

Congressman Ron Paul
Statement before the Financial Services Committee
Subcommittee on Domestic & International Monetary Policy
U.S. House of Representatives
Hearing on Proposed UIGEA Regulations
April 2, 2008

Mr. Chairman,

I stand opposed to the regulations being discussed today because I opposed the underlying bill upon which these regulations are based. The ban on Internet gambling infringes upon two freedoms that are important to many Americans: the ability to do with their money as they see fit, and the freedom from government interference with the Internet.

The proper role of the federal government is not that of a nanny, protecting citizens from any and every potential negative consequence of their actions. Although I personally believe gambling to be a dumb waste of money, American citizens should be just as free to spend their money playing online poker as they should be able to buy a used car, enter into a mortgage, or invest in a hedge fund. Risk is inherent in any economic activity, and it is not for the government to determine which risky behaviors Americans may or may not engage in.

The Internet is a powerful tool, and any censorship of Internet activity sets a dangerous precedent. Many Americans rely on the Internet for activities as varied as watching basketball games, keeping up on international news broadcasts, or buying food and clothing. In the last few years we have seen ominous signs of the federal government's desire to control the Internet. The ostensible reasons are to protect Americans from sex offenders, terrorists, and the evils of gambling, but once the door is open to government intrusion, there is no telling what legitimate activity, especially political activity, might fall afoul of government authorities.

The regulations and underlying bill also force financial institutions to act as law enforcement officers. This is another pernicious trend that has accelerated in the aftermath of the Patriot Act, the deputization of private businesses to perform intrusive enforcement and surveillance functions that the federal government is unwilling to perform on its own.

In conclusion, I urge my colleagues to oppose these new regulations and support Chairman Frank's HR 2046, of which I am a cosponsor. Although this bill has been criticized by some for its regulatory aspects, this act does not create any new federal laws and merely ensures that Internet gambling firms comply with existing federal law. The passage of HR 2046 would restore the right of Americans to decide for themselves whether or not to gamble online.