

# **Ron Paul: A Most Unusual Politician**

by Murray N. Rothbard

Ron Paul is a most unusual politician – in many ways. In the first place, he really knows what he’s talking about. He is not only for the gold standard. He knows why he is for it, and he is familiar with the most advanced and complex economic insights on the true nature of inflation, on how inflation works, and how inflationary credit expansions brings about booms and busts. And yet Ron has the remarkable ability to take these complex and vital insights and to present them in clear, lucid, hard-hitting terms to the non-economist reader. His economics is as sound as a bell.

But, even more important, Ron Paul is an unusual politician because he doesn’t simply pay lip service to moral principles. He believes in moral principles in his mind and heart, and he fights for them passionately and effectively. High on his set of moral principles is the vital importance of individual freedom, of the individual’s natural right to be free of assault and aggression, and of his right to keep the property that he has earned on the free market, and not have it stolen from him by confiscatory taxes and government regulations.

Ron Paul, in short, is that rare American, and still rarer politician, who deeply understands and battles for the principles of liberty that were fought for and established by the Founding Fathers of this country. He understands that sound economics, moral principles, and individual freedom all go together, like a seamless web. They cannot be separated, and they stand or fall together.

Ron Paul understands that all three parts of this system of liberty have

been under grave attack for decades, and that the main problem is the federal government itself. The government has systematically eroded and invaded property rights, has piled on ever higher taxes, ever more onerous regulations, and, most sinister because most hidden, has eroded the value of the dollar and of all our savings through inflation. Ron Paul is an unusual politician because he is not content to shrug his shoulders, to "go with the flow," as Californians say, or to go along in order to get along. He is a man of honor as well as a man of principle, and so he has, ever since he got into politics, been doing something about it. He has fought, sometimes single-handedly, for our liberties and for our savings.

Inflation, as Ron Paul points out, is caused by the government's continual creation of new money, by what amounts to its system of legalized counterfeiting. But, if that is so, why not simply urge the government to stop the creation of money? Why not point out to our rulers the bad consequences of their actions? But Ron Paul realizes that this kind of education, or even pressure, is not going to work by itself. For we are dealing not simply with ignorant or misled people; we are dealing with a pernicious system.

Let us put it this way: give any man or group power, and it will tend to use that power. If the power is inherently abusive, then that power will be abused. Our present system gives to the federal government and its Federal Reserve the unlimited power to counterfeit. The problem is that if the Fed has the power to counterfeit, it will inevitably use that power. Why? Because the power to counterfeit is too tempting. The power to create money means that it is far more tempting to print it than to work for it. It means that the counterfeiter can pay his debts, spend more money, give more money to his friends and associates. In the case of government, the power to counterfeit means that government's debts can be paid without levying taxes, that government spending can increase, and that political allies can be purchased and maintained.

The power to counterfeit is the power to abuse. It is not enough to urge the government to use it more moderately. The power must be taken away. Counterfeiting is fraud, and no one should have the right to counterfeit, least of all the government, whose record of counterfeiting throughout history is black indeed. Money and banking must be separated from the State, just as Church and State are separated in the American tradition, just as the economy and the State

should be separated.

Vital to this necessary reform is the return to a money which is a useful product produced by the free market itself. In every society, people on the market voluntarily arrive at one or two commodities which are the most useful to use as money. For thousands of years, gold has been selected by countless societies as that money. The only alternative to a market commodity-money is what we unfortunately

have now: paper tickets issued by the government and called "money." Since the paper tickets – dollars, francs, pounds sterling, or what have you – are issued by the government, the government can issue any amount it arbitrarily chooses. Counterfeiting is built into the system, and hence so is inflation and eventual destruction of the currency.

The only genuine solution to the evil of inflation, then, is to separate money from the State, to make money once again a market commodity instead of a fiat ticket issued by the central government. The dollar must once again be what it was originally until it was, in effect, nationalized. The dollar must once again be simply a name for a unit of weight of gold coin. Only this kind of fundamental reform will cure the ravages of inflation.

Because Ron Paul is one of the few men in public life who truly understands the problem and is willing to fight to cure it, it is truly a pleasure for me to write the preface to this booklet.

