

from 65 percent to just 25 percent during that same period.

What must the United States sacrifice to gain these trade benefits? Nothing. All we have to do is make permanent what we have been doing for 20 years. We have been doing it on an annual basis. The U.S. granted China most-favored-nation status, now called normal trading relations status, in 1980. Simply by voting to continue this policy on a permanent basis, the Chinese will be required to reduce their tariffs, revise their trading practices, abide by the rule of law and remove their phony trade barriers on many of our products.

Therefore, the question coming before this House is this: Do we allow the U.S. tobacco growers and other farmers to take advantage of this new access? Or do we shut them out and give our competitors free reign to enjoy the fruits of our hard work and the negotiations that have taken place? To me, the answer is easy, which is why I support PNTR for China.

This does not mean that I am looking at this with my eyes closed. China has problems it needs to address before formally coming into WTO. Of special concern to me is China's use of blue mold as a phony barrier to keep our tobacco farmers from entering into this market. Barring our tobacco from their market based on the contention that blue mold could affect their crop has no basis in science and is a barrier that does not stand the light of day. I have been helping to lead the effort with other Members of this House to make sure that this issue is resolved satisfactorily, and I trust that our USDA and Chinese officials will have an announcement on this in the very near future.

While I have spoken at length about tobacco, China's entry into WTO will also greatly benefit North Carolina's poultry, pork, grain and other industries in our State. The North Carolina Department of Agriculture estimates that poultry, pork and a wide variety of other farmers could also see a steady increase in exports if China is granted PNTR. Last year, North Carolina exported more than \$300 million in chicken and turkey products. China is the second leading market for U.S. poultry exports, with North Carolina producers selling tens of millions of dollars worth of poultry to China every year. Under the WTO agreement, China will cut its tariff in half, from 20 percent to 10 percent by 2004 for frozen poultry cuts. There will be no quantity limits at this tariff level, for China has agreed to accept all poultry meat from the United States that is certified wholesome by the United States Department of Agriculture. The same is true for pork. About 60 percent of all meat consumed in China is pork. This will make a big difference for us. I think China PNTR is a win-win for our farmers.

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

(Mr. THUNE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### PNTR FOR CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Mr. Speaker, this evening I want to commend the President, the Speaker of the House, and leaders on both sides of the aisle for their work on China permanent normal trade relations. I commend the gentleman from Texas (Mr. COMBEST) of the Committee on Agriculture and the ranking member the gentleman from Texas (Mr. STENHOLM) for their work on opening markets with China and many other countries. I want to commend Ambassador Barshesky, Secretary of Agriculture Dan Glickman and Secretary of Commerce Bill Daley for their work in opening markets to American agriculture and other commodities.

If Congress does not pass PNTR for China, it will be the worst economic policy decision since the Smoot-Hawley act of 1930 that the Congress has made. Smoot-Hawley was based on the idea that our economy can succeed while all other economies of the world fail. This is simply not the case. Failure to pass PNTR will be a step toward the isolation of Smoot-Hawley and a step away from the global business practices which have fueled our economic growth.

PNTR is a good deal for business, workers, farmers, consumers and all Americans. It is an especially good deal for American agriculture. We produce more food than we can consume. With 1.3 billion people, 20 percent of the world's population, China must import food to feed its people. Based on this fact, the agriculture relationship is a win-win situation for both countries.

For the district that I am fortunate to represent, the First Congressional District of Arkansas, China PNTR represents opening the largest market in the world to rice, soybeans, cotton, wheat, poultry, fish, beef, pork and other products. Agriculture is just one example of the tremendous benefits that China PNTR holds for Arkansas and America. This agreement is also good for financial services, insurance, information and technology, automobiles, chemicals, entertainment, telecommunications and many others. When average tariffs for American products that are going into China are cut from 24 to 9 percent, only good things can result for America's economy.

American farmers and businesses can compete on a level playing field with anyone else in the world. This agreement goes a long way towards creating a level playing field between America

and China. Additionally, we give up nothing by granting China PNTR. This agreement grants us access to their markets but does not give them any more access to our market than they already have.

□ 2045

If China PNTR does not happen, we will lose out, the rest of the world will gain, other countries in regions from Europe to South America will be doing business and laughing all the way to the bank with their profits. If we do not pass PNTR, the principal effect will be to deny the American economy the benefits of trading with the largest country and the largest population in the world.

I also firmly believe that China's human rights record must improve. The best way to be accomplish this is to bring them into the international community. By trading with them rather than refusing to relate to them, we will be able to have a positive influence on human rights in China.

Another common misperception is that China PNTR is bad for industries which have been hurt by trade. This is simply not true. We will have stronger trade laws under this agreement with a product-specific safeguard and permission to unilaterally retaliate should the Chinese engage in unfair trading practices. This agreement contains strong legal protections for American industries. If we fail to pass PNTR, American business will lose these protections.

Mr. Speaker, this decision is the right one. Trade with China is good from an economic standpoint, from a human rights standpoint, and from a national security standpoint. We must not allow China PNTR to be bogged down by politics. We should pass PNTR because it is the right thing to do for America.

#### THE DOLLAR AND OUR CURRENT ACCOUNT DEFICIT

The SPEAKER pro tempore (Mr. SHERWOOD). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, fiat money, that is, money created out of thin air, causes numerous problems internationally as well as domestically. It causes domestic price inflation, economic downturns, unemployment, excessive debt, corporate, personal and government, malinvestment and overcapacity, all very serious and poorly understood by many of our officials.

But fluctuating values in various paper currencies cause all kinds of disruptions in international trade and finance as well. Trade surpluses and deficits when sound money conditions exist are of little concern, since they prompt changes in policy or price adjustments in a natural or smooth manner. When currencies are non-convertible into something of real value, they can be arbitrarily increased at will.