



The Ron Paul Investment Letter

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"Conservatives" Join Trilateral Commission

Each year the Rockefellers' Trilateral Commission—a central organ of the Establishment—inducts a few new members. Included this year are conservative heroes George Will and Jeanne Kirkpatrick.

Columnist Will is a self-proclaimed Tory. The original Tories supported British tyranny against the Founding Fathers; Will supports federal tyranny against the American people. Will, who calls the American people "undertaxed," is a frequent social guest of the Reagans. The Council on Foreign Relations calls his books "on target to

preserve Western Civilization." Or at least the Rockefellers' part of it.

Former UN Ambassador Kirkpatrick, a protégé of Hubert Humphrey, is a potential Republican vice-presidential candidate in 1988 (with George Bush). Like Will, she is an advocate of an Establishment-run welfare-warfare state.

Many conservatives think of Will and Kirkpatrick as good guys. In fact, they are two of our enemies, active opponents of limited government, sound money, and a pro-American foreign policy. The Establishment ranges from "liberal" Democrats to "conser-

vative" Republicans. Their tone may be different, but all are united in their determination to rule us and profit from it. That's why we need to pay attention to the substance and not the tone.

Other new Trilateral Commission members: David Stockman, former director of OMB and now partner in Wall Street's elite Salomon Brothers; Mayor Andrew Young of Atlanta; Mayor Tom Bradley of Los Angeles; Governor Bruce Babbitt of Arizona; former Secretary of State Alexander Haig; Senator John Glenn (D-OH); and Senator William Cohen (R-ME).

Disinformation on the Budget

When a President more than doubles the national debt and plans to keep on borrowing, how can he calm the political concerns about the deficit? Easy—he can redefine the word.

That's why the administration now proposes to adjust the federal debt for inflation. The idea came from Professor Robert Eisner, a leftwing Keynesian who wrote *How Real Is the Federal Deficit?* His answer—that it is not real—is popular with the administration.

According to Eisner, the government is running a surplus (and War is Peace and Lies are Truth). Inflation, say Eisner and the administration, reduces the size of the government's debt since it's paid off in depreciated dol-

lars. This year, for example, we had 2.5% inflation according to government figures. Subtract 2.5% from the national debt of \$2.2 trillion, and you have \$55 billion. Subtract \$55 billion from the current official deficit of \$220 billion and...magic! The deficit shrinks to \$165 billion—below the Gramm-Rudman target.

And that's not all. The administration also proposes a "capital budget" for the federal government. Perverting a private-sector practice, the feds will separate borrowing for long-term "assets" from borrowing for short-term "operations." Taxpayers, they claim, benefit from borrowing for long-term assets and, therefore, this should not be part of the deficit.

What items will be considered "capital expenditures"? Public works and
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