

Ron Paul's FREEDOM REPORT

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Ron Paul's TEXAS STRAIGHT TALK

August 21, 2006

Lowering the Cost of Health Care

As a medical doctor, I've seen first-hand how bureaucratic red tape interferes with the doctor-patient relationship and drives costs higher. The current system of third-party payers takes decision-making away from doctors, leaving patients feeling rushed and worsening the quality of care. Yet health insurance premiums and drug costs keep rising. Clearly a new approach is needed. Congress needs to craft innovative legislation that makes health care more affordable *without raising taxes or increasing the deficit*. It also needs to repeal bad laws that keep health care costs higher than necessary.

We should remember that HMOs did not arise because of free-market demand, but rather because of government mandates. The HMO Act of 1973 requires all but the smallest employers to offer their employees HMO coverage, and the tax code allows businesses — but not individuals — to deduct the cost of health insurance premiums. The result is the illogical coupling of employment and health insurance, which often leaves the unemployed without needed catastrophic coverage.

While many in Congress are happy to criticize HMOs today, the public never hears how the present system was imposed upon the American people by federal law. As usual, government intervention in the private market failed to deliver the promised benefits and caused unintended consequences, but Congress never blames itself for the problems created by bad laws. Instead, we are told more government — in the form of “universal coverage” — is the answer. But government already is involved in roughly two-thirds of all healthcare spending, through Medicare, Medicaid, and other programs.

For decades, the U.S. healthcare system was the envy of the entire world. Not coincidentally, there was far less

government involvement in medicine during this time. America had the finest doctors and hospitals, patients enjoyed high quality, affordable medical care, and thousands of private charities provided health services for the poor. Doctors focused on treating patients, without the red tape and threat of lawsuits that plague the profession today. Most Americans paid cash for basic services, and had insurance only for major illnesses and accidents. This meant both doctors and patients had an incentive to keep costs down, as the patient was directly responsible for payment, rather than an HMO or government program.

The lesson is clear: when government and other third parties get involved, healthcare costs spiral. The answer is not a system of outright socialized medicine, but rather a system that encourages everyone — doctors, hospitals, patients, and drug companies — to keep costs down. As long as “somebody else” is paying the bill, the bill will be too high.

The following are bills Congress should pass to reduce healthcare costs and leave more money in the pockets of families:

Comprehensive Health Care Reform Act of 2005 (H.R. 3075) provides truly comprehensive healthcare reform by allowing families to claim a tax credit for the rising cost of health insurance premiums. With many families now spending close to \$1000, or even more, for their monthly premiums, they need real tax relief — including a dollar-for-dollar credit for every cent they spend on health care premiums — to make medical care more affordable. [*Comprehensive Health Care Reform Act of 2005 was introduced on June 27, 2005 and referred to the House Committee on Ways and Means.*]

Freedom From Unnecessary Litigation Act of 2005 (H.R. 3076) is specifically designed to address the medical malpractice crisis that threatens to drive thousands of American doctors — especially obstetricians — out of business. The bill provides a dollar-for-dollar tax credit that permits consumers to purchase “negative outcomes” insurance prior to undergoing surgery or other serious medical treatments. Negative outcomes insurance is a novel

approach that guarantees those harmed receive fair compensation, while reducing the burden of costly malpractice litigation on the health care system. Patients receive this insurance payout without having to endure lengthy lawsuits, and without having to give away a large portion of their award to a trial lawyer. This also drastically reduces the costs imposed on physicians and hospitals by malpractice litigation. Under HR 3076, individuals can purchase negative outcomes insurance at essentially no cost. *[Freedom From Unnecessary Litigation Act of 2005 was introduced on June 27, 2005 and referred to the House Committee on Ways and Means.]*

Child Health Care Affordability Act (HR 3077) makes it more affordable for parents to provide health care for their children. It creates a \$500 per child tax credit for medical expenses and prescription drugs that are not reimbursed by insurance. It also creates a \$3,000 tax credit for dependent children with terminal illnesses, cancer, or disabilities. Parents who are struggling to pay for their children's medical care, especially when those children have serious health problems or special needs, need every extra dollar. *[Child Health Care Affordability Act was introduced on June 27, 2005 and referred to the House Committee on Ways and Means.]*

Cancer and Terminal Illness Patient Health Care Act of 2005 (HR 3078) is commonsense, compassionate legislation for those suffering from cancer or other terminal illnesses. The sad reality is that many patients battling serious illnesses will never collect Social Security benefits — yet they continue to pay into the Social Security system. When facing a medical crisis, those patients need every extra dollar to pay for medical care, travel, and family matters. HR 3078 waives the employee portion of Social Security payroll taxes (or self-employment taxes) for individuals with documented serious illnesses or cancer. It also suspends Social Security taxes for primary caregivers with a sick spouse or child. There is no justification or excuse for collecting Social Security taxes from sick individuals who literally are fighting for their lives. *[Cancer and Terminal Illness Patient Health Care Act of 2005 was introduced on June 27, 2005 and referred to the House Committee on Ways and Means.]*

**Ron Paul's
TEXAS STRAIGHT TALK**

August 28, 2006

A North American United Nations?

Globalists and one-world promoters never seem to tire of coming up with ways to undermine the sovereignty of the

United States. The most recent attempt comes in the form of the misnamed “Security and Prosperity Partnership Of North America (SPP).” In reality, this new “partnership” will likely make us far less secure and certainly less prosperous.

According to the U.S. government website dedicated to the project, the SPP is neither a treaty nor a formal agreement. Rather, it is a “dialogue” launched by the heads of state of Canada, Mexico, and the United States at a summit in Waco, Texas in March, 2005.

What is a “dialogue”? We don't know. **What we do know, however, is that Congressional oversight of what might be one of the most significant developments in recent history is non-existent. Congress has had no role at all in a “dialogue” that many see as a plan for a North American union.**

According to the SPP website, this “dialogue” will create new supra-national organizations to “coordinate” border security, health policy, economic and trade policy, and energy policy between the governments of Mexico, Canada, and the United States. As such, it is but an extension of NAFTA- and CAFTA-like agreements that have far less to do with the free movement of goods and services than they do with government coordination and management of international trade.

Critics of NAFTA and CAFTA warned at the time that the agreements were actually a move toward more government control over international trade and an eventual merging of North America into a border-free area. Proponents of these agreements dismissed this as preposterous and conspiratorial. Now, we see that the criticisms appear to be justified.

Let's examine just a couple of the many troubling statements on the SPP's U.S. government website:

“We affirm our commitment to strengthen regulatory cooperation...and to have our central regulatory agencies complete a trilateral regulatory cooperation framework by 2007.”

Though the US administration insists that the SPP does not undermine U.S. sovereignty, how else can one take statements like this? How can establishing a “trilateral regulatory cooperation” not undermine our national sovereignty?

The website also states SPP's goal to “[i]mprove the health of our indigenous people through targeted bilateral and/or trilateral activities, including in health promotion, health education, disease prevention, and research.” Who can read this and not see massive foreign aid transferred from the U.S. taxpayer to foreign governments and well-connected private companies?

Also alarming are SPP pledges to “work towards the identification and adoption of best practices relating to the registration of medicinal products.” That sounds like the much-criticized **Codex Alimentarius**, which seeks to

radically limit Americans' health freedom.

Even more troubling are reports that under this new "partnership," a massive highway is being planned to stretch from Canada into Mexico, through the state of Texas. This is likely to cost the U.S. taxpayerS untold billions of dollars, will require eminent domain takings on an almost unimaginable scale, and will make the U.S. more vulnerable to those who seek to enter our country to do us harm.

This all adds up to not only more and bigger government, but to the establishment of an unelected mega-government. As the SPP website itself admits, "The Security and Prosperity Partnership of North America represents a broad and ambitious agenda." I hope my colleagues in Congress and American citizens will join me in opposing any "broad and ambitious" effort to undermine the security and sovereignty of the United States.

Ron Paul's
TEXAS STRAIGHT TALK

August 7, 2006

The Threat of Rising Property Taxes

Inflation is alive and well, especially when it comes to the cost of housing, energy, gas, and education. But perhaps the most worrisome type of inflation comes in the form of steadily rising property taxes.

Property taxes keep going up for most Texans, and people living on fixed incomes are especially concerned. They often find their homes being reassessed every year at values far beyond what they originally paid. So an annual property tax bill that once was a manageable \$500 or \$700 might now be \$1500 or \$2000.

Of course Texas tax laws are made in Austin, not Washington. Assessments are made at the county level. And the Texas legislature recently passed HB1, which does provide some real property tax relief over the next three years.

But as a Texas taxpayer myself, I would like the state legislature to consider an additional proposal.

Specifically, end the practice of annual assessments. Properties should be reassessed for tax purposes only when sold or ownership is otherwise transferred. The current system is terrifying for seniors forced to pay more and more each year, with no idea where they will find the money. And unlike other bills, property taxes must be paid or else one's home can be taken away. My office hears from seniors who may have no choice but to leave Texas altogether because they cannot live with the uncertainty of arbitrary property tax increases. They literally fear losing their homes.

At the federal level, Congress can act now to provide

relief to those paying high property taxes. Although property taxes are deductible on your federal tax return, the current rules require taxpayers to itemize to take the deduction. Many people have a hard time paying \$2,000 or \$3,000 in property taxes, but they don't have enough other itemized deductions to exceed the standard deduction.

I introduced H.R. 5860 to address this problem. This legislation creates an "above the line deduction" on the first page of your 1040, meaning **you can deduct every penny of your property taxes without itemizing and still enjoy the full value of your standard deduction.** Even taxpayers using 1040A or 1040EZ forms can take the deduction. This means average and lower income taxpayers can take the same deduction for their property taxes that high-income taxpayers with complex deductions now enjoy.

Property taxes are only one piece of the puzzle. Overall, most Americans hand over at least 40% of every dollar they make to government at some level. The appetite for your tax dollars—whether at the federal, state, or local level—will continue to grow year after year unless we begin to rethink the proper role for government in our lives. If you think you've been squeezed for every last drop of taxes, demand that both your representatives in the statehouse and Washington do something to address spiraling property taxes. [*H.R.5860 was introduced on July 20, 2006 and referred to the House Committee on Ways and Means.*]

Ron Paul's
TEXAS STRAIGHT TALK

September 4, 2006

Elected Officials Threatening Property Rights

In recent weeks I've written about the threat of rising property taxes posed by state and local governments hungry for more and more of your money and the threat of widespread eminent domain actions posed by a planned North American superhighway running straight through Texas. It's clear that many political and business interests are only too willing to drive people literally out of their homes to make way for the grand schemes of those in power.

This is why every American needs to understand that property rights are the foundation of a free society. Without property rights, all citizens live subject to the whims of government officials. When government can seize your property without your consent, all of your other rights are negated. Our Founders would roll over in their graves if they knew that the takings clause in the Fifth Amendment was being used to justify unholy alliances between private developers and tax-hungry local governments.

Now one year removed from the notorious Kelo decision

by the Supreme Court, Americans are still reeling from the shock of having our nation's highest tribunal endorse using government power to condemn private homes to benefit a property developer. The silver lining, however, is that many Americans have been stirred to action and are demanding new state laws to prohibit the Kelo scenario from repeating itself in their cities.

The Kelo case demonstrates that local government can be as tyrannical as centralized government. Decentralized power is always preferable, of course, since it's easier to fight city hall than Congress. But government power is ever and always dangerous, and must be zealously guarded against. Most people in New London, Connecticut, like most people in America, would rather not involve themselves in politics. The reality is that politics involves itself with us whether we like it or not. We can bury our heads in the sand and hope things don't get too bad, or we can fight back when government treats us as its servant rather than its master.

Congress can and should act to prevent the federal government from seizing private property. I've introduced and cosponsored several bills that prohibit or severely limit the power of Washington agencies to seize private property in locations around the nation. But the primary fight against local eminent domain actions must take place at the local level. The people of New London, Connecticut, like the people of Texas, could start by removing from office local officials who have so little respect for property rights.

**Ron Paul's
TEXAS STRAIGHT TALK**

August 14, 2006

Your Taxes Subsidize China

Each year the people of the United States write a check to subsidize China, one of the most brutal, anti-American regimes in the world. Lately it has been in vogue for everyone in Washington to eagerly denounce the egregious abuses of the Chinese people at the hands of their communist dictators. Yet no one in our federal government has been willing to take China on in any meaningful way.

Very few people realize that China is one of the biggest beneficiaries of American taxpayer subsidies. Thanks to the largesse of Congress and the President, China enjoys subsidized trade and the flow of U.S. tax dollars into Beijing's coffers.

I offered an amendment before the House of Representatives last month that would have ended the \$4 billion subsidy our nation quietly gives China through the U.S. government's Export-Import Bank.

The bank underwrites the purchases of goods and

services by the Chinese government and others around the world. Unfortunately, only a minority of Democrats or Republicans supported my measure. Apparently, many Members of Congress are happy to bash China, but don't mind lending her U.S. taxpayer money at sweetheart interest rates.

Some of your money went to fund a nuclear power plant in Shanghai owned by the China National Nuclear Corporation, a state-run company. Many U.S.-based multinational corporations benefit directly from Export-Import Bank subsidies to China, including Boeing, Westinghouse, and McDonnell Douglas.

So it's not hard to understand that business trumps the feel-good rhetoric condemning China.

There is no constitutional authority for Congress to make loans to any country, and certainly no basis for giving away the hard-earned cash of Americans to communist leaders who brutalize their women and children with forced abortions, and persecute Christians for their faith.

In reality, there is very little the federal government can do about conditions in China. Under our Constitution, the federal government simply does not have the authority to point a gun at Chinese leaders and force them to respect the principles of liberty. It just doesn't work that way.

I believe that by engaging the Chinese people, opening personal dialogue, and seeking to change their hearts and minds, we soon will see that regime collapse. The laws of economics dictate that a communist system cannot stand for long. But in the same way, I firmly believe there is a higher law which dictates that people exposed to the principles of liberty will not for long allow themselves to remain shackled to an oppressive government. Economic freedom, i.e. capitalism, now has a strong foothold in China. The Chinese people may soon demand political, religious, and personal freedom as well. But in the meantime, let's stop sending tax dollars to support a government we claim to despise.

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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