretton Woods. Today that dollar is worth \$5.15. Congress congratulates itself for raising the minimum wage by mandate, but in reality it has lowered the minimum wage by allowing the Fed to devalue the dollar. We must consider how the growing inequalities created by our monetary system will lead to social discord.

How can a policy of steadily debasing our currency be defended morally, knowing what harm it causes to those who still believe in saving money and assuming responsibility for themselves in their retirement years? Is it any wonder we are a nation of debtors rather than savers?

We need more transparency in how the Federal Reserve carries out monetary policy, and we need it soon.

If you make a donation of \$50 or more to help FREE reach more people with its message of liberty, Congressman Paul would like to reward your generosity by sending you a copy of his new book, *A Foreign Policy of Freedom*.

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.