

HOUSE OF REPRESENTATIVES—*Tuesday, July 27, 1999*

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mrs. WILSON).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 27, 1999.

I hereby appoint the Honorable HEATHER WILSON to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Oregon (Mr. BLUMENAUER) for 5 minutes.

LIVABLE COMMUNITIES IN A GLOBAL ECONOMY

Mr. BLUMENAUER. Madam Speaker, one aspect of the livable community in a global economy is the struggle of this Congress to understand the huge and complex nation, that is China. An ancient society, over 4,000 years old, and a large country, almost beyond our comprehension, more than four times the United States, a quarter of the world's population. In my lifetime, we have turned a blind eye to the cruelty and corruption of the Kuomintang government, headed by Chiang Kai-Shek.

We chose to support that effort during World War II. We ended up making some unfortunate decisions perhaps only history will judge, but the recent evidence suggests that we did not have to make as much of an enemy of Mao Tse-Tung and the communists.

This tragic miscalculation came into fore during the Korean war, when General MacArthur defied President Truman and enlarged the conflict and ultimately cost thousands of United States lives that was unnecessary. At the

time, of course, in the well of this Congress, MacArthur was viewed as a hero and Truman was vilified.

History has shown that President Truman was, in fact, a visionary in a number of respects; one of our greatest presidents, praised by no one less than Ronald Reagan, but we have seen the ebb and flow on this floor where Congress simply has not exercised proper perspective.

We saw where Richard Nixon, who was characterized during his early career as a red baiter, as someone who was against the Communist Chinese, yet he was able during his presidency, one of the most enduring and lasting contributions was to swing the balance of power towards a more strategic alliance with China, and that hastened the collapse of the former Soviet Union.

We have seen China behave as a nation of what appears to be to us in excess. The great leap forward, costing millions of lives of their own people, the cultural revolution of the seventies, the current turmoil that is in this context is perhaps a little more understandable, but one thing is very clear, that we are seeing unprecedented access to the Chinese people, more and more educated abroad, particularly in the United States.

Even with the Internet access, it is transforming the internal dynamics of China. The United States does not have to sit back helplessly as we look at forces in China but nonetheless it seems to me important that we do not use heavy-handed, clumsy behavior, assuming that the United States can isolate China and make it bend to our dictates. It is important that we use trade and our economic relationship as tools.

There is no turning back. Our history, both of the United States and of the West in general, has been mixed with the Chinese and there is much to make them apprehensive, but the United States has paid a heavy price for miscalculating during World War II, during the Korean War and Vietnam.

The United States and China spies on each other continuously but we really do not know each other very well. I am hopeful that this week on this floor Congress will reject the notion that we ought not to treat China as we do 180 other countries, with normal trade relations, because if we are able to take that important step, it is only going to hasten the further change and progress within China, strengthening our country, strengthening the Chinese people and their economy, and ultimately the world itself will be a better place.

A DEBT MONEY SYSTEM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Washington (Mr. METCALF) is recognized during morning hour debates for 5 minutes.

Mr. METCALF. Madam Speaker, there is a fundamental flaw in our money system that allows money to be created as a debt instrument. It is called a debt money system, and money must never be created and loaned into circulation. The reason this must be avoided at all costs is that when interest is charged on money at the point of issue, the interest is mathematically unpayable.

This can be illustrated. Let me give just a quick example. It is an oversimplification. Let us say that five people design a money system. They create \$50 in currency without intrinsic value, paper currency, say. Each one borrows \$10 and agrees to repay the \$10 in one year and, of course, they will pay interest on it. They will each pay \$1 in interest.

Now, this is obviously a flawed system because if only \$50 is created, a year later it is impossible for \$55 to be repaid. Someone in the system is going to lose their collateral that they pledged for the loan.

Unfortunately for us, this is the kind of system which has been imposed on this country. The deeper problems do come to light as we look carefully at our monetary system.

Now, there will always be some people who are better managers, just good at business or just lucky in their choices. That is the first group. They will prosper in any system. Then there is the upper middle class who will manage a satisfactory standard of living. Then next is the lower middle class, who may manage a satisfactory standard of living by working two jobs or being frugal in their spending or so forth.

Number four, there are the working poor who really do work hard but at low paying jobs they can never get ahead at all.

Number five, at the bottom are the hopeless poor who may work some or are on some sort of welfare but have little chance to better their situation in the real world. They are the last hired in good times and the first fired when the economy is slipping.

Now, it is easy to say this group does not have the skills, probably true; does not want to work, probably not true, but in any event there is strong evidence that the system, the system we

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.