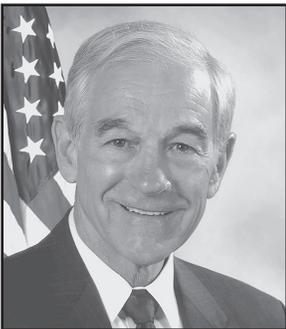


Ron Paul's FREEDOM REPORT

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Congress Defers to President on NSA Reform



Texas Straight Talk, 1/13/14

Congress's decline from the Founders' vision as "first among equals" in government to an echo chamber of the unitary executive, has been a slow but steady process. In the process we have seen a steady stream

of unconstitutional wars and civil liberties abuses at home. Nowhere is this decline more evident than in the stark contrast between the Congressional response to intelligence agencies' abuses during the post-Watergate era and its response to the far more serious NSA abuses uncovered in recent years.

In 1975, Senator Frank Church (D-ID) convened an historic select committee to investigate the US intelligence services for possible criminality in the wake of Watergate. Thanks in part to reporting by Seymour Hersh and others, abuses by the CIA, NSA, and FBI had come to light, including the monitoring of US peace activists.

The Church Committee played its proper Congressional role, checking the power of the executive branch as it had been spiraling out of control since the 1950s and the early CIA covert action programs. The Committee sought to protect US citizens against abuses by their government after those abuses had come to light through leaks of secret government documents.

The parallel to the present NSA scandals cannot be ignored. What is completely different, however, is that Congress is today acting as an advocate for the executive branch's continuing abuses, and as an opponent to

the civil liberties of US citizens. Not only has Congress – with a precious few exceptions – accepted the NSA's mass spying program on American citizens, it has actually been encouraging the president to continue and expand the program!

Where once there was a Congressional committee to challenge and oppose the president's abuse of power, today the president himself has been even allowed by a complacent Congress to hand pick his own NSA review commission!

Are we really expected to believe that a commission appointed by the president to look into the activities of the president's intelligence services will come to anything more than a few superficial changes to give the impression of real reform?

One of the president's commission recommendations is that the NSA cease holding our phone records and demand that the private phone companies retain those records instead – for the NSA to access as it wishes. This is supposed to be reform?

The president will make a speech this Friday to tell the rest of us which of the suggestions made by his own commission he will decide to implement. Congress has no problem with that. Rep. Adam B. Schiff (D-Calif.) admitted last week that Congress has no intention of asserting itself in the process. "It's my hope that [Obama will] do as much as he can through the executive process because the legislative process will be difficult, perilous and long."

Senator Church famously said back in 1975:

"In the need to develop a capacity to know what potential enemies are doing, the United States government has perfected a technological capability that enables us to monitor the messages that go through the air... We

must know, at the same time, that capability at any time could be turned around on the American people, and no American would have any privacy left... There would be no place to hide.... I know the capacity that is there to make tyranny total in America, and we must see to it that this agency and all agencies that possess this technology operate within the law and under proper supervision so that we never cross over that abyss. That is the abyss from which there is no return.”

Have we reached that point? Let us hope not. Real reform begins with the repeal of the PATRIOT Act and of the 2001 Authorization for the use of military force. If we keep our eye on that goal and not allow ourselves to become distracted with the president’s phony commissions we might force Congress to listen.

Ron Paul’s Texas Straight Talk, 12/30/13

Government Policies Hurt Low-Wage Workers

Fast-food workers across the county have recently held a number of high profile protests to agitate for higher wages. These protests have been accompanied by efforts to increase the wages mandated by state and local minimum wage laws, as well as a renewed push in some states and localities to pass “living wage” laws. President Obama has proposed raising the federal minimum wage to ten dollars an hour.

Raising minimum wages by government decree appeals to those who do not understand economics. This appeal is especially strong during times of stagnant wages and increased economic inequality. But raising the minimum wage actually harms those at the bottom of the income ladder. Basic economic theory teaches that when the price of a good increases, demand for that good decreases. Raising the minimum wage increases the price of labor, thus decreasing the demand for labor. So an increased minimum wage will lead to hiring freezes and layoffs. Unskilled and inexperienced workers are the ones most often deprived of employment opportunities by increases in the minimum wage.

Minimum wage laws are not the only example of government policies that hurt those at the bottom of the income scale. Many regulations that are promoted as necessary to “rein in” large corporations actually hurt small businesses. Because these small businesses op-

erate on a much narrower profit margin, they cannot as easily absorb the costs of complying with the regulations as large corporations. These regulations can also inhibit lower income individuals from starting their own businesses. Thus, government regulations can reduce the demand for wage-labor, while increasing the supply of labor, which further reduces wages.

Perhaps the most significant harm to low-wage earners is caused by the inflationist policies of the Federal Reserve. Since its creation one hundred years ago this month, the Federal Reserve’s policies have caused the dollar to lose over 95 percent of its purchasing power—that’s right, today you need \$23.70 to buy what one dollar bought in 1913! Who do you think suffers the most from this loss of purchasing power—Warren Buffet or his secretary?

It is not just that higher incomes can afford the higher prices caused by Federal Reserve. The system is set up in a way that disadvantages those at the bottom of the income scale. When the Federal Reserve creates money, those well-connected with the political and financial elites receive the newly-created money first, before general price increases have spread through the economy. And most fast-food employees do not number among the well-connected.

It is not a coincidence that economic inequality has increased in recent years, as the Federal Reserve has engaged in unprecedented money creation and bailouts of big banks and Wall Street financial firms. As billionaire investor Donald Trump has said, the Federal Reserve’s quantitative easing policies are a great deal for “people like me.” And former Federal Reserve official Andrew Huszar has called QE “the greatest backdoor Wall Street bailout of all time.”

Many so-called champions of economic equality and fairness for the working class are preparing to confirm Janet Yellen as next Chairman of the Federal Reserve. Yet Yellen is committed to continuing and even expanding, the upward redistributionist policies of her predecessors. Washington could use more sound economic thinking and less demagoguery.

By increasing unemployment, government policies like minimum wage laws only worsen inequality. Those who are genuinely concerned about increasing the well-being of all Americans should support repeal of all laws, regulations, and taxes that inhibit job creation and economic mobility. Congress should also end the most regressive of all taxes, the inflation tax, by ending the Federal Reserve.

Ron Paul on Obamacare: 'It's a Tax'

VARNEY: Does this ObamaCare fiasco spell the end of activist government, do you think?

PAUL: I wish, but no. No, there's a lot of die-hards up there. There will be excuses made and the politicians will spin it a certain way, but it will eventually end because it's such a disaster.

I mean, this is a—this is a sign that the delivery of health care will even be worse than signing up for the health care. So, and it's a tax in many ways, because the insurance policies are going up.

But the big thing that they never ask and never talk about is whether the government is supposed to be involved in contracts and and having [insurance] policies.

One is to guarantee the policy, and you can't cancel it. But here the government gets involved and all of a sudden the insurance companies can cancel—cancel you willy-nilly. The insurance companies thought they were going to get a big deal because they were going to get a lot more customers, but then they had mandates and they had to put certain things on and it's skyrocketing.

I think the cost of medical care, when it's all added up in a year or two, it is going to be huge. It's going to be like a tax. And the quality of care and what people are going to get, everybody tells me, yes, they're canceling me, they're charging me more, I'm getting less, and they're furious. It's going to be the biggest political issue in the whole next year or this -- this year in this year's campaign.

VARNEY: But we can't get rid of it in the near term. It cannot be reversed for some time to come.

PAUL: No.

VARNEY: The question is, is it so entrenched that you really cannot repeal it totally and get rid of it completely?

PAUL: No, you're not going to get rid of it. You're

right about that. They're going to limp along. If Republicans win in the fall, they may tamper it a bit, tinker with it and change it a bit.

But the only way it's going to disappear quickly is if it totally self- destructs, which is conceivable, everybody just quits because they're getting nowhere with it and they just opt out.

Today, if—even if you're of modest income, if you go to a doctor and say, hey, look, all I want to do is pay you cash, and give me some services, believe me, it's very, very cheap.

The one problem is, is it that if they do it, they might be breaking some federal law. You know, if they're dealing with the government in any way and they come in and somebody comes in and says, well, this \$500 procedure, it costs that much, I will do it for \$100, he – the doctor can get in trouble with that and be penalized and convicted of a crime.

But, one day, it's going to be so bad, people are just going to opt out on their own. What we need to do is change the Congress and allow people to get out of this monstrosity as soon as they want.

VARNEY: Do you think there's a direct relationship between new taxes on health care premiums, on plans themselves, and the spike—on insurance itself—and the spike in premiums that we're seeing? Is there a relationship between the two?

PAUL: Oh, yes, I think so.

And I think the insurance companies sort of had a quid pro quo that they could raise these fees. I think it's all a tax whether the insurance company raises their fees or there's a tax directly from the government. It's all a tax, and if you talk about inflation, as medical care is a significant percentage of our cost of living, and it's going to go up hugely.

So we have inflationary costs and quality going down and people angry, and all...

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Iraq: The 'Liberation' Neocons Would Rather Forget

Remember Fallujah? Shortly after the 2003 invasion of Iraq, the US military fired on unarmed protesters, killing as many as 20 and wounding dozens. In retaliation, local Iraqis attacked a convoy of US military contractors, killing four. The US then launched a full attack on Fallujah to regain control, which left perhaps 700 Iraqis dead and the city virtually destroyed.

According to press reports last weekend, Fallujah is now under the control of al-Qaeda affiliates. The Anbar province, where Fallujah is located, is under siege by al-Qaeda. During the 2007 "surge," more than 1,000 US troops were killed "pacifying" the Anbar province. Although al-Qaeda was not in Iraq before the US invasion, it is now conducting its own surge in Anbar.

For Iraq, the US "liberation" is proving far worse than the authoritarianism of Saddam Hussein, and it keeps getting worse. Last year was Iraq's deadliest in five years. In 2013, fighting and bomb blasts claimed the lives of 7,818 civilians and 1,050 members of the security forces. In December alone nearly a thousand people were killed.

I remember sitting through many hearings in the House International Relations Committee praising the "surge," which we were told secured a US victory in Iraq. They also praised the so-called "Awakening," which was really an agreement by insurgents to stop fighting in exchange for US dollars. I always wondered what would happen when those dollars stopped coming.

Where are the surge and awakening cheerleaders now?

One of them, Richard Perle, was interviewed last year on NPR and asked whether the Iraq invasion that he pushed was worth it. He replied:

I've got to say I think that is not a reasonable question. What we did at the time was done in the belief that it was necessary to protect this nation. You can't a decade later go back and say, well, we shouldn't have done that.

Many of us were saying all along that we shouldn't have done that – before we did it. Unfortunately the Bush Administration took the advice of the neocons

pushing for war and promising it would be a "cakewalk." We continue to see the results of that terrible mistake, and it is only getting worse.

Last month the US shipped nearly a hundred air-to-ground missiles to the Iraqi air force to help combat the surging al-Qaeda. Ironically, the same al-Qaeda groups the US is helping the Iraqis combat are benefiting from the US covert and overt war to overthrow Assad next door in Syria. Why can't the US government learn from its mistakes?

The neocons may be on the run from their earlier positions on Iraq, but that does not mean they have given up. They were the ones

pushing for an attack on Syria this summer. Thankfully they were not successful. They are now making every effort to derail President Obama's efforts to negotiate with the Iranians. Just last week William Kristol urged Israel to attack Iran with the hope we would then get involved. Neoconservative Senators from both parties recently introduced the Nuclear Weapon Free Iran Act of 2013, which would also bring us back on war-footing with Iran.

Next time the neocons tell us we must attack, just think "Iraq."

Nothing in this publication is intended to aid or hinder the passage of legislation before Congress.

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