

A Page by Page Summary of
Ron Paul's The Revolution: A Manifesto
by Adam Pearson

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Introduction

In a eulogy delivered by Abraham Lincoln for Henry Clay, Lincoln described Henry Clay as his “beau ideal of a statesman.” That is exactly how I feel about Ron Paul. There are very few public figures who always stand up for peace, civil liberties, a free market, property rights, and a limited government. As far as I can tell, he is the only *politician* who consistently stands up for such things. These are the positions that I've always associated with truly dignified leaders. I had come to assume that such leaders didn't actually exist.

Interestingly, even ironically, I was working for the Department of Defense when I first heard of Ron Paul. Both of my parents were political junkies and the 2008 election was the first election I decided to pay real attention to. The first debate I watched was the first Democratic primary debate. I preferred the two most fringe candidates in the Democratic primary debate: Dennis Kucinich and Mike Gravel. They were the only candidates that appeared to have true passion and were genuinely trying to communicate something meaningful. However, they were so dreadful on economic policy that I just couldn't support them in good conscience.

A week or so later, I watched the Republican debate and heard Ron Paul speak for the first time. Ron once said in an interview that he had been a libertarian his whole life but just didn't know it until he started reading libertarian philosophy. That perfectly describes how I felt. Here was a man speaking what I'd always known to be true but had never heard said in such emphatic terms. War is bad. The U.S. government has no right to invade countries that aren't threatening the U.S.. People who make money serving others through the free market deserve to keep their money. The government doesn't have the right to spy on us and harass us. Those who live off of other people's taxes act immorally. Of course, there was also some new stuff that I'd never heard of before. Most importantly, I learned about the damage that the Federal Reserve does to the economy by printing money and manipulating interest rates. Ron mentioned the Austrian Theory of the Business Cycle. All of this in just one debate!

I was hooked. I made sure to watch every single debate. What stood out to me above all was Ron Paul's sincerity. There was always an important moral component to his arguments. The other candidates in the Republican primary were so unimpressive that I hardly even remember who else ran. I know John McCain was one of them because he got the Republican nomination. All of the other candidates were entirely forgettable. They appeared to just be saying what they were

supposed to say, not what they really felt. During these debates, Ron Paul completely won me over to his view of the world and what liberty means.

When I found out that Ron Paul would be writing a new book, I pre-ordered it months in advance. In the meantime I googled his name every day and followed the links that came up. This was the beginning of my education on liberty. There existed an entire tradition of thought that I never knew about. Thanks to Ron I have been turned on to hundreds of writers who have taught me what liberty is and what it means to be free. By studying liberty and adhering to the lessons learned I have become a better person.

After months of waiting, Ron's book arrived and I read it three times in a row back to back. I then insisted that my family read it. Most have become at least limited Ron Paul converts. It is easy to make conversions when you hold the truth in your hands. I've read the book a couple of more times since then. Hands down, *The Revolution: A Manifesto* by Ron Paul is my favorite book of all time. It is clear, easy to read, and inspiring on every single page. It would be an error, however, to mistake its simplicity for a lack of profundity. In fact, it is the trait of a truly great teacher that he takes things that are very profound and makes them seem easy. Ron Paul is just such a teacher. This book will teach you about the Constitution, the economy, the rights of a free people, the nature and importance of money, and so much more. Thanks to Ron Paul, I have since quit my government job (you should too if you work for any government) and now work in the private sector. Never again will I live off of the sweat of another person's brow (neither should you).

My purpose in writing a page by page summary of this book is twofold. First, I've never written anything before and I figured that this would be a good way to get my feet wet. Second, my goal is to provide the student of liberty with notes by which to remember the important lessons contained in the pages he or she will read. Sometimes a reader wants to have a reference easy at hand without having to dig back through the book. Of course, reading this ebook is no substitute for reading the real book in its brilliant entirety.

If you are a student of liberty and the passion for freedom burns in your heart, I salute you. We are brothers. I hope this ebook helps you in your studies.

Adam Pearson

Preface

Page ix: There is no change in American politics. The word “change” always means more government, more taxing, more money printing, more invasions of privacy, and more military conflict. U.S. entitlement programs are financially untenable, underfunded by tens of trillions of dollars. The U.S. government borrows money from countries all over the world, especially China, to keep troops in countries all over the world. Having such an extensive military presence makes the American people less safe by creating animosity against us.

Quote (Ron Paul): “But in the American political lexicon, “change” always means more of the same: more looting of Americans, more inflation, more police-state measures, more unnecessary war, and more centralization of power.”

Page x: Although national bankruptcy appears to be around the corner, politicians continue to offer more and more “free” services. Nobody questions the fiscal wisdom of stationing American troops in 130 countries. This will all come to an end eventually because economic reality will make itself felt. Public officials never address these issues in any profound way, if they even address the issues at all. The lack of attention paid to the severity of the issues cuts across party lines and is perpetuated by major media. This is eliminating the liberty and prosperity that has traditionally defined America. People who dare to raise these issues are called fanatics and are denounced.

Quote (Ron Paul): “This is the deadening consensus that crosses party lines, that dominates our major media, and that is strangling the liberty and prosperity that were once the birthright of Americans. Dissenters who tell their fellow citizens what is really going on are subject to smear campaigns that, like clockwork, are aimed at the political heretic. Truth is treason in the empire of lies.”

Page xi: To make society more free we must discuss and debate these issues. The current state of discourse must not dissuade us.

Quote: “If we want to live in a free society, we need to break free from these artificial limitations on free debate and start asking serious questions once again.”

Chapter 1: The False Choices of American Politics

Page 1: American politics is a regimen of false choices. Which country should we have a war with? What type of social programs should the government institute? How should we be taxed? Nobody asks whether the government should be doing any of these things in the first place. As a result, politicians and government officials from different parties don't really have any disagreements on core issues, even though they pretend to.

Quote (Ron Paul): "And so every four years we are treated to the same tired, predictable routine: two candidates with few disagreements on fundamentals pretend that they represent dramatically different philosophies of government."

Page 2: Politicians tend to focus on minor issues while completely ignoring issues of prime importance. Even war doesn't separate the two parties. Many democrats, including Hilary Clinton and John Kerry, voted for the war in Iraq. Regardless, democratic voters are told that they must support these candidates. The conservative movement is very different now than it was originally. It was once a very intellectual movement. Now it seems to encourage anti-intellectualism and fear of foreigners. Only on a grass roots level are conservatives true to the original charter.

Quote (Ron Paul): "A substantial portion of the conservative movement has become a parody of its former self. Once home to distinguished intellectuals and men of letters, it now tolerates and even encourages anti-intellectualism and jingoism that would have embarrassed earlier generations of conservative thinkers."

Page 3: Republicans aren't actually opposed to big government. In 1994 the Republicans took over a majority in the House of Representatives. Columnist Bill Kristol urged Republicans to wait until there was a Republican president in 1996 before taking any serious actions. The Republican candidate didn't win in 1996, so nothing got done. The Republicans offered up the Contract with America which was not the serious overhaul of government it was touted as. The Democrats are just as bad. They consider themselves to be serious thinkers but their confidence in government cannot be taken seriously. They are inconsistent on foreign policy, supporting wars when Democrats are in power and opposing them when a Republican is in the white house. On a grass roots level, however, the left has been strung out to dry by politicians who abandon their rhetoric when they are in power.

Quote (Ron Paul): "The Contract with America was typical of what I have just described: no

fundamental questions are ever raised, and even supposedly radical and revolutionary measures turn out to be modest and safe. In fact, the Brookings Institution in effect said that if this is what the conservatives consider revolutionary, then they have basically conceded defeat.”

Page 4: Ron Paul wasn't sure that were enough people interested in liberty and the constitution for a presidential run to be worthwhile. On November 5, 2007 he raised a record setting \$4 million in a single day online. On December 16, 2007 he broke his own record by raising \$6 million online in a single day. The coalition of supporters is incredibly diverse and ranges across all races and religions.

Page 5: The reason why all of these groups could come together is simple. Freedom has the power to unite us. Dr. Paul's message is a message of individual rights. Violence can only be used defensively. Rational people must attempt to achieve their goals through reasoning and persuasion, not through threats and violence. Opposing big government is primarily a moral position. Government is force, not reason. These are the traditional philosophical positions of the Republican party, especially of its one-time leader, Robert A. Taft.

Quote (Ron Paul): “When we agree not to treat each other merely as means to our own selfish ends, but to respect one another as individuals with rights and goals of our own, cooperation and goodwill suddenly become possible for the first time.”

Quote (Ron Paul): “We should respect each other as rational beings by trying to achieve our goals through reason and persuasion rather than threats and coercion. That and not a desire for economic efficiency is the primary moral reason for opposing government intrusions into our lives: government is force, not reason.”

Page 6: Robert A. Taft was also against unnecessary and unconstitutional wars. Nowadays it is considered revolutionary to debate whether the government should have troops 130 countries. It is revolutionary to debate whether a non-interventionist foreign policy would be better. It is revolutionary to debate whether more power in the hands of the federal government is good for us. The principals of the Founding Fathers were: liberty, self-government, the Constitution, and a non-interventionist foreign policy.

Quote (Robert A. Taft): “When I say liberty I do not simply mean what is referred to as “free enterprise”. I mean liberty of the individual to think his own thoughts and live his own life as he desires to think and live; the liberty of the family to decide how they wish to live, what they want

for breakfast and dinner, and how they wish to spend their time; liberty of a man to develop his ideas and get other people to teach those ideas, if he can convince them that they have some value to the world; liberty of every local community to decide how its children shall be educated, how its local services shall be run and who its leaders shall be; liberty of a man to choose his own occupation; liberty of a man to run his own business as he thinks it ought to be run, as long as he does not interfere with the right of other people to do the same thing.

Page 7: This book was written to give members of the freedom movement an organized handbook. The country is facing terrible economic problems because these ideas are not allowed to be discussed openly in public forums.

Quote (Ron Paul): “Our country is facing an unprecedented financial crises precisely because the questions our political and media establishments allow us to ask are so narrow. Whether or not politicians actually want to hear them, it has never been more important for us to begin posing significant and fundamental questions.”

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Chapter 2: The Foreign Policy of the Founding Fathers

Page 9: The Founding Fathers gave very sound advice on foreign policy. Thomas Jefferson advised against entangling alliances. George Washington advised against giving favored status to other countries when forming economic policy.

Quote (George Washington): “The great rule of conduct for us in regard to foreign nations is in extending our commercial relations, to have with them as little political connection as possible.... Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalry, interest, humor or caprice?”

Page 10: The U.S. government has not followed the advice of the Founding Fathers for the last century. The foreign policy of the Founders is labeled as antiquated and not fit for today’s complicated world. However, today’s complicated world yearns for the simple nature of the Founding Father’s non-interventionist foreign policy. It is possible, looking at the history of American military conflicts, that the Founders were wiser than we realize. This policy is called “isolationist” but that is inaccurate. Diplomacy and free trade are the opposite of isolationist. Those who impose sanctions and force democracy on others through military force are the true isolationists. They isolate us by ruining our reputation in the eyes of the world.

Quote (Ron Paul): “Perhaps an honest examination of the history of American interventionism in the twentieth century, from Korea to Vietnam to Kosovo to the Middle East, would reveal that the Founding Fathers foresaw more than we think.”

Quote (Ron Paul): “I favor the very opposite of isolation: diplomacy, free trade, and freedom of travel. The real isolationists are those who impose sanctions and embargoes on countries and peoples across the globe because they disagree with the internal and foreign policies of their leaders. The real isolationists are those who choose to use force overseas to promote democracy, rather than seeking change through diplomacy, engagement, and by setting a positive example.”

Page 11: During the 2000 election, George W. Bush ran a campaign that included a relatively non-interventionist foreign policy. Republicans had grown tired of the military intervention and nation building expeditions of Bill Clinton. In particular, Bush put forth Somalia as an example of a Clinton humanitarian mission that turned into a nation building mission. Bush also mentioned the effect that such undertakings have on the reputation of the U.S. on an international level.

Quote (George W. Bush): “I’m not so sure the role of the United States is to go around the world and say, ‘This is the way it’s got to be’...I think one way for us to end up being viewed as ‘the ugly American’ is for us to go around the world saying, ‘We do it this way; so should you.’”

Page 12: President Bush ran and won on a platform of a non-interventionist foreign policy. It was much different than the foreign policy that Republicans espouse nowadays. John Quincy Adams is well known for his advice to the U.S. government that it not go searching abroad for monsters to destroy. Adams gave other important advice as well.

Quote (Ron Paul): “And by the 2008 Republican primaries, one of the front-runners had strayed so far from President Bush’s original platform that he was even saying that in the future, nation building should become one of the standard functions of the American military.”

Quote (John Quincy Adams): “If the wise and learned philosophies of the elder world...should find their hearts disposed to enquire what has America done for the benefit of mankind? Let our answer be this: America, with the same voice which spoke herself into existence as a nation, proclaimed to mankind the inextinguishable rights of human nature, and the only lawful foundations of government. America, in the assembly of nations, since her admission among them, has invariably, though often fruitlessly, held forth to them the hand of honest friendship, of equal freedom, of generous reciprocity. She has uniformly spoken among them, though often to heedless, and often to disdainful ears, the language of equal liberty, of equal justice, and of equal rights; she has in the lapse of nearly half a century, without a single exception, respected the independence of other nations while asserting and maintaining her own; she has abstained from interference in the concerns of others, even when the conflict has been for principles to which she clings as to the last vital drop that visits her heart.”

Page 13: The foreign policy of John Quincy Adams is not “isolationism”, it is common sense.

Quote (John Quincy Adams): “Wherever the standard of freedom and independence has been or shall be unfurled, there will her heart, her benedictions and her prayers be. But she goes not abroad in search of monsters to destroy. She is the well-wisher to the freedom and independence of all. She is the champion and vindicator only of her own. She will commend the general cause by the countenance of her voice, and the benignant sympathy of her example. She knows well that by once enlisting under other banners than her own, were they even the banners of foreign independence, she would involve herself beyond the power of extrication, in all the wars of interest and intrigue,

of individual avarice, envy, and ambition, which assume the colors and usurp the standard of freedom. The fundamental maxims of her policy would insensibly change from liberty to force....She might become the dictatress of the world. She would be no longer the ruler of her own spirit....”

Page 14: Henry Clay was not an isolationist either, even though he supported George Washington’s foreign policy advice. Nineteenth century British statesman Richard Cobden opposed the interventionist foreign policy of the British government during his time, and yet he earned the nickname “International Man”. Some argue that those who support a non-interventionist foreign policy are against national greatness. However, national greatness cannot be measured in that way.

Quote (Henry Clay): “By the policy to which we have adhered since the days of Washington...we have done more for the cause of liberty than arms could effect; we have shown other nations the way to greatness and happiness...far better is it for ourselves... and the cause of liberty, that, adhering to our pacific system and avoiding the distant wars in Europe, we should keep our lamp brightly on this western shore, as a light to all nations, than to hazard its utter extinction amid the ruins and falling republics in Europe.”

Quote (Ron Paul): “Thus we should strive to lead by example rather than force, and provide a model for the world that other peoples will wish to follow. We do no one any good by bankrupting ourselves.”

Quote (Ron Paul): “There are those who condemn non-interventionists for being insufficiently ambitious, for their unwillingness to embrace “national greatness”- as if a nation’s greatness could be measured according to any calculus other than the virtues of its people and the excellence of its institutions.”

Page 15: The foreign policy of the Founding Fathers was especially important after the attacks of September 11, 2001. After the attack most Americans agreed that it was necessary to find out who was behind the attack and to punish the perpetrators. It was also necessary to consider *why* they had decided to attack. However, the media and politicians refused to deal with the issue in any serious way. The ideal person to listen to about this important issue is Michael Scheuer, former CIA Chief of the Osama bin Laden Unit at the Counterterrorist Center. He believes that the attacks on the U.S. are primarily caused by government policy in the Islamic world.

Quote (Ron Paul): “Looking for motive is not the same thing as making excuses; detectives

always look for the motive behind a crime, but no one thinks they are looking to excuse murder.”

Page 16: Michael Scheuer is not blaming America for the attacks. He believes that the attackers should be pursued and punished mercilessly. According to Scheuer, it is inevitable that people will strike back when a foreign government bombs them, supports dictators in their countries, and imposes economic sanctions on them. This does not excuse the acts of terror but it does explain the motivation behind them. We must ask, are the rewards of an interventionist foreign policy worth the consequences? The issue is whether an interventionist foreign policy makes Americans less safe than they would have been under the opposite foreign policy.

Quote (Ron Paul): “Given that a hyper-interventionist foreign policy is very likely to lead to this kind of blowback, are we still sure that we want such a foreign policy? Is it really worth it to us? The main focus of our criticism, in other words, is that our government’s foreign policy has put the American people in greater danger and made us more vulnerable to attack than we would otherwise have been.”

Page 17: If Americans lost family members as a result of the actions of foreign governments, they too would want revenge. Is it realistic to expect less of other peoples? If the government is going to continue with an interventionist foreign policy, Americans must prepare themselves for the inevitable reactions. Michael Scheuer says that the attackers are not fighting against the western way of life. He uses as evidence Ayatollah Khomeini’s failed attempt to unleash an anti-western jihad in Iran for more than a decade.

Quote (Ron Paul): “‘Bin Laden’, says Scheuer, has ‘spurned the Ayatollah’s wholesale condemnation of Western society,’ focusing instead on ‘specific, bread and butter issues on which there is widespread agreement among Muslims.’”

Page 18: Muslims object to the fact the U.S. government supports dictators in the Middle East, has troops on the Arabian peninsula, and shows a bias toward Israel. We must understand the true essence of the attraction to bin Laden’s message. Very few people are willing to die for pure ideology. However, when real life tragedies combine with ideology many more will take action.

Quote (Michael Scheuer): “About the only thing that can hold together the very loose coalition that Osama bin Laden has assembled is a common Muslim hatred for the impact of U.S. foreign policy....They all agree they hate U.S. foreign policy. To the degree we change that policy in the interests of the United States, they become more and more focused on their local problems.”

Quote (Philip Giraldi): “Anybody who knows anything about what’s been going on for the last ten years would realize that cause and effect are operating here - that, essentially, al-Qaeda has an agenda which very specifically says what its grievances are. And its grievances are basically that ‘we’re over there.’”

Page 19: Former Deputy Secretary of Defense, Paul Wolfowitz, also understood the consequences of an interventionist foreign policy. He said that a benefit of the Iraq war would be to move troops stationed in Saudi Arabia to Iraq. Having troops in Saudi Arabia was a major complaint of al-Qaeda. Blowback should not be a difficult concept to grasp. When the government intervenes in other countries, there will be unintended and unknowable consequences that endanger the American people. An unforgettable example of blowback occurred in Iran in 1953 when the American and British governments overthrew the democratically elected prime minister, Muhammad Mossadegh.

Page 20: The British and American governments replaced the overthrown prime minister with the dictatorial shah. This led directly to revolutionaries taking 444 American hostages years later. The book *Dying to Win: The Strategic Logic of Suicide Terrorism* by Robert Pape demolishes the myth that terrorists are inspired to commit suicide attacks because they are promised paradise for killing infidels. Pape’s evidence shows that getting a foreign military to withdraw is a much stronger motivation to terrorism than religious belief. Iraq had never experienced a single suicide attack until the U.S. invasion in 2003.

Quote (Ron Paul): “The world’s leaders in suicide terrorism are actually the Tamil Tigers in Sri Lanka, a Marxist secular group. The largest Islamic fundamentalist countries have not been responsible for any suicide terrorist attacks. Not one has come from Iran or Sudan.”

Page 21: Without the presence of foreign troops, it is impossible for terrorist leaders to convince people to commit suicide attacks, no matter how religious those people are. Before the U.S. government started intervening militarily in the Middle East, during the early part of the twentieth century, the US had a very good reputation among the people of Middle Eastern countries. The war in Iraq was one of the most sloppy and unnecessary wars in American history.

Quote (Ron Paul): “Pape is convinced after his extensive research that the longer and more extensive the occupation of Muslim territories, the greater the chance of more 9/11 type attacks on the United States.”

Quote (Ron Paul): “But those who would recruit large numbers of their coreligionists to carry out

violence against Americans find their task very difficult when they cannot point to some tangible issue that will motivate people to do so.”

Page 22: The desire for an American invasion of Iraq actually began during the Clinton years. In fact, many of the same politicians who urged Clinton to take action against Iraq also pushed George W. Bush to towards invasion. September 11 was used by those people to justify a pre-formulated policy. There was no good reason to invade Iraq. Iraq had no connection to terrorism. Iraq had not attacked the U.S. militarily or otherwise. Condoleezza Rice and Colin Powel admitted that Saddam was not a true threat to anyone. Saddam’s regime was not a fundamentalist Islamic regime. Saddam had no connection with al-Qaeda.

Quote (Ron Paul): “Many of the same voices who then demanded that the Clinton administration attack Iraq later demanded that the Bush administration attack Iraq, exploiting the tragedy of September 11 to bring about their long-standing desire to see an American invasion of that country.”

Page 23: It is very important to always keep in mind the morality of war. There exists a large body of thought and scholarship on the subject. Many Christian and late secular thinkers have contributed to the doctrine of just war. Such thinkers include Ambrose, Saint Augustine, Thomas Aquinas, Francisco de Vitoria, and Francisco Suarez. By the standards of the aforementioned scholars, the war in Iraq was not even close to being a just war. The first requirement of a just war is that a war must only be waged in response to an initial act of aggression. The second requirement is that all diplomatic efforts must be attempted. Thirdly, the just war must be initiated by the proper legal authorities. In the U.S., congress must declare war. It may not turn over its responsibility to do so.

Quote (Ron Paul): “Under the U.S. Constitution, the proper authority is neither the president nor the United Nations. It is congress - but congress unconstitutionally delegated its decision-making power over war to the president.”

Page 24: Saddam shot at planes that flew over the no-fly zone. He missed every single plane he shot at for 12 years. This shows what an utter non-threat the Iraqi military was. During the Republican primary in 2008 Ron Paul explained that Iraq was not a true threat. One of the other candidates compared Ron Paul’s thoughts on Iraq to the type of reasoning that led to Hitler. In reality, Hitler became popular during the beginning of his career by damning the Treaty of Versailles, signed after WWI, for being too harsh towards Germans.

Quote (Ron Paul): “Were the American people expected to believe that unless they supported the invasion and occupation of a completely paralyzed Third World country, they were the sort of people who would have given aid and comfort to Hitler? Did the candidate really have such a low estimate of the intelligence of the American people?”

Page 25: President Woodrow Wilson intervened at the end of World War I to break the stalemate between the European powers. Had he not done that, the Allies would not have been able to negotiate such a grossly one-sided treaty as the Treaty of Versailles. Many historians have said that Wilson’s actions unintentionally gave a needed rallying cry to Hitler’s extreme political program. World War I is an example of what terrible unintended consequences can be caused by an interventionist foreign policy.

Quote (Ron Paul): “Hitler might otherwise have remained a nobody. German president Paul von Hindenburg was said to have sized him up as potentially a good postmaster general.”

Page 26: The Iraq war has been portrayed as a partisan issue. That is not the case. There are supporters of the war and an interventionist foreign policy on both sides of the political aisle. In many cases liberals were just as enthusiastic about the Iraq war as conservatives were. In 2006 and 2007 it looked like the war party was going to try to start a conflict with Iran. In December 2007, a new National Intelligence Estimate came out stating that Iran had likely stopped pursuing nuclear weapons in 2003. The report curbed the momentum against Iran.

Quote (Ron Paul): “Following the off-year election in 2006, congressional Democrats, for the most part, revealed themselves once again to be a sorry excuse for an opposition party, continuing to fund the war and refusing to take any bold action.”

Page 27: The media seems ready to participate in any war propaganda needed by the white house. Ron Paul has long held the position that there is no immediate nuclear weapons threat from Iran. However, despite National Intelligence Estimate, the administration continued to treat the threat from Iran as imminent. The administration tried to downplay the legitimacy of the report. They said that the only reason Iran gave up their program in 2003 was American pressure. The conclusion from the administration was that pressure must be kept on Iran through more sanctions.

Page 28: Iran has been asked to prove a negative; to prove that they are *not* doing something. Iran is a signatory of the Nuclear Non-Proliferation Treaty and there is no evidence that they have ever violated the treaty. Despite the National Intelligence Estimate and the lack of any real evidence that

Iran was developing a nuclear weapon, President Bush signed an executive order declaring the Iranian Revolutionary Guard Corps a terrorist group in the late summer of 2007.

Quote (Ron Paul): “Iran, incidentally, may have noticed a pattern: if countries do have a nuclear weapon, they tend to be left alone, or possibly even given a subsidy. If they do not gain such a weapon they find themselves threatened with war. With that kind of a foreign policy, what country wouldn’t want to pursue a nuclear weapon?”

Page 29: Neoconservatives were key supporters of the war in Iraq and lobbied hard for war with Iran. Despite the fact they were wrong about every prediction they made concerning the war in Iraq, they still exercise considerable influence in the media and with politicians. Those who support a non-interventionist foreign policy have gotten zero credit for making so many correct predictions about Iraq. There is a long history of non-interventionists in the Republican party. The “old-Right” was against big government at home as well as abroad.

Quote (Ron Paul): “Every last prediction they made about the Iraq debacle-e.g., it would be a cakewalk, the cost would be paid for by oil revenues, the prospect of sectarian fighting was slim - has been resolutely falsified by events, and yet they continue to grace the pages of major American newspapers and appear regularly on cable television talk shows.”

Quote (Ron Paul): “Non-interventionists have been entirely vindicated. And yet they do not enjoy the places of prominence that the establishment has bestowed on those who have been consistently wrong, and responsible for carnage and destruction that have destroyed our good name around the world and isolated us more than ever in our history.”

Quote (Ron Paul): “The so-called old Right, or original Right, opposed Big Government at home and abroad and considered foreign interventionism to be the other side of the same statist coin as interventionism at home. They recognized that big government was no more honest or competent in foreign policy than it was in domestic policy. In both cases it was the same institution, with the same people, operating under the same incentives.”

Page 30: Felix Morely founded *Human Events*, one of the oldest conservative periodicals in America. In an article written in 1957, Morley explains that there are dire consequences in trying to make a federal republic act like an empire. The institutions of a federal republic are designed to avoid the centralization of power. An empire needs centralized power to build its imperium. At some point the conflict must be resolved. Under an empire, individuals must relate their personal

worth as an individual with the accomplishments of their country.

Quote (Felix Morley): “We are trying to make a federal republic do an imperial job, without honestly confronting the fact that our traditional institutions are specifically designed to prevent centralization of power....At some time and at some point, however, this fundamental conflict between our institutions and our policies will have to be resolved.”

Quote (Adolf Hitler): “A powerful national government may encroach considerably upon the liberty of individuals as well as of the different States, and assume the responsibility for it, without weakening the Empire idea, if only every citizen recognizes such measures as means for making his nation greater.”

Quote (Felix Morley): “In other words, the problem of empire-building is essentially mystical. It must somehow foster the impression that a man is great in the degree that his nation is great; that a German as such is superior to a Belgian as such; an English-man, to an Irishman; an American, to a Mexican: merely because the first named countries are in each case more powerful than their comparatives. And people who have no individual stature whatsoever are willing to accept this poisonous nonsense because it gives them a sense of importance without the trouble of any personal effort.”

Page 31: Russell Kirk wrote the book *The Conservative Mind*. Kirk was one of the founders of the American Conservative movement and his book is one of the movement’s most influential books. Kirk was against the Vietnam war and excessive military spending. In the 1990s he spoke out against the foreign military interventions of the U.S. government because he thought that they were creating unneeded enemies. Kirk believed that wars to spread democracy were futile and wasteful.

Quote (Russell Kirk): “Presidents Woodrow Wilson, Franklin Roosevelt, and Lyndon Johnson were enthusiasts for American domination of the world....now George [H.W.] Bush appears to be emulating those eminent Democrats....In general, Republicans throughout the twentieth century have been advocates of prudence and restraint in the conduct of foreign affairs.”

Quote (Russell Kirk): “Are we to saturation-bomb most of Africa and Asia into righteousness, freedom, and democracy? And, having accomplished that, however would we ensure persons yet more unrighteous might not rise up instead of the ogres we had swept away? Just that is what happened in the Congo, remember, three decades ago; and nowadays in Zaire, once called the Belgian Congo, we zealously uphold with American funds the dictator Mobutu, more blood-stained

than Saddam.”

Page 32: Kirk also wrote a book called *The Political Principles of Robert A. Taft*. In that book Kirk points out Taft’s extreme dislike of war. Taft was not a pacifist but he saw war as endangering many of the rights and principles that Americans hold dear.

Quote (Russell Kirk): “War, Taft perceived, was the enemy of constitution, liberty, economic security, and the cake of custom.... Though he was no theoretical pacifist, he insisted that every other possibility must be exhausted before resort to military action. War would make the American President a virtual dictator, diminish the constitutional powers of Congress, contract civil liberties, injure the habitual self-reliance and self-government of the American people, distort the economy, sink the federal government in debt, break in upon private and public morality.... Taft’s prejudice in favor of peace was equaled in strength by his prejudice against empire. Quite as the Romans had acquired an empire in a fit of absence of mind, he feared that America might make herself an imperial power with the best of intentions-and the worst of results. He foresaw the grim possibility of American garrisons in distant corners of the world, a vast permanent military establishment, an intolerant “democratism” imposed in the name of the American way of life, neglect of America’s domestic concerns in pursuit of transoceanic power, squandering of American resources upon amorphous international designs, the decay of liberty at home in proportion as America presumed to govern the world: that is, the ‘garrison state’, a term he employed more than once. The record of the United States as a administrator of territories overseas had not been heartening, and the American constitution made no provision for a widespread and enduring imperial government. Aspiring to redeem the world from all the ills to which flesh is heir, Americans might descend, instead, into a leaden imperial domination and corruption.”

Page 33: Richard Weaver was another very influential conservative thinker. His most well-known book is *Ideas Have Consequences*. Weaver was against the atomic bombing of Japan and strongly disliked Theodore Roosevelt for his habit of trying to intimidate other countries. Weaver wrote about the immorality of total war. Robert Nibset is another conservative scholar who spoke out against the sociological dangers inherent in war. George Nash, in his book *The Conservative Intellectual Movement in America Since 1945*, identifies Russell Kirk, Richard Weaver, and Robert Nibset as the leading traditional conservative thinkers. All three had grave concerns about an interventionist foreign policy.

Quote (Richard Weaver): “Of the many things which cause us to feel that spirit indispensable to civilization has been weekend, none should arouse deeper alarm than total war.”

Quote (Ron Paul): “The conservative sociologist Robert Nibset reminded his audience that war was revolutionary, not conservative. He likewise warned that socialist proposals have often, under wartime conditions, become the law of the land.”

Quote (Ron Paul): “That means the three most significant traditional conservative intellectuals in the postwar period were all wary of militarism to one degree or another.”

Page 34: U.S. policy towards Israel should be to offer them the same open friendship that the Founders suggested we offer to every nation. We should not provide Israel, or any other nation, foreign aid. This would mean cutting off foreign aid to Israel and Israel’s enemies. Israel’s enemies, taken as a whole, receive more aid than Israel does. Foreign aid should be discontinued because it is immoral to take money from a taxpayer against their will and send the money to a foreign country. It should also be discontinued because many studies have shown that foreign aid is terribly counterproductive.

Quote (Ron Paul): “That means I also favor discontinuing foreign aid to governments that are actual or potential enemies of Israel, which taken together receive much more American aid than Israel does. Giving aid to both sides has understandably made many average Israelis and American Jews conclude that the American government is hypocritically hedging its bets.”

Quote (Ron Paul): “Moreover, since the aid has to be spent on products made by American corporations, it is really just a form of corporate welfare, which I can never support.”

Page 35: Foreign aid to Israel is bad for the Israeli economy. The Israeli economy is riddled with a large and inefficient military bureaucracy. This is caused by the insistence of the American government that American foreign aid be used for military spending. The Israeli economy may be better suited to produce something else besides a military establishment. However, only a free economy would reveal what they should produce. It is difficult to free up the economy when the country is receiving billions annually to keep the economy the way it is. The American government also interferes with Israel’s freedom to form their own foreign policy. Israel must run every foreign policy decision by the U.S. government to see if the U.S. will support Israeli plans. Israel has hundreds of nuclear weapons and is perfectly capable of defending themselves against an attack from any enemy without the help of the U.S. government. U.S. foreign policy is bankrupting the

U.S. government.

Quote (Ron Paul): “It is an open secret that Israel’s military industry is inefficient and top-heavy with bureaucracy, shortcomings that consistent American aid obviously encourages.”

Quote (Ron Paul): “Israel seeks American approval for military action she deems necessary, she consults with America on matters pertaining to her own borders, and she even seeks American approval for peace talks with her neighbors - approval that is not always forthcoming. This needs to stop.”

Page 36: Americans don’t realize how expensive their government’s foreign policy is. Before the Iraq war a senior White House official was condemned for saying that the war would cost \$100 to \$200 billion. In 2006, two professors from Columbia University estimated that the true cost of the Iraq war was actually \$2 trillion. The United States’ global military presence costs the country \$1 trillion per year to maintain. It is likely that a large part of that expenditure is not being spent on endeavors that actually make the U.S. safer. A non-interventionist policy would actually make us safer and more secure.

Quote (Ron Paul): “What’s remarkable about this year’s military budget is that it’s the largest budget since World War II, but, of course, we’re not fighting World War II.”

Quote (Ron Paul): “And just as in domestic spending, where higher budgets rarely translate into better performance, I am doubtful that much of this expenditure is actually contributing to our security.”

Page 37: The US government wastes an almost incomprehensible amount of money on an overseas military presence. The money would be better spent protecting the homeland. We still have troops in Korea, Japan, and Europe even though the wars with those countries ended many decades ago. It is unlikely that the U.S. can continue to financially support such a large overseas presence for very much longer. As the U.S. government continues to borrow money to maintain its huge military, other countries, like China, are investing in commercial projects. Peaceful trade with other nations and not the size of a country’s military should be the signal of a country’s success. As it stands, there is no national debate on the correct foreign policy.

Quote (Ron Paul): “We have had troops in Korea for over five and a half decades. We have had troops in Europe and Japan for about as long. How many years is enough? An American presence in these places was supposed to be temporary, persisting only during the military emergencies that

were cited as justification for bringing them there. Milton Friedman was right: there is nothing so permanent as a ‘temporary’ government program.”

Quote (Ron Paul): “Instead, the best indication of our civilization has been our prestige in international trade. We should let the best measure of our American greatness come from free and peaceful trade with other nations, not from displays of our military might.”

Page 38: Bringing the troops home from around the world and ceasing to intervene in the affairs of other countries is not even considered a debatable option. It is simply not mentioned as an option in any of the major newspapers or on any of the major television networks. If the issue were debated, many Americans may conclude that the interventionist policy of the U.S. government is actually causing terrorism and isn’t worth the risk. Many may also come to the conclusion that the interventionist foreign policy can’t continue to be paid for and is breaking the national treasury. Perhaps Americans would decide to continue with the current foreign policy. At least they’d know what they were getting themselves into. Al-Qaeda’s goal was to coax America into an expensive and long lasting war.

Quote (Ron Paul): “The debate is always framed in terms of which kind of interventionist strategy our government should pursue. The possibility that we should avoid bleeding ourselves dry in endless foreign meddling is not raised. For heaven’s sake, what kind of debate is it in which all sides agree that America needs troops in 130 countries?”

Quote (Michael Scheuer): “Americans may decide that the foreign policy status quo that exists at the moment is what they want. But if they do, they will at least go into it with their eyes open, and know that they are in for an extended period of war, a tremendously bloody and costly war.”

Quote (Ron Paul): “James Bamford observes that the leadership of al Qaeda hoped to lure us into a ‘desert Vietnam,’ an enormously expensive war that would deplete our resources and help their own recruitment by stirring up the locals against us.”

Page 39: The Iraq war has cost trillions of dollars. A recent study shows that U.S. presence in Iraq is helping terrorist organizations with recruitment. Americans have every right to defend themselves but not the right to start preemptive wars against countries that did not and could not pose any real threat to the American people. It is time for the American people to rethink their government’s interventionist foreign policy. This message actually resonates very well with active and retired military. In the fourth quarter of his 2008 presidential campaign, Ron Paul received more military

donations than all other Republican candidates combined.

Quote (Ron Paul): “According to a study by the Global Research in International Affairs Center in Herzliya, Israel, the vast bulk of the foreign fighters in Iraq are people who had never been involved in terrorist activity before but have been radicalized by the U.S. presence in Iraq - the second holiest place in Islam.”

Quote (Ron Paul): “Americans have the right to defend themselves against attack; that is not at issue. But that is very different from launching a preemptive war against a country that had not attacked us and could not attack us, that lacked a navy and an air force, and whose military budget was a fraction of a percent of our own.”

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Chapter 3: The Constitution

Page 41: The Constitution is an instrument which can be used to remind Americans of what they are supposed to stand for. During the early stages of the republic, the American people demanded that politicians show where in the Constitution they were given the authority to pursue their schemes. That is no longer the case. The executive branch has much more power now than it was ever intended to have.

Page 42: The use of executive orders has given the executive branch much more power than it is granted by the Constitution. The executive order is supposed to be an instruction to subordinates for enforcing laws already on the books. However, presidents try to use them to carry out policy without having to involve the legislature. In the nineteenth century, executive orders were very rarely used. Theodore Roosevelt, the first twentieth century president, issued more than one thousand executive orders. Franklin Roosevelt issued more than three thousand executive orders. Congressmen, too, are culpable for the abundance of executive orders. They tend to look the other way when a president issues an executive order that they agree with but cannot support publicly for political reasons. Presidents get away with executive orders because the process is very private and the orders are executed without public knowledge.

Quote (Ron Paul): “With executive orders, presidents can commit our troops to undeclared wars, destroy industries, or make unprecedented social-policy changes.”

Page 43: A principled president should vow not to use executive orders in any way not authorized by the Constitution. Presidential signing statements are another tool that presidents use to wield unconstitutional power. Signing statements are presidential statements that are included with a bill. In the past signing statements were used to thank supporters or to explain the relevance of the law being passed. The Bush administration used signing statements to explain how the president planned to enforce certain portions of the law or whether he planned to enforce the law at all.

Quote (Ron Paul): “This is a travesty against our constitutional system, and any president worthy of the office would absolutely forswear the use of executive orders except when he can show express constitutional or statutory authority for his actions.”

Page 44: The Bush administration abused executive orders and signing statements more than any other administration in the history of the United States. American presidents must vow not to use these tactics to circumvent constitutional legislative procedure. Much of the revived interest in the

Constitution focuses on the Bill of Rights. It should be remembered that the Constitution does not exist solely to protect the rights listed in the Bill of Rights. The purpose of the constitution is to limit the federal government's power in general. Thomas Jefferson held that the Tenth Amendment, which states that all powers not expressly delegated to the federal government are reserved to the states, was the most important aspect of the Constitution.

Quote (Ron Paul): “An American president must pledge never to use the signing statement as an alternative, unconstitutional form of legislative power, and the congress and the American people should hold him to it.”

Quote (Ron Paul): “However, Americans must remember that the Constitution was designed not merely to prevent the federal government from violating the rights that later appeared in the Bill of Rights. It was also intended to limit the federal government's overall scope. Article 1, Section 8, lists the power of congress. Common law held such lists to be exhaustive.”

Page 45: The purpose of the tenth amendment was to ensure that laws would not be imposed by distant legislatures that would be impossible to control. Jefferson believed that no law could be passed by the federal government if the power was not listed in Article 1, Section 8, of the Constitution, with no exceptions. Jefferson warned against deviating from the plain meaning of the text and interpreting the Constitution in order to make it conform to current political agendas. In order to live in a free society, the federal government must be bound by the Constitution.

Quote (Ron Paul): “If a proposed federal law was not listed among the powers granted to congress in Article 1, Section 8, then no matter how otherwise attractive it seemed, it had to be rejected on constitutional grounds. If it were especially wise or desirable, there would be no difficulty in amending the Constitution to allow for it.”

Quote (Thomas Jefferson): “Our particular security is in possession of a written constitution. Let us not make it a blank paper by construction.”

Page 46: If Americans are going to allow the federal government to ignore the amendment process and interpret the Constitution as it sees fit, there is really no point in having a constitution at all. Jefferson's ideas on the Constitution were indicative of the ideas held by his state's representatives to the ratifying convention. The representatives from Virginia included Edmund Randolph, George Nicholas, Patrick Henry, and John Taylor of Caroline. Being overly trusting of the government is a sure road to despotism. The federal government must not be trusted to act responsibly but rather

must be forced to comply with the rules laid down by the Constitution. Many argue that the “general welfare” and the “necessary and proper” clauses of the Constitution give the federal government additional powers.

Quote (Thomas Jefferson): “Confidence is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. . . . In matters of Power, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution.”

Page 47: James Madison argued that if congress can do whatever it wants in the name of general welfare, then government is no longer limited. The intent of the framers was not to give the federal government unlimited powers. If they did intend to give the federal government unlimited powers, there was no point in enumerating the powers of congress in Article 1, Section 8. Alexander Hamilton believed that the general welfare clause did give congress very broad powers. However, his opinion was not commonly held amongst the delegates to the constitutional convention. Hamilton also contradicted himself, supporting broad powers for congress in his 1791 Report on Manufacturers while denying congress the same powers in the Federalist No. 17 and Federalist No. 34.

Quote (James Madison): “If congress can do whatever in their discretion can be done by money, and will promote the general welfare, the government is no longer a limited one, possessing enumerated powers, but an indefinite one, subject to particular exceptions.”

Quote (James Madison): “With respect to the words general welfare, I have always regarded them as qualified by the detail of powers connected with them. To take them in a literal and unlimited sense would be a metamorphosis of the Constitution into a character which there is a host of proofs was not contemplated by its creators.”

Page 48: Patrick Henry was deeply concerned about the open-ended nature of the words “general-welfare”. It would too easy for government officials to argue that literally any action was for the general welfare of the citizens. The Constitution is not a “living” document. Its words cannot be interpreted differently depending on the times we are living in. There is a clearly defined process for changing the Constitution. It must be amended. Those who favor a “living” constitution prefer to have the Constitution constantly reinterpreted by the federal courts as times and situations change. The federal government has no right to unilaterally change the meaning of the terms of its contract with the people without first consulting the people.

Page 49: Any government would love to have a “living” constitution. It makes it easy for the government to break its contract with the people. All it has to do is have some judges say that circumstances dictate the changes. In reality, any “living” constitution is a dead constitution because it becomes meaningless. Congressmen should vote “no” on any bill that violates the plain meaning of the Constitution.

Quote (Ron Paul): “That’s why on this issue I agree with historian Kevin Gutzman, who says that those who would give us a “living” constitution are actually giving us a dead constitution, since such a thing is completely unable to protect us against the encroachments of government power.”

Page 50: The Constitution spells out clearly what authority the executive branch has in the arena of foreign policy. The American president was not to have the authority of a British King. Even Alexander Hamilton recognized the obvious differences between the king’s powers and the presidential powers described by the Constitution.

Quote (Alexander Hamilton): “The president is to be commander-in-chief of the army and the navy of the United States. In this respect his authority would be nominally the same with that of the king of Great Britain, but in substance much inferior to it. It would amount to nothing more than the supreme command and direction of the military and naval forces, as first general and admiral of the confederacy; while that of the British king extends to the declaring of war and to the raising and regulating of fleets and armies-all of which, by the constitution under consideration, would appertain to the legislature.

Page 51: Throughout much of its history, the U.S. government was true to the Constitution in its military conflicts. Congress always declared wars. That all changed in 1950 with the Korean war. President Harry Truman started that war without a congressional declaration of war. He argued that authorization from the United Nations was all that he needed to take the U.S. into the war in Korea. However, that notion is false. Article 43 of the United Nations Charter states that all UN authorizations of force must be upheld by the respective constitutional processes of the member nations. Truman also argued that as the commander-in-chief, he had the authority to declare war. Nothing in American history supports Truman’s claims.

Quote (Ron Paul): “Whatever kind of evidence you want to examine, whether constitutional or historical, the verdict is clear: Congress was supposed to declare war, and the president in turn was to direct the war once it was declared. This rule was scrupulously observed throughout American

history until 1950 and the Korean war.”

Page 52: Even though there is no historical or constitutional evidence to support it, it is accepted by both major political parties that the president has the authority to take the nation to war without a congressional declaration. Neoconservatives have been especially active in promoting this view. One of Truman’s most influential critics was the senator Robert A. Taft, known in his day as “Mr. Republican”.

Quote (Robert A. Taft): “I desire this afternoon to discuss only the question of the power claimed by the president to send troops anywhere in the world and involve us in any war in the world in which he chooses to involve us. I wish to assert the powers of congress, and to point out that congress has the power to prevent any such action by the president; that he has no such power under the Constitution; and that it is incumbent upon the congress to assert clearly its own constitutional powers unless it desires to lose them.”

Page 53: Taft denied all evidence put forth by the Truman administration in support of their claimed powers. Taft argued that if the Truman administration’s arguments prevailed, the United States would no longer be a government of the people. Foreign policy would eventually come to dominate the concerns of the government because that was precisely the area of government where the executive branch would have total control. Taft also argued that if the President may start wars on his own authority, war is more likely to occur. In 2002, Ron Paul urged the congress to officially declare war against Iraq.

Quote (Robert A. Taft): “In the long run, the question we must decide involves vitally, I think, not only the freedom of the people of the United States, but the peace of the people of the United States....If in the great field of foreign policy the president has arbitrary and unlimited power, as he now claims, then there is an end to freedom in the United States in a great realm of domestic activity which affects, in the long run, every person in the United States....If the president has unlimited power to involve us in war, war is more likely. History shows that....arbitrary rulers are more inclined to favor war than are the people, at any time.”

Page 54: In response to Ron Paul’s urge to congress to vote on a declaration of war, the chairman of the International Relations Committee argued that certain things in the Constitution just weren’t applicable anymore and to push for such actions was “inappropriate” and “anachronistic”. In the end, congress did not declare the war in Iraq. Congress voted to delegate the power to declare war

to the president. In doing so, congress acted unconstitutionally.

Quote (Ron Paul): “Congress has no constitutional authority to delegate to the president the decision regarding whether to use military force. That power was consciously and for good reason put in the hands of the people’s elected representatives in the legislature.”

Quote (Louis Fisher): “The resolution helped bring pressure on the Security Council to send inspectors into Iraq to search for weapons of mass destruction. They found nothing. As to whether the war should or should not occur, the committee washed its hands. By passing legislation that allowed the president to make that decision, congress transferred a primary constitutional duty from the legislative branch to the executive branch. That is precisely what the framers fought against.”

Page 55: As of late, there has been talk of reinstating the military draft. A military draft is completely inconsistent with a free society. It implies that individuals are not the owners of their own lives. Conservative thinkers such as Robert Taft, Russell Kirk, and Ronald Reagan have opposed a military draft.

Quote (Ronald Reagan): “Military conscription rests on the assumption that your kids belong to the state....That assumption isn’t a new one. The Nazis thought it was a great idea.”

Quote (Ronald Reagan): “I oppose registration for the draft....because I believe the security of freedom can best be achieved by security through freedom. The all-voluntary force is based on the sound and historic American principle of voluntary commitment to defense of freedom....The United States of America believes a free people do not have to be coerced in defending their country or their values and that the principle of freedom is the best and only foundation upon which a defense of freedom can be made. My vision of a secure America is based on my belief that freedom calls forth the best in the human spirit and that the defense of freedom can and will best be made out of love of country, a love that needs no coercion. Out of such love, a real security will develop, because in the final analysis, the free human heart and spirit are the best and most reliable defense.”

Page 56: In 1814, the influential politician Daniel Webster boldly denounced military conscription. Daniel Webster was well known as a supporter of a strong central government. According to Webster, the draft was both unconstitutional and immoral; completely unthinkable in a free society. To say that a government governs a free people and also that it has the ability to enforce a military draft is a glaring contradiction.

Quote (Daniel Webster): “Where is it written in the Constitution, in what article or section is it contained that you may take children from their parents, and parents from their children, and compel them to fight the battles of any war, in which the folly or the wickedness of the government may engage it?”

Quote (Daniel Webster): “A free government with arbitrary means to administer it is a contradiction; a free government without adequate provisions for personal security is an absurdity; a free government, with an uncontrolled power of military conscription, is a solecism, at once the most ridiculous and abominable that ever entered into the head of man.”

Page 57: There is a difference between raising armies and a forced military conscription. The Constitution of the United States is an instrument for protecting the liberties of the people against encroachments by the federal government. Military conscription is the most extreme encroachment on liberties possible. When seen in that light, it is impossible to interpret the Constitution as providing for a military conscription.

Quote (Daniel Webster): “I almost disdain to go to quotations and reference to prove that such an abominable doctrine has no foundation in the Constitution of the country. It is enough to know that that instrument was intended as the basis of a free government, and that the power contended for is incompatible with any notion of personal liberty. An attempt to maintain this doctrine upon the provision of the Constitution is an exercise of perverse ingenuity to extract slavery from the substance of a free government.”

Page 58: Other compulsory service schemes proposed by the government are equally unacceptable. The logic is exactly the same as when considering a military draft. The people cannot be told how to live their lives by the government. It is unconstitutional and immoral. Ron Paul is an obstetrician who has delivered over 4,000 babies. Starting in the mid-1960's, he started to see large-scale defiance of the country's abortion laws. One day he witnessed an abortion procedure in a hospital.

Quote (Ron Paul): “Lesser forms of the draft, such as compulsory ‘national service,’ are based on the same unacceptable premise. Young people are not raw material to be employed by the political class on behalf of whatever fashionable political, military, or social cause catches its fancy. In a free society, their lives are not the playthings of the government.”

Page 59: Ron Paul witnessed a procedure in which a live baby was extracted via c-section. The technology was not sophisticated enough at that time to euthanize the baby in the womb. The live

baby was extracted and placed in the corner to die. This bothered Ron Paul deeply. Ron Paul rejects wholesale the notion that a baby growing inside its mother's womb is nothing more than a "parasite." People who favor legalized abortion should speak the plain facts about abortion. It is killing babies.

Quote (Ron Paul): "People ask an expectant mother how her baby is doing. They do not ask how her fetus is doing, or her blob of tissue, or her parasite."

Page 60: When *Roe v. Wade* was decided in 1973, even supporters of abortion realized that it was unconstitutional. There is no language anywhere in the Constitution that supports the conclusion reached in *Roe v. Wade*. Constitutionally, the federal government is not given any authority to deal with the abortion issue. If the citizens of the United States wish to challenge the decisions of the supreme court, they have recourse in Article III, Section 2, of the Constitution. Article III, Section 2, allows congress to deny all federal courts, including the supreme court, jurisdiction over certain types of cases. Consequently, congress can vote on legislation stripping the federal courts of jurisdiction over abortion cases. Under these scenarios, jurisdiction over the abortion issue would then belong to the various states.

Quote (John Hart Ely): "What is frightening about *Roe* is that this super-protected right is not inferable from the language of the Constitution, the framers' thinking respecting the specific problem in issue, any general value derivable from the provisions they included, or the nation's governmental structure."

Page 61: In the 1960's abortions were illegal but they were being performed anyways. Only later did the laws conform to what society was already doing. In general, laws mirror the thoughts and beliefs of the people. The fact is that laws cannot bring about a greater respect for life. Only education and good example can bring about societal changes. Some argue that states shouldn't be allowed to make their own decisions about abortion laws. They fear states will make the wrong decision. Taking that reasoning to its logical conclusion would imply that countries shouldn't be allowed to make their own decisions either and that there should be world laws for abortion and other moral issues. The best solution is to follow the Constitution. It is not a perfect solution, but it reflects the cornerstone of the type of nation that the founders envisioned; a nation of local self-government.

Quote (Ron Paul): "Ultimately, law or no law, it is going to be up to us as parents, as clergy, and as

citizens - in the way we raise our children, how we interact and talk with our friends and neighbors, and the good example we give -to bring about changes to our culture toward a greater respect for life.”

Page 62: The British denied the American colonists the right to be governed by officials elected in the colonies. The colonists refused to be governed by authorities that they had not elected themselves. The desire to be governed by locally elected officials is key to understanding the intent of the Constitution. All authority belongs to local governments unless it is explicitly ceded to the federal government. Americans now accept that nine judges in Washington D.C. should have the authority to impose laws on the entire nation. The Founders did not intend to design a government in which every person and neighborhood would be exactly the same.

Quote (Ron Paul): “This is the constitutional approach to deciding all issues that are not spelled out explicitly in our founding documents: let neighbors and localities govern themselves.”

Quote (Thomas Jefferson): “When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another, and will become as venal and oppressive as the government from which we separated.”

Page 63: Americans should reject a highly centralized system of government. It is not what the Founding Fathers had in mind when they wrote the Constitution. Some people associate state’s rights with racism. But racism is not caused by government. It is caused by ugly and misguided beliefs. Racism can exist under highly centralized governments or highly decentralized governments alike. Nazi Germany is a striking example of racism existing under a highly centralized government.

Quote (Ron Paul): “But racism, a disorder of the heart, can become entrenched in any political environment, whether highly centralized like Hitler’s Germany or highly decentralized like our own country.”

Quote (Adolph Hitler): “National Socialism as a matter of principle, must lay claim to the right to force its principles on the whole German nation without consideration of previous federated state boundaries, and to educate in its ideas and conceptions. Just as the churches do not feel bound and limited by political boundaries, no more does the National Socialist idea feel limited by the individual state territories of our fatherland. The Nationalist Socialist doctrine is not the servant of

the individual federated states, but shall some day become the master of the German nation.”

Page 64: All forms of government are vulnerable to the passage of discriminatory laws. It is up to the people who oppose such laws to fight the government and even disobey the government when such unjust laws are passed. The best antidote for racism is individualism. Racism is a form of collectivism. Individualism forces people to judge others based on their individual merits. Racism makes a collective judgment of people based on the color of their skin or their ethnicity. Individualism is the dead opposite of racism. The existence of government causes people to organize among race in order to secure benefits for their group. This exacerbates racism by creating racial rivalries for governmental benefits.

Quote (Ron Paul): “Peaceful civil disobedience to unjust laws, which I support with every fiber of my being, can sometimes be necessary at any level of government. It falls upon the people, in the last resort, to stand against injustice no matter where it occurs.”

Quote (Ron Paul): “To the contrary, my philosophy of individualism is the most radical intellectual challenge to racism ever posed.”

Page 65: Lobbyists who push for benefits for their particular groups actually do more harm than good for their constituency. In the process of securing benefits for their group, they stem overall economic advancement. In most cases, the benefits secured by lobbyists for their groups are meager in comparison to the benefits that an advancing economy would have provided. However, as economist Thomas Sowell points out, lobbyists don’t score political points for a generally advancing economy. They only get credit for the specific benefits that they obtain. The war on drugs has ravished minority communities. Allowing states to control their own drug enforcement laws would be a more sensible and certainly a more effective solution.

Quote (Thomas Sowell): “Ghetto jobs are an earmarked benefit, however few, tenuous and low paid. Benefits to blacks as members of the general public are no feather in a black leader’s cap, even if blacks are benefited more than others by gaining access that was nearly impossible for them before.”

Page 66: Ron Paul, in recent years, has abandoned his support for the death penalty. It is not good for the federal government to have such power and minorities receive such punishment in disproportionate numbers. We should not think in collective terms such as race. The only collectivization which might be tolerable is the people versus the government, especially when the

government infringes upon our rights. If the government followed the Constitution it would be less important which politicians take office. The Constitution gives relatively little power to the federal government so we wouldn't need to worry about special interests looting us or power politics.

Quote (Ron Paul): “We should not think in terms of whites, blacks, Hispanics, and other such groups. That kind of thinking only divides us. The only us-versus-them thinking in which we might indulge is the people - all the people - versus the government, which loots and lies to us all, threatens our liberties, and shreds our constitution. That's not a white or black issue. That's an American issue, and it's one on which Americans all of races can unite in a spirit of goodwill.”

Page 67: Conservatives and liberals should be very cautious about ceding excessive power to the executive branch. The next president could be somebody that they don't like and may wield their new found power in very disagreeable ways. The Constitution is not perfect, but it does do a commendable job of limiting the central government, if only it could be enforced. When the Constitution is ignored, there are serious consequences, which the citizens of the U.S. are now suffering. However, its not too late to go back to a constitutional government.

Quote (Ron Paul): “Once we lose our respect for the Constitution and begin interpreting it so that it happens to permit our pet programs, we have no right to be surprised when our political opponents come along with their own ideas for interpreting the Constitution loosely.”

Quote: “I do not believe that most Americans want to continue down this path: undeclared wars without end, more and more police-state measures, and a constitution that may well not exist. But this is not a fated existence. We do not have to live in this kind of America. Its not too late to rally and recall our people to the Constitution, the rule of law, and our traditional American republic.”

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Chapter 4: Economic Freedom

Page 69: In a free economy everybody has a right to their life and property and nobody has the right to interfere with the life and property on anyone else. In general, most people accept this premise. Nobody accepts theft as moral, even if the thief is going to do philanthropic things with the loot. Yet, when government does the exact same thing it is considered morally acceptable.

Page 70: We currently live under a system where everybody attempts to plunder everybody else through the mechanism of government. We should not allow the government to carry out any action that would be considered immoral if done by an individual. It is not only the poor who take advantage of the government. The rich manipulate the government to their advantage as well.

Quote (Ron Paul): “The rich are more than happy to secure for themselves a share of the loot – for example, in the form of subsidized low-interest loans (as with the Export-Import bank), bailouts when their risky loans go sour, or regulatory schemes that hurt their smaller competitors or make it harder for new ones to enter an industry.”

Page 71: The idea that the government should not be allowed to loot the public has long been popular in the U.S.. Governments should not be allowed to grant privileges to specific industries because that makes the assumption that people in that industry are more important than everyone else. Giving government the power to arbitrarily pick and choose winners and losers leads to a highly politicized body politic. It was never the intention of the Founders to give the government any such power.

Quote (William Legget): “Whenever a government assumes the power of discriminating between the different classes of the community, it becomes, in effect, the arbiter of their prosperity, and exercises a power not contemplated by any intelligent people in delegating their sovereignty to the rulers.”

Page 72: The government should only have the power necessary to protect each individual’s person and property. It should have no power whatsoever to steer the direction of the economy. The U.S. government limits the amount of sugar that can be imported into the U.S.. This makes sugar more expensive for U.S. consumers due to lack of competition. It also makes American products that use sugar more expensive to produce. It is peculiar that such a relatively small portion of the population could foist its policy on the rest of the country.

Quote (William Legget): “In the exercise of this power of intermeddling with the private pursuits

and individual occupations of the citizen, a government may at pleasure elevate one class and depress another; it may one day legislate exclusively for the farmer, the next for the mechanic, and the third for the manufacturer, who all thus become the mere puppets of legislative cobbling and tinkering, instead of independent citizens, relying on the own resources for their prosperity.”

Page 73: The proportionately small percentage of people working in the sugar industry benefit tremendously from the sugar quota. It makes sense for them to lobby hard to keep it in place. Whereas the higher cost of sugar caused by the policy is spread out over the entire population of the country. The cost to a single person is hardly noticeable. They have no incentive to dedicate the necessary resources to get the quota removed. However, when you multiply this phenomena by the number of industries that lobby for privileges, the level of plunder becomes more obvious. We must always remember William Graham Sumner’s “the forgotten man.”

Quote (William Graham Sumner): “The type and formula of most schemes of philanthropy or humanitarianism is this: A and B put their heads together to decide what C shall be made to do for D. The radical vice of all these schemes, from a sociological point of view, is that C is not allowed a voice in the matter, and his position, character, and interests, as well as the ultimate effects on society through C’s interests, are entirely overlooked. I call C the Forgotten Man....They therefore ignore entirely the source from which they must draw all the energy which they employ in their remedies, and they ignore all the effects on other members of society than the ones they have in view. They are always under the dominion of the superstition of government, and, forgetting that a government produces nothing at all, they leave out of sight the first fact to be remembered in all social discussion - that the state cannot get a cent for any man without taking it from some other man, and this latter must be a man who has produced and saved it. This latter is the forgotten man.”

Page 74: Once government programs are started, they tend to exist permanently. People start to forget how things were before the government program and assume that things would be worse if the program were to be eliminated. Those who benefit from the program have every incentive to fight for the continuing existence and expansion of the program. The worse the program performs, the more money it is likely to get.

Quote (Ron Paul): “In fact, the worse it does, the more funding it is likely to get - exactly the opposite of what happens in the private sector, in which those who successfully meet the needs of their fellow men are rewarded with profits, and those who poorly anticipate consumer demand are

punished with losses.”

Page 75: Americans seem to think there would be no cultural activities in the U.S. without the aid of government funding. That is false. In 2006, the National Endowment for the Arts requested \$121 million from the federal government. Strikingly, private donations to the arts were \$2.5 billion in 2006. There is no doubt that the private money was spent better than the government money. The federal government is not known for its artistic prowess. The existence and efficacy of private associations is nothing new. Alexis de Tocqueville, during his famous trip to the United States, was pleasantly surprised by the number of voluntary associations he observed. Many would argue that private donations may well provide for the arts, but they could never suffice for taking care of the sick and poor.

Quote (Alexis de Tocqueville): “Wherever, at the head of some new undertaking, you see the government in France, or a man of rank in England, in the United States you will be sure to find an association.”

Page 76: Much less money would be needed to institute welfare if it came from private donations. Nearly seventy percent of the welfare budget is spent on government workers needed to administer the programs. Further, it is much easier to manipulate a government run organization than a private organization. It is the rich and powerful that benefit most from government programs, not the poor and middle class. Government programs ruin the economy by making goods more expensive and businesses lazier and less competitive. When the programs are paid for by printing more money, the rich and powerful score an even greater windfall. John Chubb, of the Brookings Institution, conducted an interesting study on how many bureaucrats worked for public versus private schools.

Quote (Ron Paul): “Given that the politically influential and well connected – neither of which includes the middle class or the poor – are the ones who tend to win privileges and loot from the government, I do not understand why we take for granted that the net result of all this looting is good for those who are lower on the economic ladder.”

Page 77: John Chubb discovered that the New York City public schools employed 6,000 bureaucrats. New York City’s private Catholic schools, with one-fifth as many students, employed 26 bureaucrats. Sometimes the position that the economy should be free is labeled as a “pro-business” position that favors the rich. This is an unfounded criticism. Big business is just as guilty as anybody else of using the government to obtain benefits for themselves. This is obviously not to

say that all or even most businessmen are devious, it is just to say that they are humans too and will try to seek benefits in the easiest way possible. Honest businessmen, however, are incredibly important to society. Entrepreneurs who take risks in order to bring new products to market which make our lives better are worthy of admiration.

Quote (Ron Paul): “The entrepreneur who risks everything he has in order to realize a dream – and improve our lives in the process – is engaged in a worthy and honorable pursuit that earns him precious little respect in our society.”

Page 78: Burton Fulsom, an economic historian, points out that there are two types of entrepreneurs: market entrepreneurs and political entrepreneurs. One makes money in the marketplace while the other makes money through lobbying the government. The income tax is akin to the military draft. It is based on the belief that the government owns you and can decide how much of your property it wants to take. Robert Nozick, the famous political philosopher, saw no difference between the income tax and forced labor. He noted that the average citizen works for various governments about six months a year.

Quote (Ron Paul): “The income tax implies the same thing: government owns you, and graciously allows you to keep whatever percentage of the fruits of your labor it chooses. Such an idea is incompatible with the principles of a free society.”

Page 79: There is not much political support for the abolition of the income tax. There are many other things that can be done to reduce the tax burden on Americans. Various proposals that Ron Paul has put forward include eliminating income tax on tips, granting tax credits for teachers, and exempting people with terminal illnesses from social security taxes. However, it is most important that the income tax be eliminated and replaced with nothing. Doing so would cut government revenue by about forty percent.

Quote (Frank Chodorov): “The citizen is sovereign only when he can retain and enjoy the fruits of his labor. If the government has first claim on his property he must learn to genuflect before it. When the right of property is abrogated, all the other rights of the individual are undermined, and to speak of the sovereign citizen who has no absolute right of property is to talk nonsense. It is like saying that the slave is free because he is allowed to do anything he wants to do (even vote, if you wish) except to own what he produces.”

Page 80: Cutting the 2007 budget by forty percent is not as radical as it seems. The 1997 budget

was forty percent smaller than the 2007 budget. It is really not radical at all to imagine living under the 1997 federal government. The result of such a step would give the economy such a dramatic boost that is hard to even imagine the consequences. Before the income tax, the main source of revenue for the federal government was the tariff. Tariff revenue started to decrease as consumers came to view the tariff as unfair. It was seen as a way to protect big business from foreign competitors. At the same time, government expenditures were increasing due, in part, to a growing military budget. The income tax was passed as a measure to force the rich to pay their fair share. Within a few years though, everybody, even the middle class, was paying higher income taxes than they ever expected. In the 1920's the tariff was raised as well.

Page 81: Many politicians talk big about cutting taxes but few have the voting record to back up such claims. If taxes are going to be cut, and more economic freedom achieved, spending must also be cut. Otherwise, the deficit will continue to spiral out of control. As of 2007, taxpayers had to pay \$1.4 billion per day in interest on government debt. Few understand the true nature of the earmark system. The system does get abused. However, cutting all earmarks would not necessarily reduce spending at all. The spending levels are voted on and agreed to before the earmarks are decided upon. Without earmarks, all funds would end up in the hands of federal bureaucrats. The system is terribly flawed, but at least earmarks help to appropriate some of the funds back to the communities who actually paid the taxes. In addition, the earmark spending is negligible when compared to overall spending by the federal government.

Quote (Ron Paul): “In a flawed system, earmarks can at least allow residents of congressional districts to have a greater role in allocating federal funds – their tax dollars – than if the money is apportioned behind locked doors by bureaucrats.”

Page 82: Supporters of limited government need to understand that the earmark issue is trivial when compared to the other issues involved in cutting government spending. It is much more important to focus on the total spending in appropriations bills. Making serious cuts to the budget will be very difficult because so many Americans are completely dependent on federal programs. The reality is that we cannot afford to continue paying for so many expensive federal programs. The national debt does not even include unfunded liabilities for Medicare and Social Security. Those programs add an additional \$50 trillion to the government's debt. It will be impossible to raise enough taxes to pay for these liabilities. Demographic trends and rising healthcare costs make the problem inevitable. The proportion of young taxpayers to retirees is on the decline.

Quote (Ron Paul): “If present trends continue, by 2040 the entire federal budget will be consumed by Social Security and Medicare. Forty percent of our entire private-sector output will need to go to just these two programs. The only options for balancing the budget would be cutting total federal spending by about 60 percent, or doubling federal taxes.”

Page 83: David Walker, comptroller general of the Government Accountability Office, says it will be impossible to grow our economy fast enough to keep up with the problem. This is not an issue of philanthropists versus greedy, cold-hearted, capitalists. The issue is the impossibility of sustaining current federal government programs. Too many people have become dependent on government programs to cut all programs at once. The best solution for scaling back government spending would be to start by shrinking our overseas military presence. That would save many hundreds of billions of dollars per year. The savings obtained can be used to fund domestic programs for the short period of time before they, too, are eliminated. The ease of obtaining welfare exacerbates the immigration problem.

Quote (Ron Paul): “To close the long-term entitlement gap, the U.S. economy would have to grow by double digits every year for the next 75 years.”

Page 84: It is impossible to allow unfettered immigration and provide free welfare benefits to the public. There is no way to pay for it. This situation creates animosity towards immigrants. They are perceived as getting free benefits while Americans are struggling. However, if the economy was in better shape, there would be less hard feelings. The sad state of the economy can be attributed directly to governmental action. The welfare state has also reeked havoc on traditional American culture. People are less willing to help out those in need because they see that as the government’s job.

Quote (Milton Friedman): “You cannot simultaneously have free immigration and a welfare state.”

Page 85: The welfare state makes it easy to ignore the hardships of our fellow man. Since the government already offers programs, we feel morally justified in turning a blind eye. Before Medicare and Medicaid it was very common for doctors to provide free care to those who couldn’t afford to pay. It later became much more difficult for doctors to offer free or discounted care to those in need. New laws and regulations caused the cost of providing healthcare to skyrocket and forced physicians to protect themselves from lawsuits. Americans can no longer visualize how a

society without big government would operate.

Quote (Ron Paul): “Before those programs came into existence, every physician understood that he or she had a responsibility toward the less fortunate, and free medical care for the poor was the norm.”

Quote (Ron Paul): “We have lost our belief that freedom works, because we no longer have the imagination to conceive of how a free people might solve its problems without introducing threats of violence – which is what government solutions ultimately amount to.”

Page 86: According to historian David Beito, before the welfare state existed people used to form themselves into private fraternities. The fraternities provided services and used the power of numbers to negotiate lower healthcare costs. The US healthcare system used to be the best in the world by far. Private charities provided healthcare for the poor and emergency rooms didn't turn people away if they didn't have enough money. Health insurance was for emergencies only. Patients paid cash for routine appointments.

Quote (Ron Paul): “Something has obviously gone wrong with the system when we need insurance for routine visits and checkups, which are entirely predictable parts of our lives.”

Page 87: Most people now have insurance through Health Maintenance Organizations, Medicare or Medicaid. The result of this transformation is more expensive healthcare. The bureaucrats and accountants responsible for cutting the checks for treatment have an increased say in what treatment patients will receive. For their part, doctors no longer have incentive to keep costs down. They no longer pay for the procedures that they order and there is a greater risk for lawsuits. More Americans are now going to other countries to receive good, affordable healthcare.

Quote (Ron Paul): “The result of all this is that doctors and patients cannot simply decide what treatment is appropriate. Instead, they constantly find themselves being second-guessed by HMO accountants and government bureaucrats.”

Quote (Ron Paul): “In all other industries, technology has nearly always led to lower prices – except in health care, thanks to the managed-care system that has been forced upon us.”

Page 88: HMOs were instituted as a result of government intervention. Now the same politicians who gave us HMOs are blaming HMOs for our problems and want to intervene again to solve the problem that they were responsible for creating. The tax code only makes healthcare costs tax

deductible when an employer pays the cost. The HMO act of 1973 forced most companies to offer insurance through HMOs to their employees.

Quote (Ron Paul): “The story behind the creation of HMOs is a classic illustration of what economist Ludwig von Mises once said: government interventions create unintended consequences that lead to calls for further intervention, and so on into a destructive spiral of more and more government control.”

Quote (Ron Paul): “The combined result was the illogical coupling of employment and health insurance, which often leaves the unemployed without needed catastrophic coverage.”

Page 89: The best way to cure our healthcare problems is to get the government out of healthcare. Healthcare was better and cheaper before the government got involved. Another, more politically viable, solution is the encouragement of medical savings accounts. Under this scenario patients would pay no tax on the money they earn that goes into the medical savings account, as long as they spend the money on healthcare costs. This would give patients more control over their healthcare decisions and cut HMOs out of the picture. Some physicians have found creative ways to opt of America’s dysfunctional healthcare system as well.

Page 90: Dr. Berry has a clinic in Tennessee. He runs his clinic the way doctors used to run their clinics many decades ago. He doesn’t accept any type of insurance, including Medicare or Medicaid. This gives he and his patients the freedom to decide for themselves what type of treatment will work best. Dr. Berry can spend much more time treating patients and much less time doing paperwork. His overhead is incredibly low which allows him to pass the savings on to his patients. He charges \$35 per visit. This makes it much easier for low income clientele to receive quality medical attention. On the other hand, those who would like to see government run healthcare in its full glory should visit one of our nation’s veterans’ hospitals.

Quote (Ron Paul): “In other words, Dr. Berry practices medicine as most doctors did 40 years ago, when patients paid cash for ordinary services and had inexpensive catastrophic insurance for serious injuries or illnesses.”

Quote (Ron Paul): “And speaking of poor treatment, those who favor national healthcare schemes should take a good, hard look at our veterans’ hospitals. There is your national healthcare. These institutions are a national disgrace.”

Page 91: There is a misconception among Americans that government regulation is always helpful.

Without regulations, we'd all be in grave danger. However, there are many, many instances throughout history in which businesses have lobbied to have themselves regulated. Big business has attempted to lobby for burdensome regulations to be imposed on their entire industry, knowing that the regulations will be too resource intensive for their smaller competitors to be able to comply. Senator George McGovern finally realized the damage that regulations do to small businesses when he retired from the senate and started his own bed and breakfast.

Page 92: Senator McGovern desired as much as anybody to provide a safe and clean environment for his guests. However, there were many regulations that forced him to take measures that were completely unnecessary. The regulations loaded him down with mountains of additional taxes and paperwork. Eventually his little hotel went out of business.

Quote (George McGovern): “As an innkeeper, I wanted excellent safeguards against a fire. But I was startled to be told that our two-story structure, which had large sliding doors opening from every guest room to all-concrete decks, required us to meet fire regulations more appropriate to the Waldorf-Astoria.”

Quote (George McGovern): “If I were back in the Senate or in the White House, I would ask a lot more questions before I voted for any more burdens on the thousands of struggling businesses across the nation.”

Page 93: In school, students are taught that if the federal government didn't regulate business we'd all be enslaved by giant monopolies. In fact they are taught that this is exactly what happened throughout history under the unfettered free market system. This is an utterly inaccurate version of history. The government teaches this in the schools so that citizens will not complain about the ever-increasing role of the government in our economy. The prosperity of the United States was not brought about because of government regulation. Prosperity developed in spite of government regulation.

Quote (Ron Paul): “But there is an agenda behind this silly comic-book version of history: to make people terrified of the unfettered free market, and to condition them to accept the ever-growing burdens that the political class imposes on the private sector as an unchangeable aspect of life that exists for their own good.”

Page 94: Of course people were poorer 100 years ago than they are today. It wasn't because they didn't have enough government regulation. The economy was much less productive back then.

They didn't have the capital equipment or the technology that we have today. The way to increase the productivity of a society is to increase the amount of capital per worker. This allows each worker to produce more goods. The more goods an economy can produce, the higher the standard of living will be. Overtaxing the rich will drive them away eventually. However, it is precisely their capital that is making the overall economy better off. Imposing burdensome taxes interferes with the capital accumulation and investment process and interrupts the upward march towards greater prosperity for us all.

Quote (Ron Paul): "All the laws and regulations in the world cannot overcome constraints imposed by reality itself. No matter how much we tax the rich to redistribute wealth, in a capital-starved economy there is an extremely limited amount of wealth to redistribute."

Page 95: Free trade should extend to international trade. Taken to its logical conclusion, the restriction of international trade would imply that to protect the economy of a particular city nobody should buy anything from other cities. Households, in order to protect their jobs from other households, should only consume what they produce themselves. Economist Frederic Bastiat wrote sarcastically of candle makers lobbying their government to block out the sun because it was destroying jobs. The same logic applies to restricting international trade. However, free trade agreements do not actually encourage free trade. Government agreements aren't needed for private entities to trade with one another.

Quote (Ron Paul): "I opposed both the North American Free Trade Agreement and the World Trade Organization, both of which were heavily favored by the political establishment. Initial grounds for suspicion was the sheer length of the text of these agreements: no free-trade agreement needs to be 20,000 pages long."

Page 96: Many supporters of a free market economy have viewed support for free trade agreements as an unnecessary surrendering of American sovereignty. In 1994 Newt Gingrich, who was for participation with the World Trade Organization, urged honesty in recognizing that being part of such an organization meant ceding some control over the American economy. Free trade does not require lengthy and complicated agreements between governments. Such agreements are in reality examples of managed economies, not free economies.

Quote (Ron Paul): "True free trade does not require treaties or agreements between governments. On the contrary, true free trade occurs in the absence of government intervention in the free flow of

goods across borders.”

Page 97: The World Trade Organization is not actually an organization created to lower tariffs. It was created to oversee the creation of tariffs when claims of dumping are reported. Trade organizations are political in nature. This takes economic decision making power out of the hands of everyday people and puts it in the hands of bureaucrats. Giving international associations significant influence over our tax and economic policies is a dangerous cession of American sovereignty. An illustrative example of this situation occurred in 1984 when the WTO, acting on behalf of the European Union, declared that a particular tax break for American companies was, in reality, a subsidy.

Quote (Ron Paul): “Government-managed trade is inherently political, meaning that politicians and bureaucrats determine who wins and loses in the marketplace.”

Quote (Ron Paul): “What this meant, in plain English, was that big-tax Europe, upset at lower-tax America, decided that the way to level the playing field was to force America to raise her taxes.”

Page 98: Pascal Lamy, former European Commissioner for Trade, threatened a trade war against U.S. imports if the U.S. congress didn’t comply with the WTO and raise taxes on US corporations. Congress backed down and changed the tax code to comply with “international law”. It was predictable that entering the WTO would lead to a suppression of U.S. sovereignty over their own trade. Even so, many self-proclaimed free traders supported entrance in the WTO as a pro-free trade measure. Free trade has been harmed by participation in the WTO. Trade wars still occur and our foreign competitors are able to influence the US legislative process to the harm of the American economy.

Quote (Congressional Research Service report): “As a member of the WTO, the United States does commit to act in accordance with the rules of the multi-lateral body. It is legally obligated to insure that national laws do not conflict with WTO rules.”

Quote (Ron Paul): “The WTO makes trade relations worse by providing our foreign competitors with a collective means to attack US trade interests.”

Page 99: The Constitution gives congress alone the legal authority to tax and regulate trade. Neither congress nor the executive branch may delegate those powers to another entity. The founders never imagined nor gave consent to any such system. Foreign aid should be abolished altogether. It is immoral to take property from the American people and send it overseas to another government.

This is especially true because the U.S. government sends aid to many dictatorial regimes. In addition, international aid has proven to be a complete failure for helping people in other countries.

Quote (Ron Paul): "Our founders never intended for America to become entangled in global trade schemes, and they certainly never intended to have our domestic laws overridden by international bureaucrats."

Quote (Ron Paul): "Foreign aid, however pure the intentions that may have motivated it, has been a reactionary device by which truly loathsome leaders have been strengthened and kept in power."

Page 100: Peter Bauer of the London School of Economics has written a tremendous amount about the failure of foreign aid programs. Over the past half century, the free market has proven its ability to work miracles. We do not have to choose between liberty or prosperity. They go hand in hand. Botswana has the one of the freest economies and some of the most prosperous people on the African continent. Chile has far and away the highest standard of living in South America. Estonia and Ireland are other free market success stories. Between 1980 and 2000 India's GDP per capita more than doubled. In China, poverty went from 28 percent in 1978 to 9 percent in 1998.

Quote (Ron Paul): "I would choose freedom even if it meant less prosperity, but thankfully we do not face such a choice."

Quote (Ron Paul): "Let's quit pretending that we don't know how to make people prosperous, when the evidence is all around us."

Page 101: In 1820, 80 percent of the world lived in extreme poverty. In 1950 it was down to 50 percent. In 1994 extreme poverty was down to 24 percent of the world's population. It is unique in the annals of history for such a large part of the world's population to experience such a dramatic rise in their standard of living in such a short period of time. The miraculous increase in the world's standard of living is attributable to the free market. Foreign aid, on the other hand, causes the recipient country's standard of living to move in the opposite direction. If the true history of foreign aid was known by the public it would be much more strongly opposed.

Quote (Ron Paul): "If Americans knew the real story of foreign aid and how it has deformed recipient economies, aided repressive regimes, and even contributed to violent strife, they would oppose it even more strongly than they already do."

Page 102: Cutting off foreign aid to other countries is not an isolationist position. It could only be

considered isolationist to those who believe that people from different countries are incapable of helping each other without governmental action. Individuals who wish to participate in a program helping people abroad are perfectly able to do so. A recent study showed that in 2006 private American citizens donated three times more money abroad than did the U.S. government. In order to fully comprehend these issues, it is essential for a free people to understand economics. The Austrian school of free market economics has given a cogent and predictive theory of economics that has helped its adherents explain and predict financial crises for many, many decades.

Page 103: One of the great economists of the Austrian school is Ludwig von Mises. He wrote the classic economic treatise *Human Action: A treatise on Economics*. Both his brilliance in economics and his moral courage are truly inspiring. Ludwig von Mises saw the economist's job as being an intellectual who speaks truth to power, thereby tending to earn the scorn of those in charge. He was chased out of his homeland by the Nazis both because he was Jewish and because he was not afraid to denounce the Nazi party's economic platform. At age 60 Mises found refuge in the United States. He had no job, little money and spoke no English. Mises had already produced a number of classics on economics in his native language, German.

Quote (Ludwig von Mises): "Economics is a challenge to the conceit of those in power. An economist can never be a favorite of autocrats and demagogues. With them he is always the mischief-maker, and the more they are inwardly convinced that his objections are well founded, the more they hate him."

Page 104: Even after the age of 60, and in a language that was foreign to him, Mises continued to write phenomenal books on economics. Mises never stopped working against unsound economics. He spoke out and wrote against Keynesianism and all other types of central planning that had popular appeal. Mises had a tremendous influence on a new generation of young economists. In 1982 the Ludwig von Mises institute was founded to promote the education of free market economics in the Austrian tradition. Ludwig von Mises passed away in 1973.

Quote (Ron Paul): "I sometimes hear people say that they find economics boring. That almost always means they've never read the Austrians, whose work brims with intellectual excitement."

Page 105: It is incorrect to say that advocates of the free market are against protecting the environment. Supporters of private property must view any and all violations of property rights as illegal acts, punishable by the law. Businesses, regardless of their size, have no right to infringe on

the property rights of others. Acts such as air and water pollution are violations of property rights. Therefore, raising taxes and fees on those who pollute is not the proper way to deal with the issue. Economist Martin Anderson views such a solution as akin to taxing thieves in order to prevent them from burglarizing your home. The court system should assess damages on any party who pollutes without the prior consent of those affected. There was once a time when American law treated the issue of pollution in just that way.

Quote (Ron Paul): “Private business should not have the right to socialize its costs by burdening other people with the by-products of its operations.”

Quote (Walter Block and Robert W. McGee): “If a firm creates pollution without first entering into an agreement, or if the parties cannot come to an agreement fixing the cost and degree of pollution, then the court system could be used to assess damages.”

Page 106: Some economists make the case that if the courts had continued to persecute polluters under the auspice of violating property rights, we’d already have technology that produces much less pollution. Campaign finance reform is a distraction from the real issue that faces the nation. As long as the government has the authority to appropriate resources from the American people and give them to special interests, it will be impossible to end lobbying and pressure from those who want a piece of the action.

Page 107: The American people have no idea just how many special interests have lobbyists in Washington D.C.. No lobby group should be favored over any other. Instead, the whole system should be eliminated by revoking the government’s power to bestow benefits on special interests. For that to happen, a large number of freedom loving Americans would have to take a stand. Ron Paul was surprised to learn just how many freedom loving Americans were still out there. During his campaign they supported issues that promised them no special benefits, just freedom for Americans.

Quote (Ron Paul): ”I oppose the whole apparatus, the whole immoral system by which we use government to exploit our fellow citizens on behalf of our own interests.”

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Chapter 5: Civil Liberties and Personal Freedom

Page 109: Freedom means not only that the economy ought to be free but also that the government has no right to interfere with our personal lives. The government must respect our privacy and the legal process should follow traditional legal standards. The family should be the main social agent in charge of teaching morality. The war on terror has put citizens on alert to the methods that the government uses to violate our right to privacy.

Quote (Ron Paul): “Economic freedom and personal liberty are not divisible.”

Page 110: Americans were unaware that the federal government was listening to their telephone calls without a warrant. The New York Times knew about the story for a year but didn't publish the facts because they supposedly didn't want to endanger Americans by making the information public. This fact shows us that our media is not as independent as we may think. The warrantless wire-tapping program was administered by the U.S. National Security Agency. The government didn't even bother to get warrants issued by secret courts, as required by the Foreign Intelligence Security Act of 1978 (FISA). It appears that all the government has to do is mention national security and Americans are willing to sacrifice their rights.

Quote (Ron Paul): ”It looks very much like the old story: the government says ‘national security’ and the natural and normal skepticism that our Founding Fathers taught us to have toward the government is promptly abandoned.”

Page 111: The executive branch wanted the program kept secret because it was against the law. The government said that they were only eavesdropping on people with terrorist connections. In light of the vast number of people that the government wire-tapped, their statement is not believable. Moreover, if the government actually knew which people had terrorist connections, why did they only seek to wiretap them? Shouldn't they have taken even more aggressive action, like arresting them? The president eventually claimed authority for the program under the 2001 Authorization to Use Military Force (AUMF). However, it seems clear that congress had not intended that the act give the president that type of power.

Page 112: Bruce Fein, former deputy attorney general under Ronald Regan, said that such an interpretation of the AUMF would have also meant that the president could break into houses and torture Americans in order to obtain intelligence. It is not realistic that congress would have intended to give the president those powers. In addition, FISA deals specifically with

gathering intelligence while AUMF does not. FISA should, legally, have overridden AUMF. The executive branch considered amending FISA, but decided it would be impossible. They instead decided to take the course of claiming the powers under AUMF.

Page 113: It is still unclear what the real motivation was behind the warrantless wire-tapping program. The American people have been assured that the federal government is benevolent and was only acting in the best interest of the citizenry. Thomas Jefferson warned against having too much confidence in men. It is much better to keep them honest by forcing compliance with the constitution. This is not the first time the American government has been accused of abusing surveillance powers. Senators were criticizing the excessive surveillance power granted to the federal government as early as 1975. Government officials have always remained tight-lipped when asked to disclose specific details about the programs and under what authority they claim such powers.

Page 114: Alberto Gonzales testified before the Senate Judiciary committee in February 2006. When asked if the administration had wire-tapped strictly domestic calls without warrants, Gonzales replied “Not under the program in which I’m testifying.” Attorney General John Ashcroft, FBI Director Robert Mueller, and Deputy Attorney General James Comey were so offended by activities that took place between September 11, 2001 and March 2004, that they threatened to quit if the activities continued. The Patriot Act is actually written to apply more to American citizens than to foreign terrorists.

Quote (Ron Paul): “What exactly was the executive branch up to that caused so much dissent even among its own loyalists? Who was victimized during this time? Why are we not hearing the answers - or even the questions?”

Page 115: The government’s power to spy on citizens has increased greatly while the safeguards to protect citizens have been greatly reduced. There is no evidence that the powers given under the Patriot Act would have prevented the tragedy of September 11, 2001. In fact, there is ample evidence that the government should have known that attacks on American soil were being planned. It wasn’t a lack of power to spy on Americans that caused the government to prevent the attack, but rather government ineptitude. The Patriot Act violates the constitutional protection against warrantless search and seizure. It is unconstitutional for Americans to be searched on the basis of warrants issued by secret military courts. Even worse is the power of the government to search

Americans based on “national security letters” written by the Attorney General.

Quote (Ron Paul): “We know now that plenty of red flags that should have alerted officials to the hijackers’ plot were ignored. That was a matter of government ineptness, not a lack of surveillance power. Our officials had the evidence. They simply failed to act on it.”

Page 116: The government should always have to show probable cause for a warrant to be issued. This would not interfere with terrorist investigations. The government would still have plenty of resources for keeping an eye on non citizens who are terror suspects. The requirement of probable cause need not slow down terror investigations. Emergency courts can quickly issue warrants when the matter is urgent. Provisions can be made for situations in which there is no time to obtain a warrant. In fact, requiring a warrant may help law enforcement to focus their attention on the most important cases. Once specific powers are given to the government, they are almost never taken away. Many officials who support the increased level of government power today opposed the very same powers under the Clinton administration.

Page 117: As a senator during the Clinton administration, John Ashcroft spoke out against the same government invasions of privacy that he now apparently supports. Ashcroft spoke out specifically against the Clinton administration’s desire to monitor all domestic and international computer communication. He argued that if this power was granted, it could easily lead to further invasions of privacy such as government gaining access to private ATM records and medical information. Many republicans who now support the Patriot Act were jealous defenders of civil liberties during the Clinton administration.

Quote (John Ashcroft): “Nevertheless, there 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 implications here are far-reaching, with impacts that touch individual users, companies, libraries, university teachers, and students.”

Page 118: As early as the 1970’s, conservative intellectual Robert Nibset was warning about the ever expanding surveillance state. He pointed out that it was FDR, starting during WWII, who was the first to use the power of government to pry into the private lives of citizens. According to Nibset, it had only gotten worse by the time he began to speak out. Judge Andrew Napolitano makes the point that it is we who should be spying on the government, not the other way around. After all, it is the tax dollars of the American citizens that pay their bills. This was the position of

the Founding Fathers as well.

Quote (Judge Andrew Napolitano) : “Why should government agents spy on us? They work for us. How about we spy on them? On cops when they arrest and interrogate people or contemplate suspending freedom; on prosecutors when they decide whom to prosecute and what evidence to use; on judges when they rationalize away our guaranteed rights; and on the members of Congress whenever they meet with a lobbyist, mark up a piece of legislation, or conspire to assault our liberties or our pocketbooks.”

Page 119: It is imperative that citizens stand up for their rights. There are serious consequences at stake. In a presidential signing statement, the president has claimed the power to torture, in spite of existing laws against it. American citizens must never tolerate torture by their government. Without exception, it is immoral. It has been proven that torture victims do not provide reliable intelligence. Further, torture increases the likelihood that Americans will be tortured in retaliation. Throughout history, presidents have used their commander-in-chief powers during wartime to trample the liberty of Americans. For this reason, Americans must be especially jealous of their rights during times of crisis.

Quote (Ron Paul): “First of all, legal issues aside, the American people and government should never abide the use of torture by our military or intelligence agencies. A decent society never accepts or justifies torture.”

Page 120: War and national emergencies cannot and do not justify comprising the guaranteed rights of American citizens. The right of habeas corpus has come under attack. Under the Military Commissions Act of 2006, the executive branch has the power to detain people endlessly without giving detainees a chance to answer the charges against them. This occurred in the case of Ali Saleh Kahlal al-Marri, a citizen of Qatar. He was living in America legally in 2001 when he was charged with making false statements during an investigation of 9/11. His trial was scheduled for July 2003, but before the case got under way the president claimed he was an “enemy combatant”. The charges against him were dropped by the civilian court and he was sent to a military prison, indefinitely. The president must not have the right to send people to military prisons without allowing the accused to answer the charges against them.

Page 121: None of this is meant to imply that criminals and terrorists should be let loose. It means that according to the Constitution, people have a right to know and respond to the charges brought

against them. Jose Padilla was originally accused of plotting to set off a dirty bomb in a major American city. He was never charged with that crime. He was, however, declared an “enemy combatant” and taken to a military prison without any charges brought against him. In prison, he was subjected to various types of torture. It is unacceptable that an American president has the right to detain American citizens indefinitely, without bringing them to trial, and to subject them to torture.

Quote (Ron Paul): “Kept in solitary confinement, Padilla was subjected to variations of sleep deprivation. Noxious fumes were introduced into his cell. His cell was made extremely cold for long periods of time. He was drugged, disoriented, and threatened with all manner of gruesome fates.”

Page 122: Americans must not forget the core principles that this country was founded upon. It is absurd to believe that the government will only use these powers on bad guys. In April 2006, Associated Press photographer Bilal Hussein was taken into custody by the American military in Iraq. No charges were brought against him. The Associated Press demanded that charges be brought against him or that he be released. For some time, the government did neither. Finally, Bilal Hussein was charged with kidnapping two journalists in Ramadi. The charges proved to be incredibly erroneous. The kidnapped journalists reported that Bilal Hussein had actually helped them to safety after their release. American citizens must not allow this travesty to continue.

Quote (Ron Paul): “How can we not be concerned about such a thing? Have we been so blinded by propaganda that we have forgotten basic American principles, and legal guarantees that extend back to our British forbears eight centuries ago?”

Page 123: In 2007 Ron Paul introduced a piece of legislation called the American Freedom Agenda Act of 2007. The act repeals the Military Commissions Act of 2006, forbids evidence obtained by torture, subjects intelligence gathering activities by the executive branch to the Foreign Intelligence Surveillance Act, give congress the legal right to contest presidential signing statements in court, and clarifies that the Espionage Act of 1917 does not prohibit journalists from publishing information obtained from the executive branch or congress unless doing so would cause clear and immediate danger to the people of the United States. Under the act, the president may establish military courts to try war crime suspects.

Page 124: Under the proposed American Freedom Agenda Act of 2007, the president would not be

allowed to detain individuals indefinitely without presenting convincing evidence that the person was engaged in direct hostilities against the United States. It would be illegal to detain American Citizens as enemy combatants. The act would prohibit all kidnapping and torture based on nothing more than the president's orders. Any rendition would have to be in strict compliance with international law. It is incredible that this type of legislation even needs to be passed in the U.S.. These are core founding principles of the United States. It is common to use the excuse that during wartime the Constitution can be ignored. But if the wars are undeclared and never end, we may end up abandoning the Constitution permanently.

Quote (Ron Paul): “But if the president claims extraordinary wartime powers, and if we fight undeclared wars with no beginning and no end, when if ever will those extraordinary powers lapse?”

Page 125: Like the war on terror, the war on drugs has caused serious negative consequences. The job of the government is not to eliminate the bad habits or perfect the moral character of the people. There are other institutions in society that are much more appropriate for such a role. A multitude of research exists to show that the war on drugs has actually made street crime and gang activity worse. This is a common occurrence when government prohibition creates a black market. Minority neighborhoods have been disproportionately affected by the war on drugs. It is difficult to teach a child sound morals when the most affluent people in the neighborhood are the ones who get rich selling drugs on the black market.

Page 126: Discontinuing the drug war would put drug lords out of business and starve them of the resources they need to terrorize neighborhoods. More and more conservatives are beginning to speak out against the war on drugs. Thomas Sowell has urged the government to recognize that it is impossible to keep people from using drugs and that decriminalization would at least put drug kingpins out of business. Thomas Aquinas argued centuries ago that not all vices should be illegal. Laws are meant to prohibit actions that cause direct physical harm to others. It is impossible for the law to change a person's moral fiber. The law should, however, provide peace and order.

Quote (Thomas Sowell): “What would make still more sense [than the current policy] would be to admit that we are not God, that we cannot live other people's lives or save people who don't want to be saved, and to take the profits out of drugs by decriminalizing them. That is what destroyed the bootleggers' gangs after prohibition was repealed.”

Quote (Ron Paul): “The law cannot make a wicked person virtuous.”

Page 127: It is vital to recognize the other institutions, besides the law, that influence human conduct. Families and communities have an obligation to teach morality to individuals. Citizens must not delegate to the government their responsibility to educate their family and loved ones on proper moral conduct. The commencement of the federal war drugs was based on stunning racism and ignorance. At least those who favored prohibition understood that the Constitution did not permit them to ban substances. That is why, when prohibition started, alcohol was not made illegal as such but rather a huge tax was placed on the purchase of alcohol. The tax was so high that nobody could afford it and when people were caught with alcohol they were charged with tax evasion. A close study of the history of marijuana criminalization shows that a hatred of Mexicans was a driving force. In the Texas senate, one senator actually declared “All Mexicans are crazy, and this stuff is what makes them crazy.”

Page 128: Marijuana was made illegal only 7 decades ago by the Marijuana Tax Act of 1937. Hearings on this law took a little over two hours. Very little actual evidence was presented showing that Marijuana causes adverse health effects. Exactly two health professionals testified at the hearings. One was a professor who claimed that he had injected 300 dogs with THC. He testified that two of the dogs had died as a result. His testimony could not have been true as THC was synthesized for the first time in Holland years after he gave his testimony. The second expert was a representative of the American Medical Association who denounced the legislation as unsupported by scientific evidence.

Quote (William Woodward of the American Medical Association): “The American Medical Association knows of no evidence than marihuana is a dangerous drug.”

Page 129: The debate in congress over whether to make marijuana illegal took about a minute and a half. The speaker of the house falsely claimed that the American Medical Association was in support of the bill even though William Woodward of the American Medical Association clearly testified that the opposite was true. After the Marijuana Tax Act of 1937 had already passed, Harry Anslinger, the head of the federal Bureau of Narcotics called a national conference focusing on the ill effects of marijuana. The vast majority of attendees didn’t even understand why they had been invited. Three people stood up and talked. Two were the same people who testified before congress: the AMA representative and the professor who claimed to have injected dogs with THC, James

Munch. After the conference, James Munch was named the official expert on marijuana at the federal Bureau of Narcotics.

Quote (Ron Paul): “One person agrees with the government’s position and he is appointed the official expert. If that doesn’t sum up how government operates, I don’t know what does.”

Page 130: Harry Anslinger claimed that marijuana “is an addictive drug which produces in its users insanity, criminality, and death.” As a result of this claim, many murder suspects were able to successfully defend themselves by claiming that they were made temporarily insane by the use of the drug. In one trial James Munch testified that he tried Marijuana once and it turned him into a bat. By 1970, the federal government stopped prosecuting users of banned substances as tax evaders and started simply banning a number of substances outright. Alcoholics aren’t treated as criminals. Alcoholism is looked upon as a medical problem. Drug abuse should be treated the same way.

Quote (James Munch): “After two puffs on a marijuana cigarette, I was turned into a bat.”

Page 131: It is the job of families, churches, and communities, not the federal government, to take care of drug addicts. By prosecuting people caught with small amounts of illegal drugs, we are clogging the courts and jails and diverting resources away from going after violent criminals. Perhaps the most stunning evidence that the war on drugs is a complete failure is the fact that law enforcement can’t even keep drugs out of prisons. Anybody who really wants drugs can get them. Obtaining drugs on the black market means that those who really want drugs will have to do business in a much more dangerous way. Black markets also provide the criminal element in society with increased wealth and resources. No matter how one feels about drug use in general, it is unconscionable to be against medical marijuana for those who are suffering extreme pain.

Quote (Ron Paul): “Over the past two decades more people have been imprisoned on drug offenses than for all violent crimes put together.”

Page 132: It harms nobody at all to allow suffering patients the pain relief that they need. The push against medical marijuana legalization is bipartisan in nature. The Clinton administration threatened to prosecute physicians who prescribed medical marijuana. Two Clinton supreme court appointees upheld the federal government’s right to override the states’ legalization of medical marijuana. To claim that the federal government can ignore medical marijuana laws passed by the citizens of a state by a ballot initiative is a slap in the face of the American people.

Quote (Ron Paul): “If you’d like to see how the issue is dealt with by someone who actually cares to consider the original intent of the constitution, then treat yourself to Justice Clarence Thomas’s eloquent dissent in *Gonzales v. Raich* (2005).”

Page 133: The government should have no say over whether a parent may or may not home school their children. The government does not own the children of this country. Their parents are their rightful guardians. It is ridiculous that some families must pay the government to teach their children things that parents morally and philosophically disagree with. Parents should not have to break through mountains of red tape just to educate their own children as they see fit. A presidential initiative was put forth in 2004 called the New Freedom Commission on Mental Health. It required mental health testing for all of America’s youth. Grants have been used to create pilot programs locally. Beyond being an egregious breach of civil liberties, it as an obvious scheme to benefit pharmaceutical companies.

Quote (Ron Paul): “It is bad enough that some parents find themselves forced to pay for an education they not only will not use for their children, but whose content they deeply oppose from a philosophical or religious point of view.”

Page 134: There was a 300 percent increase in the use of psychotropic by children from 1991 through 1995. There was another 500 percent increase from 1995 to 2002. There is no telling what type of long term impact the use of such drugs will have on young, developing brains. Some parents have been threatened with child abuse charges for not medicating their kids with anti-depressants. It would be even more difficult to refuse such medical treatments if they were made mandatory by the federal government. The government has no right whatsoever to interfere in the medical treatment that a parent decides upon for their child. It is essential to nip these programs in the bud, while they are still being debated, to make sure that they never become a reality.

Quote (Ron Paul): “What kind of free people would turn their children’s most intimate health matters over to government strangers?”

Page 135: It is notable that the media hardly even mentioned this program. There was time in America when parents would have been outraged that the president would have the gall to try to force mental health screening on their children. This particular program gives us very good insight into just how these programs can come to be foisted upon us. It shows how special interests can influence the government to impose programs on us in the name of looking out for the common

good. The Constitution was written so that the people can keep the government in check, not the other way around.

Quote (George Washington): “Government is not reason; it is not eloquent; it is force. Like fire, it is a dangerous servant and a fearful master.”

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Chapter 6: Money: The Forbidden Issue in American Politics

Page 137: Americans are deeply worried about the economy but they can't put their fingers on what exactly is causing the problem. Politicians refuse to frankly acknowledge what is wrong. Pundits and economists tell us that the Federal Reserve just needs to print some more money and the problems will disappear. Americans are told that there is nothing fundamentally wrong with the system. This type of discourse deprives Americans of the true knowledge they need to comprehend the serious issues facing the economy.

Quote (Ron Paul): "Read the major newspapers and watch the cable news channels: you will not see any fundamental questions raised. The debate will be resolutely confined to superficialities."

Page 138: In the year 2000 Ron Paul correctly predicted that a loss of confidence in the dollar would cause grave economic problems in the United States. In 2007 and 2008, the dollar experienced a dramatic decline in market value. Americans must open their eyes and see who is responsible for the destruction of the American dollar. The best way to understand the issue and to fix the problem is to heed the advice of the free market economists who have accurately predicted the predicament that we now find ourselves in. These economists recommend a return to sound money. The Constitution states clearly that congress has the responsibility to protect the value of the dollar by ensuring that only gold and silver are money. The Constitution also prohibits the government from emitting bills of credit, unbacked paper money.

Quote (John Adams): "All the perplexities, confusions, and distress in America, arise, not from defects in their Constitution or Confederation, not from a want of honor or virtue, so much as from downright ignorance of the nature of coin, credit, and circulation."

Quote (Ron Paul): "The power to regulate the value of money does not mean the federal government can debase the currency; the Framers would never have given the federal government such a power."

Page 139: The Constitution gave the federal government the power to legally formalize an already existing market definition of the dollar, in terms of gold. It also gave the federal government the power to regulate the ratio between the prices of gold, silver and any other monetary metal. Except for during the Civil War, the federal government actually did a good job of protecting the value of the American currency during the nineteenth century. As a result, prices were relatively stable. The Founders had first hand knowledge of the problems caused by paper currency. The government

partially financed the Revolutionary War with paper currency. By making the currency legal tender, the government was able to force it upon the population. So much paper money was printed that by the end of the war, it was worthless. This fact explains why most of the states voted to explicitly prohibit paper money in the Constitution.

Page 140: For most of America's history the dollar has been backed by a certain weight of gold. In 1933 the U.S. government took the country off of the gold standard. The government confiscated the gold of private households and made illegal any contracts that required payment in gold. From that point on the dollar could no longer be redeemed by private citizens for anything other than more paper dollars. However, in 1933, provisions were made for foreign central banks to continue redeeming their dollars in gold. This activity was finally terminated by Richard Nixon in 1971. Other governments saw that the U.S. government was printing too much money and the dollar was losing value. They started to trade in their dollars for gold. Nixon closed the gold window to stop a run on the U.S. treasury.

Quote (James Madison): "The loss which America has sustained since the peace, from the pestilent effects of paper money on the necessary confidence between man and man, on the necessary confidence in the public councils, on the industry and morals of the people, and on the character of republican government, constitutes an enormous debt against the States chargeable with this unadvised measure."

Page 141: When the Federal Reserve chairman announces that he is going to lower the interest rate, he is referring to the federal funds rate. This is the interest rate that banks charge each other to borrow money. Banks tend to borrow money from each other when they don't have enough money on hand to satisfy depositors who come in and make withdrawals. When more banks need money and there are fewer banks lending money, the federal funds rate goes up. To keep the federal funds rate from going up, the Federal Reserve buys bonds from the banks that need more money. This acts as an injection of money so that banks can satisfy customers who want to make withdrawals. In order to buy bonds from banks, the Federal Reserve creates new money and gives it to the banks in exchange for bonds. Sometimes banks don't just want more money to cover withdrawals, they want more money to make new loans. The Federal Reserve buys bonds with newly created money in that situation as well.

Page 142: In order to loan the new money, banks lower their interests rates and lending standards to

attract new borrowers. Creating and loaning out new money in this way creates serious problems. It puts more dollars into circulation which lowers the value of the dollar, making people who save in dollars poorer. Bubbles also begin to appear in the economy which must eventually pop and create economic recessions and depressions. In general, the people who receive the new money first are those who are wealthy and politically well-connected.

Quote (Ron Paul): “When the money supply is increased, prices rise – with each dollar now worth less than before, it can purchase fewer goods than it could in the past.”

Page 143: The first recipients of the new money get to spend it before prices have risen in general. They enjoy a windfall. However, as the new money makes its way through the economy it starts to raise prices across the board. Many in the lower and middle classes will not see their wages rise in proportion to the rise of prices in general. Those in the lower and middle classes will see their standard of living decline as a result. In general it is government contractors, big banks, and the politically well connected who get the money first. They enjoy a windfall at the expense of the middle and lower classes. Another large recipient of a lot of new government money is the health care industry. This helps to explain why health care costs continue to go up at such a rapid rate. The redistributive effects of money creation were first discovered by the French economist Richard Cantillon.

Quote (Ron Paul): “The average person is silently robbed through this invisible means and usually doesn’t understand what exactly is happening to him. And almost no one in the political establishment has an incentive to tell him.”

Page 144: When the government redistributes wealth by creating new money, this is actually a tax. It is a particularly unjust tax because it is hidden from plain view. People feel themselves getting poorer but they don’t know why. It is important to note that Americans throughout history have railed against the effects of paper money. People such as president Andrew Jackson and Senator Daniel Webster were extremely adamant when they spoke about the ill effects of unbacked paper money. The Consumer Price Index (CPI) is a poor indicator of how price changes affect real Americans. It doesn’t include food or energy prices. Economist Ludwig von Mises taught that governments always try to get people to focus on prices instead of growth in the money supply when thinking about inflation.

Quote (Daniel Webster): “Of all the contrivances for cheating the laboring classes of mankind,

none has been found more effectual than that which deludes them with paper money.”

Page 145: Inflation is an increase in the money supply. Rising prices are the effect of inflation. When viewed this way, there is an easy solution for ending inflation: demand that the Federal Reserve cease creating new money. When the Federal Reserve creates new money it causes interest rates to go down. New, artificially lower, interest rates encourage people to borrow and make investments that they would not have made otherwise. These new investments create a sense of increasing prosperity. Businesses expand, new projects are undertaken, and in general people feel richer. However, as the new money makes its way through the economy prices begin to rise. To cover rising costs, new loans are demanded. Interest rates begin to rise. Projects that seemed profitable at lower interest rates are no longer profitable.

Quote (Ron Paul): “When the Fed artificially lowers rates, it misrepresents economic conditions and misleads people into making unsound investments.”

Page 146: Rising interest rates will reveal that some projects must be abandoned. This will lead to temporary economic problems such as unemployment and losses. The interest rate is an indicator to business people. It lets them know whether there are ample savings available for investment. If there are a lot of savings, the interest rate will be lower. If very little savings are available the interest rate will be higher. When the interest rate is determined by the market, based on real savings, long term investment projects are sustainable. Only projects that make sense based on reality will be undertaken. When the Federal Reserve artificially lowers the interest rate, more projects seem like good investments even though they cannot be sustained by actual savings. F.A. Hayek won the Nobel Prize in economics in 1974 for proving that business cycles are set in motion by the central bank’s artificial lowering of interest rates. If the Federal Reserve continues to cut rates in the face of a recession, they can temporarily postpone the day of reckoning. However, such a policy only makes the inevitable crash worse when it finally arrives. If the central bank continues to print money to fight off the recession, hyperinflation may result.

Page 147: In some cases central bank policy will no longer stimulate the economy, even temporarily. This was the case with Japan in the 1990s. Their central bank cut interest rates all the way to zero percent and left it there for many years. Their economy showed no improvement as a result. Alan Greenspan was recently interviewed by Jon Stewart. Stewart asked him why the market couldn’t set interest rates without a central bank. Shockingly, Greenspan struggled to give a good

answer as to why the Federal Reserve should exist. If we reject central planning of the economy, we must reject a central bank. Money is involved in almost every economic transaction. It is impossible for a single individual to determine the correct interest rate. Before becoming the chairman of the federal reserve, Greenspan was an advocate of the gold standard.

Quote (Ron Paul): “Even though we point to our devotion to the free market, at the same time we centrally plan our monetary system, the very heart of the economy.”

Page 148: Ron Paul and Alan Greenspan once ran into each other at an event where Greenspan was giving a talk. Ron Paul brought a copy of an old article with him in which Greenspan had vigorously defended the gold standard. Greenspan said that he wouldn't change a word of it. However, during a subsequent committee meeting Ron Paul confronted Greenspan with the article. In front of the committee, Greenspan stated that he no longer held the opinions put forth in the article. He even went so far as to say that the Federal Reserve plays no part in financing government deficits. It is ridiculous for any Federal Reserve chairman to blame congress, and congress alone, for deficit spending. It would be impossible for congress to continue borrowing at such low interest rates if it wasn't for the Federal Reserve. The whole system is flawed.

Quote (Ron Paul): “Congress could not get away with spending beyond our means year after year if we did not have a Federal Reserve System ready to finance it all by purchasing bonds with money it creates out of thin air.”

Page 149: The question that Americans need to ask themselves is whether they want a system under which politicians can simply print money to support their schemes. The great benefit of the gold standard is that more gold cannot be created out of nowhere. If politicians want to increase government spending they have to take gold from the people. The money supply under a gold standard remains relatively stable. As an economy becomes more productive due to increased investment in capital equipment, it can produce more and more goods. With the money supply stable and the quantity of goods increasing, gold's purchasing power becomes greater. People's money becomes worth more and the standard of living increases. Since 1913, the year the Federal Reserve Act was passed, money has lost nearly all of its value. An item that cost \$100 in 2006 would have cost \$4.96 in 1913. Yet somehow the Federal Reserve has remained immune to criticism.

Quote (Ron Paul): “There is a great dispersion of power in a gold standard system. That is the

strength of the system, for it allows the people to check any monetary excesses of their rulers and does not allow the rulers to exploit the people by debasing the money.”

Page 150: Under the gold standard the value of money did actually increase. An item that cost \$100 in 1820 cost \$63.02 in 1913. The Federal Reserve has recently stopped publishing certain statistics about the money supply. The reason given for ceasing to publish the statistics is that its too expensive to collect the data. However, given the fact that they can create money at will, its more likely an attempt to keep the American people from understanding what Federal Reserve is up to. If a government continues to create money without end, it risks hyperinflation. This is exactly what happened in Germany in 1923. The French occupied the Ruhr Valley, one of Germany’s main industrial centers at the time. The German government told workers in that region to stop working and simply printed money to pay their salaries. Things got out of control and the money began to lose its value very quickly. People rushed out to buy whatever they could get their hands on before the value of money sank even further.

Page 151: As more Germans rushed out to get rid of their money, prices kept getting higher and higher. The German mark lost more and more value until it became completely valueless. In the same year as the hyperinflation, 1923, Hitler made his first attempt to grab power. In November 2007, the U.S. economy experienced price increases of 3.2% or 40% annually. It isn’t impossible that a terrible inflation could occur the United States. Creating and injecting new money into the economy creates investment bubbles. In the 1990s, monetary inflation helped to create NASDAQ bubble. Trillions of dollars were lost when that bubble popped. Politicians hate when the stock market goes down but few ever blame the Federal Reserve for causing the bubble in the first place.

Quote (Ron Paul): “Intolerance and extremism always find a readier audience in unfavorable or (as in this case) chaotic economic times.”

Page 152: The Federal Reserve, through artificially low interest rates, misleads investors on a much greater scale than analysts and financial advisers ever could. Printing more money to keep bubbles from popping only makes the eventual, inevitable downturn even more severe. The housing bubble was created by the Federal Reserve’s cheap credit policy. It printed money and gave it to the banks. With so much extra money to loan out, banks started making loans to anybody and everybody. Borrowers took the money out into the market and started to buy bigger and more expensive houses. Statistics show that the increase in mortgage debt since 2001 equals almost precisely the

increase in the money supply since 2001. People started using their houses like ATMs, borrowing against the increased value of their house to go out spend.

Page 153: The recession that took place in 2001 was the only recession in history that wasn't accompanied by a decline in housing starts. In fact, between 1998 and 2005, home prices increased by 45%. When the bubble finally burst, as it always must, people were forced to suffer dire consequences. Homeowners lost their houses due to foreclosures, personal bankruptcies abounded, and many companies went out of business. The blame must be placed where it belongs, with the Federal Reserve. It caused the bubble in the first place by injecting so much new money into the economy. Whenever the government intervenes in the economy there will be unexpected results.

Quote (Ron Paul): "Government intervention always has unintended consequences that cause harm, a truism that applies just as strongly to interventions into the monetary system. Devastated homeowners are only the latest victims."

Page 154: Debate on the efficacy of our monetary system must become a part of the public discourse. The issue has been ignored for far too long by politicians and public intellectuals. The Federal Reserve has convinced the public that Federal Reserve operations are far too complicated for the public to understand. We are supposed to just accept that the Federal Reserve is a necessary institution and not question whether we'd be better off without it. There is a stark lack of Federal Reserve critics pointing out its devastating effects on the economy. It is time to start taking a hard look at the Federal Reserve and coming up with ways to fix the monetary system.

Quote (Ron Paul): "For most people, in fact, the Fed is a complete mystery, its operations incomprehensible. That seems to be just the way the Fed likes it."

Page 155: The first step towards restoring a sound monetary system is legalizing competition in money. Americans should be allowed to use anything they wish, especially precious metals, as money. Those who prefer to use depreciating dollars as money would also be allowed to do so. There are currently many hurdles to using gold and silver as money. For example, governments at the federal and state levels charge sales and capital gains taxes on sales of precious metals. Nobody else is proposing any solutions for protecting Americans from the ravaging of the value of the dollar caused by the Federal Reserve. Apparently, almost nobody in the political arena believes it possible that an economic crises can occur which the Fed will not be able handle.

Quote (Ron Paul): "What if economic law, which the Fed can no more defy than it can repeal the

law of gravity, is about to hit the Fed and the American people like a tidal wave, before which little rate cuts here and there are like the tiny umbrella Wile E. Coyote puts over his head to protect himself from falling boulders?”

Page 156: If those who advocate sound money are wrong, allowing competition in the money market is no big deal. Neither is eliminating a few taxes on gold and silver. However, if they are right their plan provides a way for Americans to avoid a true crises. The time has come to completely reform the monetary system. The time for trivial, inconsequential changes has long since passed. Trying to cure symptoms of the problem and not the problem itself is sure to lead to failure. Printing more money cannot solve problems caused by printing too much money. Financial bubbles are not inherent to the free market system. We must start placing the blame where it belongs.

Chapter 7: The Revolution

Page 157: Some people hold the philosophy that human beings don't care about freedom. All they care about is being fed, clothed, and entertained. That is false. As an example, the American Revolution would not have been possible unless the majority of Americans cared deeply about freedom. Contrary to popular belief, the vast majority of Americans supported the war of independence from Great Britain.

Page 158: Liberty isn't given a fighting chance in American society. Many young people today don't even know what liberty means and how it relates to American history. They get excited when they hear about it for the first time. There is a great battle of ideas taking place and the best way to fight the battle is to learn about liberty. If a true supporter of liberty ever becomes president, there are a few things such a person absolutely must embrace. An attitude change must take place regarding what the role of government should be. The United States government should not be looked at as the policeman of the world. Also, the notion that the government should take care of us from the day we are born until the day that we die should be completely done away with.

Quote (Ron Paul): "We are engaged in a great battle of ideas, and the choices before us could not be clearer. I urge those who agree with this important message to educate themselves in the scholarship of liberty."

Page 159: The United States government borrows \$2.2 billion everyday to finance the welfare/warfare state. Most of that money comes from China and Japan. It is unrealistic to believe that foreign countries will continue to finance American profligacy. This is especially true because the dollar denominated bonds that they hold continue to lose their value due to Federal Reserve money printing. Once foreign countries pull the plug, reality will come crashing down upon us. To grow out of our debt problems, our economy would have to grow at double digit rates for 75 years in a row. Even though politicians don't like to talk about it, our current way of life is going to come to an end. The good news is that more and more Americans are becoming aware of the problems and are willing to face the problems with wisdom and fortitude.

Quote (Ron Paul): "They hope and believe that the American people are too foolish, uninformed, and shortsighted to be concerned, and that they can be soothed with pleasant slogans and empty promises of more loot."

Page 160: In the short run, all government programs need not be abolished immediately.

Domestic social programs should be funded by scaling back our overseas military commitments. People who have learned to be dependent on government programs should be eased off, not thrown out into the street. However, the goal should be to eliminate many government programs entirely. Our guide for which programs to eliminate should be the Constitution. Many of these programs are insolvent in any event. Social Security recipients have planned their lives according to the promises they received from the government. Their benefits should continue. The government should not, however, be able to borrow money from the Social Security trust fund. As it stands now, there is no money in the trust fund, it has all been borrowed.

Quote (Ron Paul): “Current workers are not building up a Social Security nest egg for themselves; they are giving their money to current recipients and hoping there will be enough workers to support them when they reach retirement age.”

Page 161: Young people should have the right to opt out of Social Security. Current Social Security benefits should be financed by scaling back overseas expenditures. If we are truly in favor of shrinking the size of government we must cut military bureaucracies as well as welfare bureaucracies. The budgets of every major federal department should be immediately frozen. Except for the department of State and the department of Justice, almost all federal departments deal with issues that the Constitution leaves up to the various states. Federal bureaucrats should no longer be able to get rich off of these unconstitutional powers.

Quote (Ron Paul): “If we really oppose Big Government, we cannot make an artificial exception for bloated military bureaucracies, which traditional budget-minded conservatives never hesitated to look at seriously as a source of potential savings.”

Page 162: We no longer have the resources to support so many government programs. The only thing holding the American people back is a fear of the unknown. They no longer know what it's like to be free. For example, we don't need a federal department of education. Americans can certainly figure out how to educate their children without the help of the federal government. For most of the twentieth century, when there was no federal department of education, the population was much better educated. Cutting these programs would strengthen the dollar which would be a boon for the lower and middle classes. Americans should once again have the freedom to conduct transactions in any money they see fit.

Quote (Ron Paul): “It is only our intellectual inertia and lack of imagination that makes us think

these departments necessary in the first place.”

Page 163: The president does not have the authority to create and enforce new laws on his own. However, he does have the ability to decide which laws will be most stringently enforced. For example, the president could decide to provide no resources for the prosecution of medical marijuana patients. He could refuse to enforce any law that violates the Constitution. The president can take this action even if the congress passes unconstitutional laws. As commander in chief of the armed forces, the president can immediately bring all troops home from around the world. Some say bringing home our troops would cause chaos, but chaos already exists.

Page 164: The president should make it clear that the United States has no intention of attacking Iran. Diplomatic relationships should be resumed and sanctions removed. This would cause the price of oil to fall immediately and would salvage America’s diplomatic credibility. The White House should cease looking for justifications to conduct more and more military operations. The American people should not have their patriotic sensibilities manipulated into supporting pointless overseas conflicts. We must end our government’s interventionist foreign policy and hold our government to the same standards that we claim to hold other governments to.

Quote (Ron Paul): “In other words, we need to keep our wits about us, and replace our bull-in-a-china-shop foreign policy with a statesmanlike approach that is appropriate to the real needs of American security.”

Page 165: If we are truly opposed to isolationism, we should lift the sanctions against Cuba. Sanctions hurt the population of the target country and have a tendency to empower the government that is in charge. It is ridiculous that Americans can’t travel to and trade with Cuba. Bringing troops home from around the world is essential to getting our national budget under control. It doesn’t make sense to have 75,000 troops in Germany when we’re going broke. The president should notify our allies and begin a troop withdrawal immediately. This type of foreign policy is the proper one for a peaceful republic. Following such a foreign policy would make the military more efficient and effective at protecting Americans. Removing the burden of supporting a worldwide military would strengthen our economy.

Quote (Ron Paul): “I spoke to a huge rally – with Cuban Americans making up 70 percent of those in attendance – where everyone cheered the message of freedom.”

Page 166: The policy opinions put forth in this book are the only practical options for the United

States. Ignoring them will lead to more losses of freedom, more war, and a continued deterioration of the economy. The United States cannot continue to function as an empire. Like all empires in the past, we have spread ourselves too thin and face an economic meltdown. We can either accept reality and scale back the empire or wait until reality is imposed on us via national bankruptcy. There is no doubt that pursuing such a policy would be a challenge. But it may not be as difficult as many would suppose. We could finally begin to get out from underneath a crushing debt load and the effects of such a policy would have miraculous effects on our economy. Doing nothing would be much more difficult. The young people of the United States of America are waking up to the reality of our situation much faster than any other segment.

Quote (Ron Paul): “This is the fate of all empires: they overextend themselves and then suffer a financial catastrophe, typically involving the destruction of the currency.”

Page 167: We are not destined to go the way of other empires in the past. The American people have a say about which direction they want the country to go in. If the American people want to be free of a burdensome, war making, money printing government, the choice is theirs.

Quote (Ron Paul): “Ours is not a fated existence, for nowhere is our destiny etched in stone. In the final analysis, the last line of defense in support of freedom and the Constitution consists of the people themselves. If the people want to be free, if they want to lift themselves out from underneath a state apparatus that threatens their liberties, squanders their resources on needless wars, destroys the value of their dollar, and spews forth endless propaganda about how indispensable it is and how lost we would all be without it, there is no force that can stop them.”